

CITY OF



MIDDLETOWN

Annual Comprehensive Financial Report

*For the Year Ended
December 31, 2021*

City of Middletown
One Donham Plaza
Middletown, Ohio

CITY OF MIDDLETOWN, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2021

Prepared by
Finance Department

Samantha Zimmerman
Finance Director

CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021

Table of Contents

	<u>Page</u>
<hr/> <hr/> INTRODUCTORY SECTION <hr/> <hr/>	
Letter of Transmittal	i
Certificate of Achievement	viii
Principal Officials	ix
Organizational Chart	x
<hr/> <hr/> FINANCIAL SECTION <hr/> <hr/>	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
 BASIC FINANCIAL STATEMENTS	
 Government-wide Finance Statements	
Statement of Net Position	22
Statement of Activities	23
 Fund Financial Statements	
Balance Sheet – Governmental Funds	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes of Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	36
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position	39
 Notes to Basic Financial Statements	
Note 1 – Summary of Significant Accounting Policies	40
Note 2 – Budgets and Budgetary Accounting	50
Note 3 – Cash and Equity in Pooled Cash, Deposits and Investments, Cash in Segregated Accounts	52
Note 4 – Compliance and Accountability	55
Note 5 – Property Taxes	55
Note 6 – Income Tax	56
Note 7 – Capital Assets	56
Note 8 – Defined Benefit Pension Plans	58
Note 9 – Defined Benefit OPEB Plans	67
Note 10 – Incurred But Not Reported Claims - Health Plan	77
Note 11 – Long-Term Obligations	77
Note 12 – Interfund Receivables and Payables	81
Note 13 – Contingent Liability	81

CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021

Table of Contents

Notes to Basic Financial Statements continued	Page
Note 14 – Risk Management.....	82
Note 15 – Significant Contractual Obligations and Encumbrance Commitments.....	83
Note 16 – Related Organization.....	84
Note 17 – Conduit Debt.....	84
Note 18 – Defeased Debt.....	84
Note 19 – Joint Economic Development Districts.....	84
Note 20 – Fund Balance.....	85
Note 21 – Tax Abatements	86
Note 22 – Subsequent Events	88
Note 23 – Asset Retirement Obligations.....	88
Note 24 – COVID-19.....	88

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – General Fund.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Health Fund.....	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Street Levy Fund.....	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – American Rescue Plan Act (ARPA) Fund	96
Schedule of Entity’s Proportionate Share of the Net Pension Liability Ohio Public Employees Retirement System – Traditional Plan	97
Schedule of Entity’s Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund	98
Schedule of Entity Contributions, Ohio Public Employees Retirement System – Traditional Plan.....	99
Schedule of Entity Contributions, Ohio Police and Fire Pension Fund	100
Schedule of Entity’s Proportionate Share of the Net OPEB Liability/(Asset) Ohio Public Employees Retirement System – OPEB Plan	101
Schedule of Entity’s Proportionate Share of the Net OPEB Liability Ohio Police and Fire Pension Fund	102
Schedule of Entity Contributions - OPEB, Ohio Public Employees Retirement System	103
Schedule of Entity Contributions - OPEB, Ohio Police and Fire Pension Fund	104
Notes to Required Supplementary Information	105

SUPPLEMENTAL SECTION

Fund Descriptions.....	106
Combining Balance Sheet – Non Major Governmental Funds.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds	113
Combining Balance Sheet – Non Major Special Revenue Funds.....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Special Revenue Funds	118
Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Basis) for the following Non Major Special Revenue Funds: Auto and Gas Tax Fund	122

CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021

Table of Contents

Schedules of Revenues, Expenditures, and Changes in Fund Balances	Page
Budget and Actual (Non-GAAP Basis) for the following Non Major Special Revenue Funds continued:	
Acquisition for Parks Fund	123
EMS Fund.....	124
Urban Development Action Grant Fund	125
Court Computerization Fund	126
Law Enforcement Fund.....	127
Mandatory Drug Fine Fund	128
Probation Services Fund	129
Indigent Driver Alcohol Treatment Fund	130
Enforcement/Education Fund	131
Civic Development Fund	132
Municipal Court Fund.....	133
Police Grant Fund	134
Court IDIAM Fund	135
Court Special Projects Fund.....	136
Home Program Fund.....	137
Community Development Fund.....	138
Community Development Escrow Fund.....	139
Police Pension Fund.....	140
Fire Pension Fund	141
Neighborhood Stabilization Program Fund	142
Conservancy District Fund	143
Nuisance Abatement Fund.....	144
Senior Services Fund	145
HUD Section 108 Fund.....	146
Income Tax Fund	147
Termination Pay Fund.....	148
Combining Balance Sheet – Non Major Debt Service Funds.....	150
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major	
Debt Service Funds	152
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Budget & Actual (Non GAAP) Basis for the following Debt Service Funds:	
Special Assessment Debt Service Fund	154
General Obligation Debt Service Fund.....	155
East End/Towne Boulevard Tax Increment Financing District Fund	156
Downtown Tax Increment Financing District Fund	157
Aeronca Tax Increment Financing District Fund.....	158
Airport/Riverfront Tax Increment Financing District Fund.....	159
Miller Road North Tax Increment Financing District Fund	160
Towne Mall/Hospital Tax Increment Financing District Fund.....	161
Renaissance North Tax Increment Financing District Fund	162
Renaissance South Tax Increment Financing District Fund	163
Manchester Road Tax Increment Financing District Fund	164
Greentree Industrial Park Tax Increment Financing Fund.....	165
Made Industrial Park Tax Increment Financing Fund	166
South Yankee Road Tax Increment Financing Fund	167
Towne Mall Tax Increment Financing District Fund	168

CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021

Table of Contents

Schedules of Revenues, Expenditures, and Changes in Fund Balances	Page
Budget and Actual (Non-GAAP Basis) for the following Capital Projects Funds continued:	
Combining Balance Sheet – Non Major Capital Projects Funds	170
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major	
Capital Project Funds	172
Capital Improvements Fund.....	174
East End Development Fund.....	175
Downtown Improvements Fund.....	176
Computer Replacement Fund	177
Property Development Fund	178
2011 Sidewalk, Curb and Gutter Fund.....	179
Central Ave. Sidewalk, Curb and Gutter Fund	180
2018 Sidewalk, Curb and Gutter Fund.....	181
2019 Sidewalk, Curb and Gutter Fund.....	182
2020 Sidewalk, Curb and Gutter Fund.....	183
2021 Sidewalk, Curb and Gutter Fund.....	184
Economic Development Bond Service Fund	185
Non Major Enterprise Fund Descriptions	186
Combining Statement of Net Position – Non Major Enterprise Funds.....	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Non Major	
Enterprise Funds.....	189
Combining Statement of Cash Flows – Non Major Enterprise Funds.....	190
Internal Service Fund Descriptions.....	192
Combining Statement of Net Position – Internal Service Funds	193
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	
Internal Service Funds.....	194
Combining Statement of Cash Flows – Internal Service Funds	195
Custodial Fund Descriptions.....	197
Combining Statement of Fiduciary Net Position	198
Combining Statement of Changes in Fiduciary Net Position	199

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Statistical Section		200
Net Position by Component.....	1	201
Changes in Net Position	2	202
Governmental Activities Tax Revenues by Source	3	204
Fund Balances of Governmental Funds.....	4	205
Change in Fund Balances of Governmental Funds.....	5	206
General Governmental Tax Revenues by Source	6	207
Assessed and Estimated Actual Value of Taxable Property	7	208
Property Tax Rates and Tax Levies, Direct and Overlapping Governments	8	209

CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021

Table of Contents

STATISTICAL SECTION continued:

	<u>Table</u>	<u>Page</u>
Principal Property Tax Payers	9	210
Property Tax Levies and Collections	10	211
Income Tax Revenue by Source Type	11	212
Ratios of Outstanding Debt by Type	12	213
Ratios of General Bonded Debt Outstanding	13	214
Computation of Direct and Overlapping Debt	14	215
Legal Debt Margin Information	15	216
Pledged-Revenue Coverage	16	217
Demographic and Economic Statistics	17	218
Principal Employers	18	219
Full Time City Government Employees by Function	19	220
Operating Indicators by Function	20	221
Capital Asset Statistics by Function	21	222

INTRODUCTORY SECTION



CITY OF
MIDDLETOWN

June 30, 2022

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 Annual Comprehensive Financial Report for Middletown, Ohio. This report, for the year ended December 31, 2021, 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.

Generally Accepted Accounting Principles (GAAP) require 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 50,987.

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, 2020, City Council adopted the 2021 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 business re-openings and the assistance of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in 2020 and the American Rescue Plan Act of 2021 (ARPA) in 2021, the 2021 Budget and Financial Plan are cautiously optimistic. The unemployment rate was down 0.2% to 4.2% for the third month of 2021, compared to 4.4% for the third month of 2020, just one month before the business closures and stay-at-home orders were announced. April, 2020 unemployment rates soared to 14.1%.

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 in 2021 and 2022. This paving project is deemed to be the largest in City history, after more than twenty years of neglect.

In May 2022, Middletown voters overwhelmingly passed a one mill property tax levy to finance the building of four new fire stations with a projected cost of \$16.8 million. The new state-of-art facility designs will limit exposure to harmful carcinogens by keeping the living area separate and will provide accommodations for female firefighters.

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

Many exciting projects and improvements are either in the design process, in progress or recently completed in Middletown. The creation of the Middletown Port Authority (the Port) and the Middletown Small Business Alliance both took place in 2021. The Port will serve the City for purposes of economic development and housing and the Small Business Alliance already has seventy-five registered members. The City has formed a public-private partnership to redevelop the Towne Mall Galleria (previously known as the Towne Mall) which first opened in 1977. The now renamed Towne Mall Galleria sits on thirty-one acres of prime real estate at the City's front door right off Interstate-75 and State Route 122. Central Avenue will be reconstructed in 2022, transforming and updating our downtown. These infrastructure improvements consist of the reconstruction of a half mile of Central Avenue from University Boulevard to Verity Parkway, with \$4.2 million being reimbursed by a federal transportation grant distributed and managed by Ohio-Kentucky-Indiana Regional Council of Governments (OKI). The total project will have a price tag of \$6.6 million, replacing pavement, curbs, sidewalks, water main and services, street lighting, rehabilitating the existing combined sewer, providing new storm sewers, traffic calming, technology infrastructure, and other functional streetscape amenities consistent with the City's Downtown Master Plan..

In 2021, several established businesses relocated to the City and others are expanding. Phoenix Metals, a Georgia based metal product company, with one of their fourteen locations in Middletown, had a major expansion project, consisting of a \$20 million investment creating thirty new jobs and retaining sixty jobs.

Middletown welcomed back live bands, fireworks, and the enjoyment of a designated outdoor refreshment area in 2021. We are looking forward to another great summer in 2022!

Water rates are reviewed every two years while taking in consideration of operations, maintenance, and capital improvement costs. For 2022, there are no yearly rate increases for the enterprise funds encompassing Sewer, Water, Solid Waste, or Storm Water utilities. According to the annual Piqua (previously Oakwood) Water and Sewer Rate Survey for southwest Ohio, Middletown ranks as the eleventh lowest out of the sixty-seven communities surveyed for water, fifty-sixth out of sixty-four communities surveyed for sewer and forty-second out of sixty-four communities surveyed for combined services as of March 1, 2022.

The Middletown unemployment rate has decreased by 1.5% from 2020 to 2021:

UNEMPLOYMENT RATE (%)			
Yearly Average			
	<u>Middletown</u>	<u>Ohio</u>	<u>U. S.</u>
2020	4.6%	5.6%	6.7%
2021	3.1%	4.5%	3.9%

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 every six years. 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 new 30 year Fire Levy will replace the Senior Citizens Levy. 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</u> <u>Year</u>	<u>Collection</u> <u>Year</u>	<u>Assessed</u> <u>Value</u>	<u>Property Tax</u> <u>Revenues</u> <u>(cash basis)</u>
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
2020	2021	\$848,115,520	\$4,680,219

The City levies a 2% local earnings tax on all businesses and on all persons employed in the City of Middletown. The 2% local earning tax includes a .25% Public Safety Levy which is used for public safety activities and new to 2021, a ten year .25% Street Levy which will be used for the improvement of the City's roadways. All businesses operating in the City also pay a 2% on their earnings attributed to their Middletown facility.

Local income tax receipts for the past five years are:

<u>Local Income Tax Receipts</u> <u>(Cash Basis)</u>	
2017	\$24,047,903
2018	\$24,941,368
2019	\$26,309,538
2020	\$23,726,882
2021	\$35,134,999

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 annual comprehensive 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 2021 audit. The Independent Auditors' Report on the City's basic financial statements is included in the financial section of this Annual Comprehensive 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020.

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 2021 Annual Comprehensive 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

A handwritten signature in black ink, reading "Samantha Zimmerman". The signature is fluid and cursive, with a long horizontal flourish at the end.

Samantha Zimmerman
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Middletown
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MIDDLETOWN, OHIO

Principal Officials January 1, 2021

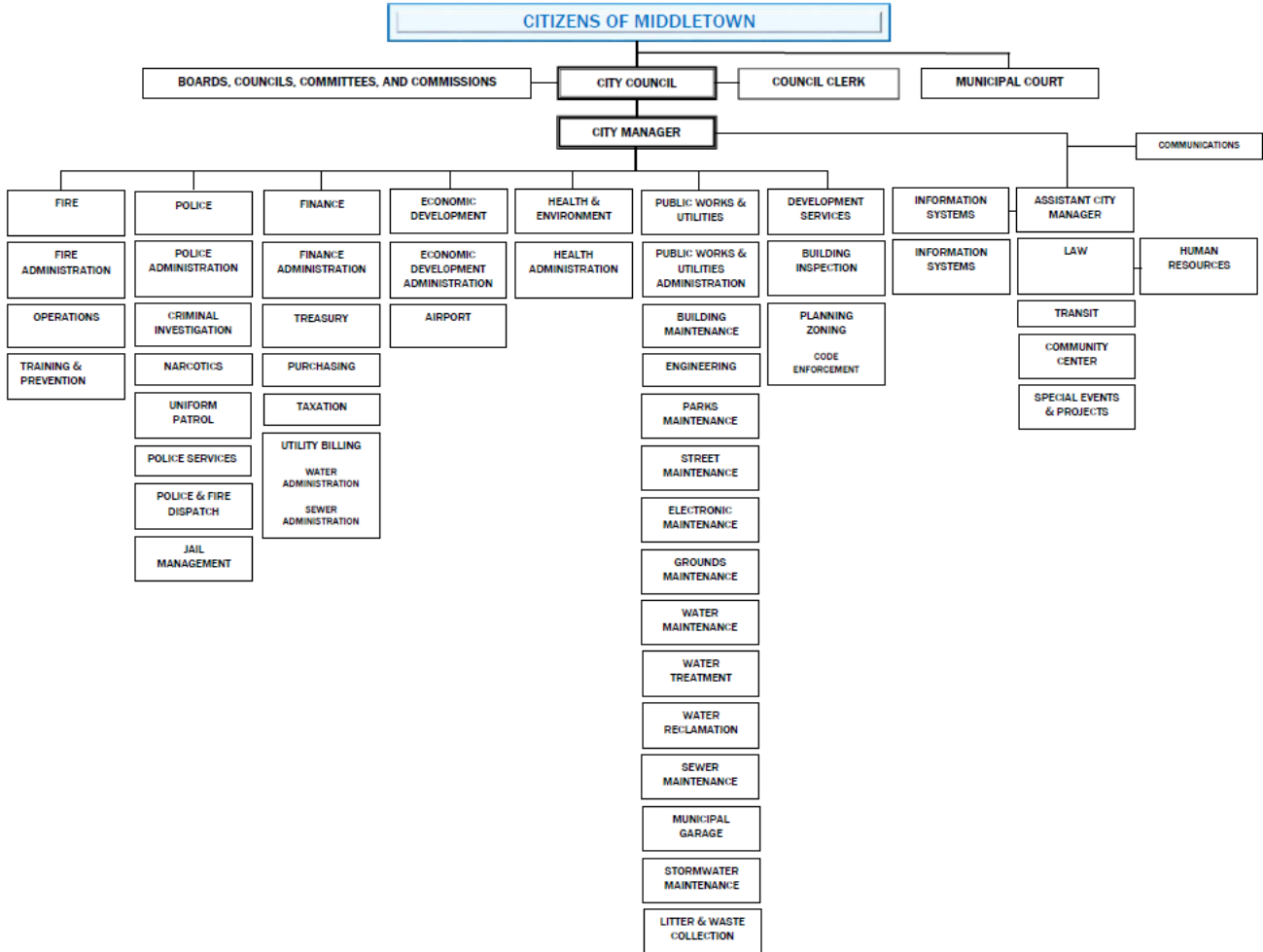
Legislative

Mayor Nicole A. Condrey
Vice Mayor Monica J. Nenni
Council Member..... Zachary M. Ferrell
Council Member..... Talbott C. Moon
Council Member..... Rodney E. Muterspaw

Executive/Administrative

City Manager..... James M. Palenick
Assistant City Manager Susan H. Cohen
Chief of Police..... David M. Birk
Development Services Director Ashley N. Combs
Director of Court Services..... Steven P. Longworth
Economic Development Director Chris Xeil Lyons
Finance Director Nathan E. Cahall
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 2021 ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Middletown, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio, as of December 31, 2021, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the City of Middletown, Ohio'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 of Middletown'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 of Middletown's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 28, 2022

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021. 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 ANNUAL COMPREHENSIVE 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 89).

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 90 to 93), the Health Fund (page 94), the Street Levy Fund (page 95) and the ARPA Fund (page 96) that compare actual results to the original and final budget for this fund.
- Schedules pertaining to the net pension liability, net OPEB liability/(asset) and contributions to the pension funds begin on page 97.

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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

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

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

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-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 2021, 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, 2021 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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* 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/(asset) 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/(asset), respectively, not accounted for as deferred inflows/outflows.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

As a result of implementing GASB 75, the City is reporting a net OPEB asset 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, 2021 and 2020 (in thousands).

Table 1
Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 92,901	49,410	48,459	50,443	141,360	99,853
Capital assets	<u>91,927</u>	<u>81,812</u>	<u>100,632</u>	<u>87,512</u>	<u>192,559</u>	<u>169,324</u>
Total assets	184,828	131,222	149,091	137,955	333,919	269,176
Deferred outflows of resources	10,952	12,163	745	967	11,697	13,130
Long-term liabilities	96,966	78,485	10,890	13,232	107,856	91,717
Other liabilities	<u>14,285</u>	<u>4,280</u>	<u>2,785</u>	<u>2,613</u>	<u>17,070</u>	<u>6,893</u>
Total liabilities	111,251	82,765	13,675	15,845	124,926	98,610
Deferred inflows of resources	20,751	16,911	1,959	982	22,710	17,893
Net position:						
Net investments in capital assets	75,330	68,760	93,049	80,406	168,379	149,166
Restricted	15,785	15,036	-	-	15,785	15,036
Unrestricted	<u>(27,337)</u>	<u>(40,086)</u>	<u>41,154</u>	<u>41,687</u>	<u>13,816</u>	<u>1,601</u>
Total position	63,778	43,709	134,203	122,094	197,980	165,803
Beginning net position	43,709	38,761	122,094	108,725	165,803	147,486
Net increase (decrease)	<u>20,069</u>	<u>4,948</u>	<u>12,109</u>	<u>13,369</u>	<u>32,177</u>	<u>18,317</u>
Ending net position	\$ <u>63,778</u>	<u>43,709</u>	<u>134,203</u>	<u>122,094</u>	<u>197,980</u>	<u>165,803</u>

As of December 31, 2021, the City's ending net position was \$197,980 compared to \$165,803 in 2020, an increase of \$32,177 or 19.4%. Governmental activities increased by 45.9% or \$20,069 and business type activities increased 9.9% or \$12,109 in 2021 over 2020 totals.

Although governmental activities net position increased by \$20,069 in 2021, over the \$4,948 increase in 2020, governmental activities net position has decreased in the past with the economy playing a major role for these decreases. During economic shortfalls, the City used cash balances for operating expenses. The City took necessary measures to cut expenses with decreased services and layoffs of staff in anticipation of these past shortfalls. The overall increase in 2021 over 2020, is primarily related to the increased earnings activity of businesses and citizens living/working within the City in 2021, which was much stronger than in COVID-19 dominated 2020. 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, 2021

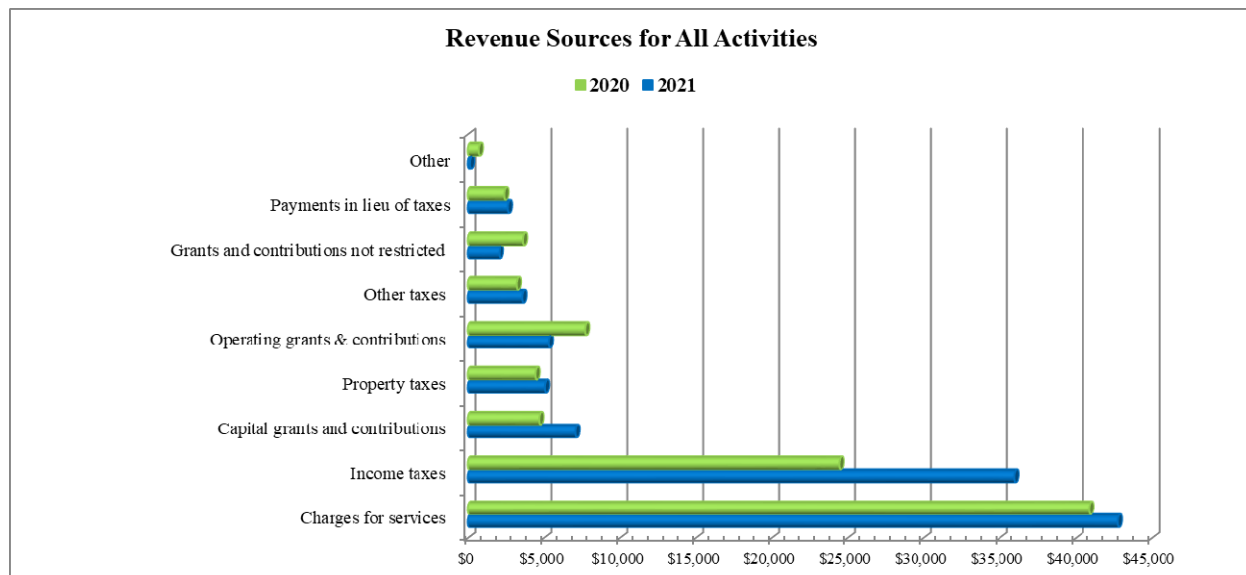
B. Governmental and Business-type Activities during 2021

Table 2, (in thousands) presents a condensed summary of the City's activities during 2021 and 2020 and the resulting changes in net position.

Table 2
Statement of Activities
(in thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ 8,741	8,611	34,032	32,311	42,773	40,922
Operating grants & contributions	2,556	5,476	2,769	2,283	5,325	7,759
Capital grants and contributions	<u>5,712</u>	<u>2,870</u>	<u>1,349</u>	<u>1,843</u>	<u>7,061</u>	<u>4,713</u>
Total program revenues	17,009	16,958	38,150	36,437	55,159	53,394
<u>General revenues:</u>						
Income taxes	35,985	24,483	0	0	35,985	24,483
Property taxes	5,075	4,465	0	0	5,075	4,465
Other taxes	3,604	3,247	0	0	3,604	3,247
Payments in lieu of taxes	2,667	2,434	0	0	2,667	2,434
Grants and contributions not restricted	2,068	3,647	0	0	2,068	3,647
Investment earnings	(641)	881	220	465	(421)	1,346
Other	<u>103</u>	<u>109</u>	<u>39</u>	<u>598</u>	<u>142</u>	<u>707</u>
Total general revenues	<u>48,861</u>	<u>39,266</u>	<u>259</u>	<u>1,064</u>	<u>49,120</u>	<u>40,330</u>
Total revenues	65,870	56,224	38,409	37,500	104,279	93,724
Expenses						
Public safety	21,393	29,685	0	0	21,393	29,685
Public health	835	861	0	0	835	861
Leisure activities	1,128	1,213	0	0	1,128	1,213
Community environment	5,171	4,048	0	0	5,171	4,048
Highways and streets	6,616	5,489	0	0	6,616	5,489
General government	8,441	9,169	0	0	8,441	9,169
Interest on long-term debt	1,336	572	0	0	1,336	572
Water	0	0	7,332	7,748	7,332	7,748
Sewer	0	0	9,640	7,943	9,640	7,943
Transit	0	0	3,134	2,533	3,134	2,533
Solid Waste	0	0	3,763	3,681	3,763	3,681
Storm Water	0	0	1,753	1,353	1,753	1,353
Airport	<u>0</u>	<u>0</u>	<u>1,560</u>	<u>1,114</u>	<u>1,560</u>	<u>1,114</u>
Total expenses	<u>44,920</u>	<u>51,037</u>	<u>27,180</u>	<u>24,371</u>	<u>72,100</u>	<u>75,408</u>
Increase/(decrease) in net position before transfers	20,950	5,187	11,229	13,129	32,177	18,316
Transfers	(880)	(239)	880	239	0	(0)
Increase/(decrease) in net position	20,069	4,948	12,109	13,369	32,177	18,317
Beginning 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>
Ending net position	\$ <u>63,778</u>	<u>43,709</u>	<u>134,203</u>	<u>122,094</u>	<u>197,980</u>	<u>165,803</u>

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**



Although in total, total revenue sources have only fluctuated by 11.2%, there are several sources that have drastic changes from 2020 to 2021. Capital grants and contributions increased \$2,348 or 49.8% with operating grants and contributions decreasing 31.4% or \$2,434. Grants and contributions not restricted decreased 43.3% or \$1,579, with \$2,068 in revenue for 2021 versus \$3,647 for 2020. The influx of \$3.5 million in CARES Act funding was a factor in the 2020 revenue total. 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 increased in 2021 by \$11,502 or 47.0%, going from \$24,483 in 2020 to \$35,985 in 2021. Beginning January 1, 2021, City income tax increased by 0.25% (previously 1.75%) to 2.0% with the passage of a ten year street levy in November, 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 in 2021 by \$610 or 13.7% (from \$4,465 in 2020, to \$5,075 in 2021). 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 over the past several years.

1) Governmental activities during 2021

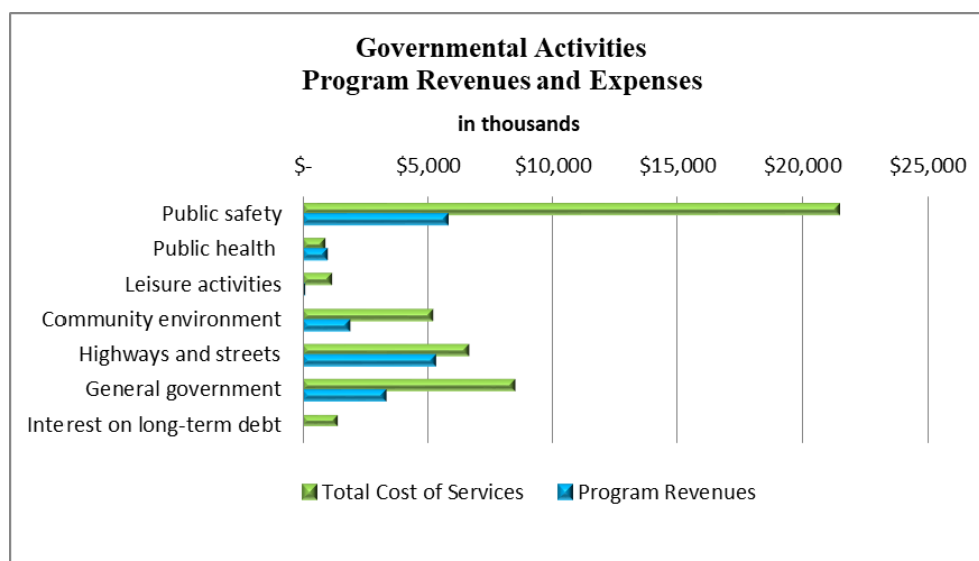
Table 3 presents the total cost of each of the government's primary services and the net cost after deducting the revenues generated by these services. For 2021, 38% of total cost of services (\$44,920) was offset with program revenues totaling \$17,008 leaving \$27,912 as the net cost of services. In 2020,

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

total cost of services was offset 33% with income coming from program revenues. This was down from the 49% recouped in 2019, 30% recouped in 2018, and 34% in 2017.

**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	\$ 21,393	\$ 5,764	27%	\$ 15,629
Public health	835	938	112%	(103)
Leisure activities	1,128	2	0%	1,126
Community environment	5,171	1,822	35%	3,350
Highways and streets	6,616	5,233	79%	1,383
General government	8,441	3,250	39%	5,191
Interest on long-term debt	1,336	-	0%	1,336
Total	<u>\$ 44,920</u>	<u>\$ 17,008</u>	<u>38%</u>	<u>\$ 27,912</u>



Public Health recouped 112% of program costs in 2021. This was a slight decrease of 5% from 2020 Public Health total of 117%. Covid-19 grants in 2020 and 2021, have allowed Public Health to end with revenue in excess of the cost of services for these years. Community Environment, which relies heavily upon federal and state grants, recouped only 35% of services in 2021, down from 49% of services in 2020. Community environment includes Community Development, Neighborhood Stabilization Program, and Home Funds.

Highways and streets activities for 2021 were funded with program revenues totaling 79%, an increase of 31% from 2020 program revenues of 48%. Program revenues recouped 57% in 2019, 41% in 2018, and 76% in 2017. Grants are a large factor in fluctuations for this activity.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Public safety, the City's most expensive program, recouped \$5,764 or 27% of its expenses in 2021 and 26% of its costs in 2020. This is up from the 21% for 2018. Public Safety reimbursement grants contributed to increases in 2019 and 2017. Program revenues recouped 40% in 2019 and 76% in 2017. Local tax receipts and other general revenues were used to fund the remaining costs of this service.

Leisure activity had \$2 revenue for 2021, this being a slight increase of \$1 over the \$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 have been contracted out for the past six years.

2) Business-type activities during 2021

The City attempts to break even or gain a surplus on its business-type activities. All activities except the Airport had operating surpluses in 2021. Surpluses are used to accumulate earnings for future capital investments and debt payments.

The following table (in thousands) summarizes the business-type activities during 2021:

**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	\$7,332	\$9,981	136%	\$2,649
Sewer	9,639	16,915	175%	7,276
Solid waste	3,763	3,836	102%	73
Airport	1,559	1,227	79%	(332)
Transit	3,134	3,333	106%	199
Storm Water	<u>1,753</u>	<u>2,858</u>	<u>163%</u>	<u>1,105</u>
Total	<u>\$27,180</u>	<u>\$38,150</u>	<u>140%</u>	<u>\$10,970</u>

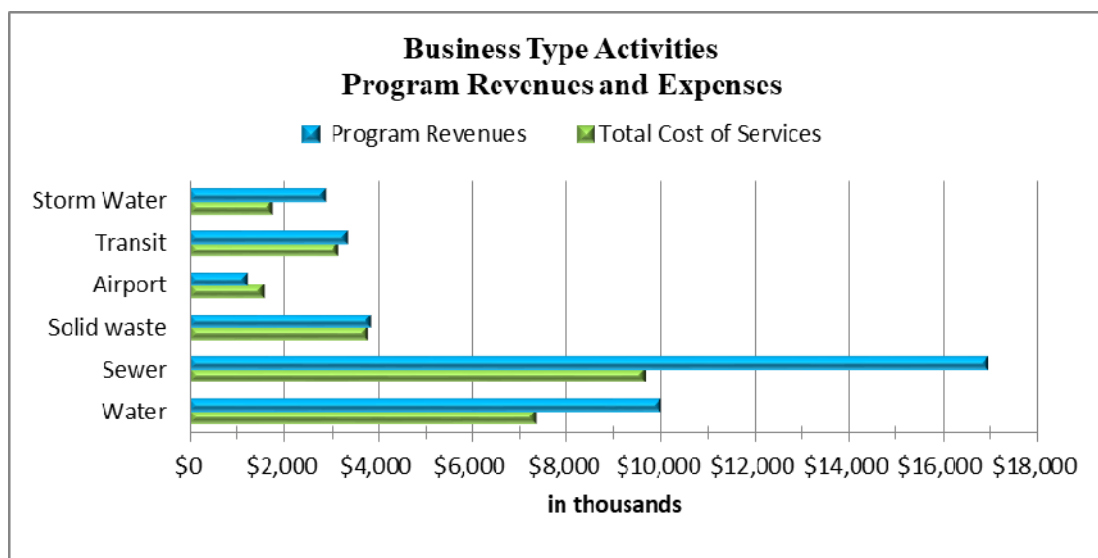
The transit and airport funds rely upon grants and taxes to supplement their services. In 2017, transit ended with a negative surplus of (\$710) and the airport ended with a negative surplus of (\$151). Transit ended with a negative surplus of (\$422) recouping 81% of the cost of services in 2018. The 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 beginning in 2020. The Airport is the only business-type activity ending 2021 without a surplus (\$332), despite fuel sales. Transit ends with \$199 net revenue and 106% of costs recouped in 2021.

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

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

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. Sewer rates were increased by 5%, Solid Waste by \$1.00 per month and Storm Water by \$0.75 per month in 2021. In 2021, water saw a surplus of \$2,649, sewer recouped 175% of total costs, and solid waste collected 102% of total cost. Total cost of services vary for these funds due to capital improvement projects.

Storm water received \$2,858 in program revenues for 2021, up \$325 from \$2,533 in program revenues for 2020. Program revenue was \$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 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 from storm water operations in 2021 was \$1,105.



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-four governmental funds, six of which are considered major funds. Assets of those six funds comprise approximately 78.6% or \$68,997 of the total governmental funds' assets of \$87,834. 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, 2021

Table 5
Financial Highlights
Major Governmental Funds
(in thousands)

	General Fund	Special Assessment Debt Service Fund	Capital Improvements Fund	Health Fund	Street Levy Fund	ARPA Fund
Total assets \$	29,991	1,159	2,013	1,008	26,174	8,653
Total liabilities	(2,857)	-	(221)	(110)	(922)	(8,653)
Deferred inflow of resources	(5,932)	(726)	(784)	-	(163)	-
Fund balance	21,202	433	1,008	898	25,089	-
Unassigned fund balance \$	17,633	-	-	-	-	-
Revenues \$	38,005	178	4,826	1,176	4,050	810
Expenditures	(33,205)	(163)	(5,958)	(927)	(10,506)	(810)
Other financing sources/uses	(334)	-	190	-	31,545	-
Net change in fund balance \$	4,467	15	(942)	249	25,089	-

General Fund. The General Fund saw an increase of \$4,467 for an ending fund balance of \$21,203 in 2021. The ending fund balance was \$16,736 for 2020. This increase is attributed to increased earnings activity of businesses and citizens living and/or working within the City in 2021, which was much stronger than the COVID-19 dominated 2020. Increases or decreases in income tax revenue have a direct effect on the General Fund.

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 increased by \$2,992 or 267.7% in 2021 and decreased by 53.9% in 2020. This fund receives state and federal grants for street improvements. Large street projects were the reason for the large increase in 2021.

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.

Street Levy Fund. The Street Levy fund accounts for all income tax receipts collected from the 0.25% income tax increase approved by voters on November 3, 2020, and the expenses related solely to the construction, repair, improvement and maintenance of streets and roads within the City, including paying the bond issue related to the street paving project beginning in 2021.

ARPA Fund (American Rescue Plan Act of 2021 Fund). The ARPA fund was established to account for revenues and expenses related to the Act. These funds are in response to the economic fallout of the COVID-19 pandemic in the United States and will provide needed relief to support the public health response and lay the foundation for a strong and equitable economic recovery.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

**Table 6
Financial Highlights
Enterprise Funds
(in thousands)**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Solid Waste Fund</u>
Total assets	\$ 46,893	75,045	15,729	1,007
Total deferred outflows of resources	272	346	59	6
Total liabilities	(4,580)	(7,407)	(279)	(911)
Total deferred inflows of resources	(751)	(858)	(162)	(16)
Total net position	<u>41,834</u>	<u>67,126</u>	<u>15,347</u>	<u>86</u>
Unrestricted net position	<u>13,574</u>	<u>22,706</u>	<u>1,219</u>	<u>(320)</u>
Operating revenues	9,938	16,683	2,450	3,836
Operating expenses	(7,199)	(9,538)	(1,753)	(3,763)
Net non-operating revenues (expenses)	10	32	10	-
Net contributions and transfers	<u>31</u>	<u>194</u>	<u>463</u>	<u>-</u>
Net change in net position	\$ <u>2,780</u>	<u>7,371</u>	<u>1,170</u>	<u>73</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 2021 is \$41,834 with a change of \$2,780, or 7.1% from the 2020 total of \$39,054. The 2021 increase of \$1,955 in total assets is largely due to work on the Poinciana and Hampton water main replacement. The last water rate increase was 7.5% and took place in 2017.

Sewer Fund. In 2021, the sewer fund ended with a total net position of \$67,126, a 12.3% or \$7,371 increase over the 2020 total net position. This increase is largely due to the completion of the City's first two Long Term Control Plan projects finished in 2021 and capital repairs on the City's north interceptor sewer. There was a 5% rate increase for sewer in 2021. For 2020, the total net position of \$59,754, was an increase of \$8,688 over the 2019 ending net position of \$51,066. There was a 10% sewer charge increase in 2020. 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

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

10.3% increase of \$4,286 in total assets. Beginning in 2016, a 10% infrastructure fee was added to all sewer charges in the City. This additional revenue is to fund Long Term Control Plan projects that will improve sewer infrastructure and reduce combined sewer overflows. The balance of the fund is to be used for large capital projects and infrastructure improvements.

Storm Water Fund. There was an increase of \$1,170 in the 2021 total net position of \$15,347. This being an 8.2% increase over the 2020 total net position of \$14,177. There was an increase of \$984 in total assets primarily due to the completion of the University Blvd bridge and concrete deck replacement and a rate increase of \$0.75 per month in storm water fees for 2021. The first year for this fund to be a major enterprise fund was 2015.

Solid Waste Fund. The small increase of \$73 in 2021 is in part due to a rate increase of \$1.00 per month to cover the increased cost associated with the City's refuse collection provider. The total net position for 2021 is \$86. 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 refuse 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.

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 2021 with a total net position of \$1,360. This was an increase of \$395 from the 2020 total net position of \$965. These changes are due to a decreased amount in employee medical claims. 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 2021 with a total net position of \$10,022, a \$724 decrease from the 2020 total net position of \$10,746. Funds are being set aside for future vehicle purchases according to a multi-year plan developed by the fleet manager. Vehicle and equipment purchases were below normal in 2021 due to supply issues.

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 90. There were significant variances for the General Fund's actual results compared to budget in 2021. Revenue exceeded budget by \$911 and actual expenses were \$1,380 less than the budgeted amount. The General Fund's original appropriation of \$31,806 was amended to \$34,611 with supplemental appropriations and de-appropriations. The General Fund's actual expenditures on a budget basis were \$33,231.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Original 2021 appropriations were increased during the year by \$64,180 for all funds. The majority of the supplemental appropriations included the following:

- \$34,290 for paving related expenditures directly related to the passage of a ten year Street Levy to increase income tax by 0.25%, beginning January 1, 2021:
 - \$31,081 for paving
 - \$3,184 for debt payments; principal and interest
 - \$25 for other professional services & project detail
- \$6,370 income tax receipts to be transferred to the Street Levy Fund
- \$1,877 for the design and construction of a maintenance building at the Water Reclamation Facility
- \$1,287 for the purchase of a Sutphen aerial ladder fire truck
- \$1,096 for the design of a new lime solids processing facility at the Water Treatment Plant
- \$850 for water main replacement at Poinciana Road and Hampton Place
- \$815 for LED street light upgrade
- \$765 for design of an elevated water storage tank with back-up generators for use at Water Treatment Plant and Yankee Road pump station
- \$737 for the ODOT Urban Paving Program
- \$708 for bond principal payment related to Airport debt defeasance

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

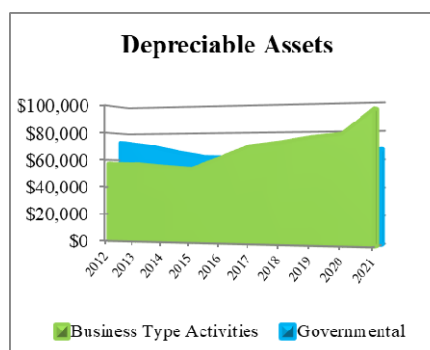
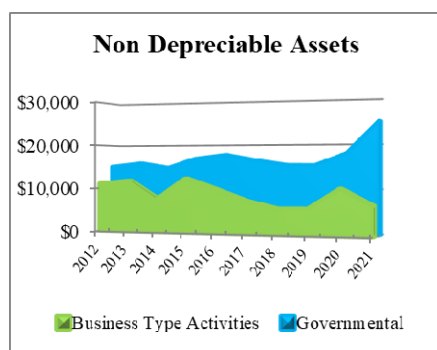
Capital assets are divided into two categories – depreciable and non-depreciable. Land and construction-in-progress are the only non-depreciable assets recorded for the City of Middletown. Construction-in-progress will be categorized with depreciable assets once the improvement project is completed with 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.

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

	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 16,045	3,898	19,943
Land improvements	244	360	604
Buildings	8,109	13,025	21,134
Equipment	9,364	7,547	16,911
Infrastructure	49,158	73,066	122,224
Construction in Progress	<u>9,007</u>	<u>2,736</u>	<u>11,743</u>
Total	<u>\$ 91,927</u>	<u>100,632</u>	<u>192,559</u>

(Asset amounts shown in thousands)

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**



The City had approximately \$192,559 in capital assets at the end of 2021 and \$169,324 in capital assets at year end of 2020.

1) Governmental activities non-depreciable assets:

- a. Land – Total of capital assets at year-end was \$16,045. There was a \$494 addition to the Land amount in 2021 as new land was acquired for a future fire station location and for future economic development
- b. Construction in progress – Total for 2021 is \$9,007, all of which was added in 2021
 - \$7,096 for 2021 – 2022 Street Levy Paving project
 - \$810 for LED Street Light Conversion (phase 2)
 - \$574 for 2021 Middletown Road Improvements
 - \$235 for 2021 Local Street Improvements
 - \$209 for State Route 122 Bridge Rehab
 - \$83 for Municipal Garage roof replacement

All governmental activities (\$2,556) from construction in progress were placed into service in 2021.

2) Governmental activities for depreciable assets:

- a. Land improvements– there were no addition of land improvements in 2021
- b. Buildings – a total of \$29 was added for major building upgrades. Air Conditioning upgrades to the City building and the Parks building; replacement of ceiling tiles in the council chambers; and structural repairs to the municipal garage wall
- c. Equipment – a total of \$2,533 was added in 2021 for equipment with the majority of purchases being \$1,634 for vehicles, \$288 for software upgrade for court, \$274 for a new phone system, \$156 for police & fire radios, \$26 for police tasers and accessories, \$23 for a Stryker power load cot, \$23 for police tablet computers, \$11 for a washer for the jail, \$11 for Knox boxes for all fire front line vehicles, \$8 for Lifepak defibrillators for fire, \$8 for a -30 degree lab freezer for health department, \$8 Varifocal camera system for police impound lot
- d. Infrastructure – an additional \$7,371 was added for 2021. This consisted mainly of street improvements and \$620 contributed roadway capital in the Renaissance and Sawyers Mill subdivisions. Several large paving projects were:

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 2020 Local Street Improvements
 - University Blvd Bridge replacement/rehab
 - 2021 Pavement Markings Program
 - 2021 Urban Paving Program
- 3) Business-type activities non-depreciable assets:
- a. Land – \$6 for land acquisitions associated with the Lakeside Redirect LTCP project
 - b. Construction in progress – Total for 2021 is \$2,667. The current largest additions are:
 - \$1,463 for a water main replacement at Poinciana Rd and Hampton Place
 - \$700 for storm water improvements for 2021 Local Street Improvements
 - \$197 for a new maintenance facility building at WRF
 - \$105 for a new well due to abandonment of wells 17 & 18
 - \$79 for secondary clarifier electrical improvements at WRF
 - \$74 for the downtown CSO storage basin (LTCP)
- 4) Business type activities depreciable assets:
- a. Land improvements – \$7 for gate installation at the transit lot
 - b. Buildings – a total of \$424; Lift station repairs, roof repairs on the water distribution building, and truck scale replacement at WRF
 - c. Equipment – A total of \$1,217 was added for 2021. The following projects were some of the largest additions:
 - \$478 for a new 35' diesel transit bus
 - \$255 for new meter transmission units (MTU)
 - \$169 for new PAPI system at the airport
 - \$122 for water meter restock
 - \$31 for a blower motor rebuild at WRF
 - \$28 for CSO monitoring electrical components installed at WRF
 - \$21 for fire hydrant restock
 - d. Infrastructure – In 2021, there was an increase of \$19,509 in infrastructure assets. The following projects were some of the largest additions:
 - \$11,078 for the Lakeside Redirect LTCP Project
 - \$3,261 for the North Interceptor Sewer repairs
 - \$2,680 for the Bull's Run to Sunset Park GIB LTCP
 - \$1,073 for the University Blvd Bridge Replacement/Rehab
 - \$504 for contributed capital from Renaissance housing development
 - \$293 for 2020 Sanitary Sewer Lining
 - \$212 for contributed capital from Sawyers Mill housing development
 - \$137 for 2020 Manhole Lining Program
 - \$135 for 2020 Urban Paving Program

Capital asset activity for the year is presented in Note 7 on pages 56 and 57.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

B. Debt

There were new revenue obligation bonds (voted) issued in 2021 (\$31,545) for the “2021 – 2022 Street Levy Paving Project”, which was a direct result of the passage of a .025% income tax increase beginning January 1, 2021. The City also issued bond anticipation notes (\$3,300) for the purchase of a new aerial ladder fire truck (\$1,300) and for the construction of a new maintenance facility building (\$2,000) at the Water Reclamation Facility. A debt defeasance for airport debt also incurred in 2021 (\$600). There will be an additional debt issuance in 2022 to refinance the bond anticipation notes and to finance four new fire stations that are the direct result of a \$16,800 thirty year property tax levy passage on May 3, 2022.

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

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

For 2022, the City has a robust plan to continue to make capital investments in infrastructure and equipment. Along with Long Term Control Plan projects, paving, sewer system upgrades and water distribution system upgrades are the major capital improvement projects for 2022. Street paving projects will continue to be and are still high priority after years of limited funding and neglect.

In 2022, revenue is expected to increase by 6.5% primarily due to intergovernmental revenue increasing by 19.3% from the 2021 budget of \$17,934. This is due to the large federal grant for the reconstruction of Central Avenue between Verity Parkway and Charles Street. Expenditures will show a decrease in 2022 due to the large encumbrance for the Street Levy Project occurring in 2021. Capital Outlay sees a decrease of 33% from the 2021 budget total of \$6,000 to \$4,200 in the 2022 budget. The 2022 ending fund balance projection of \$74,400 which is 5.7% higher than the 2021 projected ending balance of \$70,300.

The American Rescue Pan Act of 2021 is a \$1.9 trillion economic stimulus bill passed by United States Congress and was signed into law by President Joe Biden on March 11, 2021, to speed up the United States' recovery from the economic and health effect of the COVID-19 pandemic and the ongoing recession. Included among the provisions in the Act is \$350 billion in direct aid to State and local governments. Within that total, cities and counties are to receive \$130.2 billion and cities alone will receive \$65.1 billion. Nationally, there is \$45.57 billion set aside for so-called “metro” cities and in the state of Ohio there are thirty-five such designated “metro” Cities, of which Middletown is one, that will share \$2.24 billion. Middletown will receive approximately \$18.9 Million. This influx of funds will have a significant impact on the 2022 budget once projects and uses are decided. Once this has occurred there will be amendments and supplemental appropriations to the 2022 budget. These funds will have a transformational effect on our City.

The past several years of Middletown's financial results show that we have made positive progress. In 2014, 2015 and 2016 we experienced an increase in tax revenue of about 3% 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. The pandemic was projected to negatively impact income tax revenue by \$2,200 for 2020, but with financial aid for the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act), year-end balance projections

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

remained as anticipated. The 2021 income tax revenue increased by 47.0%. This large increase was mainly due to the 0.25% income tax increase from the passage of the Street Levy and in part by a stronger economy and reduced unemployment. Unemployment in the Cincinnati-Middletown region is approximately 3.4% for the third month of 2022, down by 0.8% from 4.2% for the third month of 2021.

Significant Statistics/Changes for 2022 Budget:

- Keep public safety, economic development, neighborhood development, sustainable finances, revitalization and street improvement priorities
- A 2% across-the-board wage adjustment for all non-union employees
- Income tax revenue is projected to increase 3.5% over the 2021 budget
- A 4% increase for the City's share of health insurance
- No City funding to Transit Fund – typically \$120
- No City funding to the Airport Fund – typically \$200
- Reinstated transfer to Computer Replacement Fund - \$100

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



Samantha Zimmerman
Finance Director

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash, deposits and investments	\$ 76,560,060	\$ 40,282,222	\$ 116,842,282
Receivables (net of allowance for uncollectibles):			
Income taxes	4,806,000	-	4,806,000
Property taxes	5,513,348	-	5,513,348
Payments in lieu of taxes	1,293,528	-	1,293,528
Accounts	761,060	3,508,118	4,269,178
Interest	150,512	-	150,512
Loans	957,759	-	957,759
Intergovernmental	2,437,233	691,549	3,128,782
Special assessments	985,940	-	985,940
Inventory of supplies	961,925	887,868	1,849,793
Internal balances	(2,792,067)	2,792,067	-
Net OPEB Asset	1,265,575	297,145	1,562,720
Capital assets			
Non-depreciable	25,052,836	6,633,493	31,686,329
Depreciable, net	66,874,030	93,998,513	160,872,543
Total assets	184,827,739	149,090,975	333,918,714
Deferred outflows of resources			
Deferred charge on refunding	78,194	34,827	113,021
Pension related	6,866,682	509,514	7,376,196
OPEB related	4,006,914	200,547	4,207,461
Total deferred outflows of resources	10,951,790	744,888	11,696,678
Liabilities			
Accounts payable	2,321,306	1,657,105	3,978,411
Accrued wages and benefits	766,338	114,952	881,290
Other accrued liabilities	1,230,117	5,164	1,235,281
Accrued interest payable	93,625	24,616	118,241
Due to other governments	820,217	2,086	822,303
Due to other individuals	400,000	980,708	1,380,708
Unearned revenue	8,652,890	-	8,652,890
Non current liabilities:			
Due within one year	8,311,497	3,060,615	11,372,112
Due in more than one year:			
Net pension liability	41,375,756	2,415,408	43,791,164
Net OPEB liability	4,831,767	-	4,831,767
Other amounts due in more than one year	42,447,399	5,413,885	47,861,284
Total liabilities	111,250,912	13,674,539	124,925,451
Deferred inflows of resources			
Revenues levied for the next year	6,445,767	-	6,445,767
Pension related	8,389,271	1,042,495	9,431,766
OPEB related	5,915,923	916,251	6,832,174
Total deferred inflows of resources	20,750,961	1,958,746	22,709,707
Net Position			
Net investment in capital assets	75,330,113	93,048,871	168,378,984
Restricted for capital projects	1,230,039	-	1,230,039
Restricted for debt service	3,136,193	-	3,136,193
Restricted for housing assistance	400,512	-	400,512
Restricted for community development	1,420,013	-	1,420,013
Restricted for public safety	3,550,928	-	3,550,928
Restricted for roads	5,067,000	-	5,067,000
Restricted for public health	898,211	-	898,211
Restricted for other purposes	81,959	-	81,959
Unrestricted	(27,337,312)	41,153,707	13,816,395
Total net position	\$ 63,777,656	\$ 134,202,578	\$ 197,980,234

See accompanying notes to the basic financial statements.

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	\$ 21,393,139	\$ 4,752,523	\$ 1,011,131	\$ -	\$ (15,629,485)		\$ (15,629,485)
Public health and welfare	834,654	342,613	595,146	-	103,105		103,105
Leisure time activities	1,127,676	1,600	-	-	(1,126,076)		(1,126,076)
Community environment	5,172,159	265,946	949,239	607,146	(3,349,828)		(3,349,828)
Highways and streets	6,615,770	128,284	-	5,104,767	(1,382,719)		(1,382,719)
General government	8,440,719	3,250,089	-	-	(5,190,630)		(5,190,630)
Interest on long-term debt	1,335,740	-	-	-	(1,335,740)		(1,335,740)
Total governmental activities	<u>\$ 44,919,857</u>	<u>\$ 8,741,055</u>	<u>\$ 2,555,516</u>	<u>\$ 5,711,913</u>	<u>\$ (27,911,373)</u>		<u>\$ (27,911,373)</u>
Business-type activities:							
Water	\$ 7,331,831	\$ 9,909,294	\$ -	\$ 71,987	\$ -	\$ 2,649,450	\$ 2,649,450
Sewer	9,639,552	16,679,552	-	235,322	-	7,275,322	7,275,322
Solid Waste	3,762,904	3,835,724	-	-	-	72,820	72,820
Airport	1,559,599	1,158,290	69,000	-	-	(332,309)	(332,309)
Transit	3,133,674	-	2,699,927	633,020	-	199,273	199,273
Storm Water	1,752,702	2,449,403	-	408,365	-	1,105,066	1,105,066
Total business-type activities	<u>27,180,262</u>	<u>34,032,263</u>	<u>2,768,927</u>	<u>1,348,694</u>	<u>-</u>	<u>10,969,622</u>	<u>10,969,622</u>
Total	<u>\$ 72,100,119</u>	<u>\$ 42,773,318</u>	<u>\$ 5,324,443</u>	<u>\$ 7,060,607</u>	<u>\$ (27,911,373)</u>	<u>\$ 10,969,622</u>	<u>\$ (16,941,751)</u>
General revenues:							
Taxes:							
Income taxes					\$ 35,984,999	\$ -	\$ 35,984,999
Property taxes					5,075,106	-	5,075,106
Other taxes					3,604,084	-	3,604,084
Payments in lieu of taxes					2,666,697	-	2,666,697
Grants and contributions not restricted to specific programs					2,067,715	-	2,067,715
Investment earnings					(641,079)	220,485	(420,594)
Miscellaneous					102,546	38,583	141,129
Transfers					(880,154)	880,154	-
Total general revenues and transfers					<u>47,979,914</u>	<u>1,139,222</u>	<u>49,119,136</u>
Change in net position					20,068,541	12,108,844	32,177,385
Net position beginning of year					43,709,115	122,093,734	165,802,849
Net position end of year					<u>\$ 63,777,656</u>	<u>\$ 134,202,578</u>	<u>\$ 197,980,234</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDDLETOWN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Special Assessment Debt Service	Capital Improvements
Assets:			
Cash and equity in pooled cash, deposits and investments	\$ 18,903,461	\$ 433,030	\$ 1,229,178
Receivables (net of allowance for uncollectibles):			
Income taxes	4,305,000	-	-
Property taxes	3,463,601	-	742,807
Accounts	342,044	-	-
Loans	-	-	-
Interest	-	-	-
Payments in lieu of taxes	-	-	-
Special assessments	-	725,940	-
Due from other funds	2,350,255	-	-
Due from other governments	604,946	-	40,957
Inventory of supplies	22,015	-	-
Total assets	\$ 29,991,322	\$ 1,158,970	\$ 2,012,942
Liabilities:			
Accounts payable	\$ 431,692	\$ -	\$ 22,758
Accrued wages and benefits	692,092	-	-
Other accrued liabilities	975,089	-	198,225
Due to other funds	61,947	-	-
Due to other governments	696,324	-	-
Due to individuals	-	-	-
Unearned revenue	-	-	-
Total liabilities	2,857,144	-	220,983
Deferred inflows of resources:			
Revenues levied for the next year and unavailable revenue	5,931,609	725,940	783,764
Total deferred inflows of resources	5,931,609	725,940	783,764
Fund balances:			
Nonspendable	2,372,270	-	-
Restricted	-	433,030	1,008,195
Committed	471,239	-	-
Assigned	726,394	-	-
Unassigned	17,632,666	-	-
Total fund balances	21,202,569	433,030	1,008,195
Total liabilities, deferred inflows of resources and fund balances	\$ 29,991,322	\$ 1,158,970	\$ 2,012,942

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

Health	Street Levy	ARPA	Non Major Governmental Funds	Total Governmental Funds
\$ 910,008	\$ 25,672,753	\$ 8,652,890	\$ 12,174,563	\$ 67,975,883
-	501,000	-	-	4,806,000
-	-	-	1,306,940	5,513,348
-	-	-	369,202	711,246
-	-	-	957,759	957,759
-	-	-	150,512	150,512
-	-	-	1,293,528	1,293,528
-	-	-	260,000	985,940
-	-	-	-	2,350,255
98,050	-	-	1,693,280	2,437,233
-	-	-	630,582	652,597
\$ 1,008,058	\$ 26,173,753	\$ 8,652,890	\$ 18,836,366	\$ 87,834,301
\$ 38,360	\$ 922,117	\$ -	\$ 176,799	\$ 1,591,726
14,553	-	-	53,990	760,635
56,803	-	-	-	1,230,117
131	-	-	1,867,635	1,929,713
-	-	-	123,893	820,217
-	-	-	400,000	400,000
-	-	8,652,890	-	8,652,890
109,847	922,117	8,652,890	2,622,317	15,385,298
-	163,000	-	4,262,676	11,866,989
-	163,000	-	4,262,676	11,866,989
-	-	-	611,834	2,984,104
898,211	25,088,636	-	11,068,700	38,496,772
-	-	-	1,750,987	2,222,226
-	-	-	174,467	900,861
-	-	-	(1,654,615)	15,978,051
898,211	25,088,636	-	11,951,373	60,582,014
\$ 1,008,058	\$ 26,173,753	\$ 8,652,890	\$ 18,836,366	\$ 87,834,301

**CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

Total governmental fund balances	\$ 60,582,014
<i>Amounts reported for governmental activities in the statement of net position are different due to the following:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	91,926,866
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	2,102,000
Intergovernmental and other receivables	3,319,222
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 assets and liabilities) of the internal service funds are included in governmental activities in the statement of net position.	4,926,399
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 and notes	(12,095,000)
Revenue bonds	(28,684,000)
Special assessment bonds	(2,787,000)
Compensated absences	(5,782,227)
Pension obligation payable	(1,186,191)
Accrued interest on long-term debt	(93,625)
Premium on bonds	(155,450)
Deferred charge on refunding	78,194
The net pension/OPEB liabilities/(assets) 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	6,866,682
Deferred outflows - OPEB	4,006,914
Deferred inflows - pension	(8,389,271)
Deferred inflows - OPEB	(5,915,923)
Net OPEB asset	1,265,575
Net pension liability	(41,375,756)
Net OPEB liability	(4,831,767)
Net position of governmental activities	<u><u>\$ 63,777,656</u></u>



CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

	General	Special Assessment Debt Service	Capital Improvements
Revenues:			
Property taxes	\$ 3,203,253	\$ -	\$ 685,340
Municipal income taxes	27,271,745	-	-
Payment in lieu of taxes	-	-	-
Intergovernmental revenues	1,668,713	-	4,109,575
Charges for services	4,806,896	-	15,514
Fees, licenses, and permits	607,140	-	-
Fines and forfeits	20,397	-	-
Special assessments	44,839	178,022	-
Investment income	(701,786)	-	6,936
Miscellaneous	1,084,068	-	8,350
Total revenues	38,005,265	178,022	4,825,715
Expenditures:			
Current			
Public safety	23,768,602	-	28,849
Public health and welfare	-	-	-
Leisure time activities	910,330	-	131,150
Community environment	1,334,864	-	-
Highways and streets	30,869	-	5,788,879
General government	5,723,095	-	-
Miscellaneous	1,429,913	-	9,271
Debt service			
Principal retirement	-	128,000	-
Interest and fiscal charges	7,268	34,797	-
Total expenditures	33,204,941	162,797	5,958,149
Excess of revenues over (under) expenditures	4,800,324	15,225	(1,132,434)
Other financing sources (uses):			
Transfers-in	-	-	190,370
Transfers-out	(1,633,582)	-	-
Proceeds from bonds	-	-	-
Proceeds from notes	1,300,000	-	-
Total other financing sources (uses)	(333,582)	-	190,370
Net change in fund balances	4,466,742	15,225	(942,064)
Fund balance, beginning of year	16,735,827	417,805	1,950,259
Fund balance, end of year	\$ 21,202,569	\$ 433,030	\$ 1,008,195

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

Health		Street Levy		ARPA		Non Major Governmental Funds		Total Governmental Funds	
\$	-	\$	-	\$	-	\$	1,193,189	\$	5,081,782
	241,500		4,017,822		-		4,161,932		35,692,999
	-		-		-		2,666,697		2,666,697
	592,070		-		809,687		4,940,464		12,120,509
	342,613		-		-		30,000		5,195,023
	-		-		-		-		607,140
	-		-		-		1,442,186		1,462,583
	-		-		-		590,959		813,820
	-		31,934		-		21,837		(641,079)
	-		-		-		790,929		1,883,347
1,176,183		4,049,756		809,687		15,838,193		64,882,821	
	-		-		809,687		5,653,730		30,260,868
	927,125		-		-		5,715		932,840
	-		-		-		81,846		1,123,326
	-		-		-		3,536,839		4,871,703
	-		7,047,252		-		2,650,694		15,517,694
	-		-		-		91,975		5,815,070
	-		-		-		1,914,912		3,354,096
	-		2,861,000		-		1,770,000		4,759,000
	-		597,868		-		717,357		1,357,290
927,125		10,506,120		809,687		16,423,068		67,991,887	
	249,058		(6,456,364)		-		(584,875)		(3,109,066)
	-		-		-		1,083,058		1,273,428
	-		-		-		(520,000)		(2,153,582)
	-		31,545,000		-		2,160,000		33,705,000
	-		-		-		-		1,300,000
-		31,545,000		-		2,723,058		34,124,846	
	249,058		25,088,636		-		2,138,183		31,015,780
	649,153		-		-		9,813,190		29,566,234
\$	898,211	\$	25,088,636	\$	-	\$	11,951,373	\$	60,582,014

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, 2021

Net change in fund balances - total governmental funds	\$ 31,015,780
<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	16,878,352
Depreciation expense	(6,763,841)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds:	
Income taxes	292,000
Intergovernmental and other revenues	74,033
Governmental Funds report premiums as other financing sources, whereas these amounts are deferred and amortized in the statement of activities:	
Amortization of bond premiums	137,438
Deferred charges on refunding are recorded as deferred outflows of resources and amortized in the statement of activities:	
Amortization of deferred charge on refunding	(72,503)
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:	
Long-term notes payable	(1,300,000)
Bond proceeds	(33,705,000)
Bond principal retirement	4,759,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	(43,385)
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	(129,542)
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.	
	166,714
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	3,986,876
OPEB	59,526
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB assets and liabilities are reported as pension/OPEB expense in the statement of activities.	
Pension	(2,448,237)
OPEB	7,063,589
Change in net position of governmental activities	\$ 20,068,541



CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

Business Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water
Assets			
Current assets:			
Equity in pooled cash and investments	\$ 14,752,553	\$ 22,765,644	\$ 1,291,867
Receivables			
Accounts	1,132,612	1,912,987	263,948
Due from other funds	-	-	-
Intergovernmental	-	-	-
Inventory of supplies	640,841	226,229	20,798
Total current assets	16,526,006	24,904,860	1,576,613
Noncurrent assets:			
Net OPEB asset	113,940	130,193	24,571
Capital assets:			
Construction in progress	1,581,740	331,213	700,000
Land	1,315,164	171,108	504,612
Land improvements	15,200	200,046	36,046
Infrastructure assets	40,159,394	69,695,642	14,932,997
Buildings	16,846,852	13,485,982	69,270
Equipment	7,431,944	15,226,225	409,085
Less: Accumulated depreciation	(37,097,437)	(49,100,335)	(2,523,326)
Total capital assets (net of accumulated depreciation)	30,252,857	50,009,881	14,128,684
Total noncurrent assets	30,366,797	50,140,074	14,153,255
Total assets	46,892,803	75,044,934	15,729,868
Deferred outflows of resources:			
Deferred charge on refunding	-	34,827	-
Pension related	195,373	223,242	42,132
OPEB related	76,900	87,869	16,584
Total deferred outflows of resources	272,273	345,938	58,716
Liabilities			
Current liabilities:			
Accounts payable	209,722	258,927	5,177
Accrued wages and benefits	45,950	59,565	8,236
Other accrued liabilities	-	-	-
Accrued interest payable	6,229	18,387	-
Due to other funds	8,586	5,889	3,043
Due to other governments	2,086	-	-
Due to individuals	980,708	-	-
General obligation bonds payable	220,000	2,495,000	-
Compensated absences (short term portion)	145,017	171,743	24,853
Total current liabilities	1,618,298	3,009,511	41,309
Long-term liabilities:			
General obligation bonds payable	1,862,865	3,185,634	-
Compensated absences	172,870	153,698	38,165
Net pension liability	926,186	1,058,307	199,733
Total long-term liabilities	2,961,921	4,397,639	237,898
Total liabilities	4,580,219	7,407,150	279,207
Deferred inflows of resources:			
Pension related	399,743	456,766	86,206
OPEB related	351,335	401,453	75,766
Total deferred inflows of resources:	751,078	858,219	161,972
Net position			
Net investment in capital assets	28,260,051	44,419,552	14,128,684
Unrestricted	13,573,728	22,705,951	1,218,721
Total net position	\$ 41,833,779	\$ 67,125,503	\$ 15,347,405

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	
\$ 400,044	\$ 1,072,114	\$ 40,282,222	\$ 8,584,177	
198,571	-	3,508,118	49,814	
-	-	-	110,643	
-	691,549	691,549	-	
-	-	887,868	309,328	
598,615	1,763,663	45,369,757	9,053,962	
2,509	25,932	297,145	21,565	
-	122,700	2,735,653	83,350	
382,600	1,524,356	3,897,840	195,750	
8,500	673,449	933,241	-	
12,300	1,856,068	126,656,401	-	
74,652	3,443,014	33,919,770	565,317	
-	5,686,821	28,754,075	14,865,726	
(71,832)	(7,472,044)	(96,264,974)	(12,333,322)	
406,220	5,834,364	100,632,006	3,376,821	
408,729	5,860,296	100,929,151	3,398,386	
1,007,344	7,623,959	146,298,908	12,452,348	
-	-	34,827	-	
4,302	44,465	509,514	36,977	
1,693	17,501	200,547	14,556	
5,995	61,966	744,888	51,533	
630,326	552,953	1,657,105	729,580	
-	1,201	114,952	5,703	
-	5,164	5,164	-	
-	-	24,616	-	
260,000	253,667	531,185	-	
-	-	2,086	-	
-	-	980,708	-	
-	-	2,715,000	-	
-	4,002	345,615	24,846	
890,326	816,987	6,376,431	760,129	
-	-	5,048,499	-	
-	653	365,386	44,182	
20,398	210,784	2,415,408	175,293	
20,398	211,437	7,829,293	219,475	
910,724	1,028,424	14,205,724	979,604	
8,804	90,976	1,042,495	75,657	
7,739	79,958	916,251	66,496	
16,543	170,934	1,958,746	142,153	
406,220	5,834,364	93,048,871	3,376,821	
(320,148)	652,203	37,830,455	8,005,303	
\$ 86,072	\$ 6,486,567	\$ 130,879,326	\$ 11,382,124	
Adjustment to reflect consolidation of internal service fund activities		3,323,252		
Total net position from above		130,879,326		
Net position of business-type activities		\$ 134,202,578		

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Business Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water
Operating revenues:			
Charges for services	\$ 9,909,294	\$ 16,679,552	\$ 2,449,403
Other operating revenue	28,468	3,928	864
Total operating revenues	9,937,762	16,683,480	2,450,267
Operating expenses:			
Personal services	1,930,811	2,430,541	560,534
Contractual services	2,632,031	2,593,005	448,311
Commodities	693,408	648,976	41,079
Depreciation	1,226,284	1,943,743	362,182
Other operating expenses	716,467	1,921,863	340,596
Total operating expenses	7,199,001	9,538,128	1,752,702
Operating income (loss)	2,738,761	7,145,352	697,565
Non-operating revenues (expenses):			
Interest revenue	77,392	133,543	9,550
Interest expense and fiscal charges	(67,098)	(101,424)	-
Operating grants	-	-	-
Total non-operating revenues (expenses)	10,294	32,119	9,550
Income (loss) before contributions and transfers	2,749,055	7,177,471	707,115
Capital contributions	71,987	235,322	408,365
Transfers-in	-	-	55,000
Transfers-out	(41,445)	(41,445)	-
Change in net position	2,779,597	7,371,348	1,170,480
Total net position, beginning of year	39,054,182	59,754,155	14,176,925
Total net position, end of year	\$ 41,833,779	\$ 67,125,503	\$ 15,347,405

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	
\$ 3,835,724	\$ 1,158,290	\$ 34,032,263	\$ 8,854,560	
20	5,303	38,583	-	
3,835,744	1,163,593	34,070,846	8,854,560	
14,137	(58,891)	4,877,132	384,261	
3,742,912	3,179,269	12,595,528	6,802,770	
-	603,257	1,986,720	862,926	
2,357	826,339	4,360,905	1,065,385	
3,498	128,696	3,111,120	105,962	
3,762,904	4,678,670	26,931,405	9,221,304	
72,840	(3,515,077)	7,139,441	(366,744)	
-	-	220,485	38,084	
-	(14,603)	(183,125)	-	
-	2,768,927	2,768,927	-	
-	2,754,324	2,806,287	38,084	
72,840	(760,753)	9,945,728	(328,660)	
-	633,020	1,348,694	-	
-	908,044	963,044	-	
-	-	(82,890)	-	
72,840	780,311	12,174,576	(328,660)	
13,232	5,706,256	118,704,750	11,710,784	
\$ 86,072	\$ 6,486,567	\$ 130,879,326	\$ 11,382,124	

Adjustment to reflect consolidation of Internal Service

Fund Activities \$ (65,732)

Changes in net position of enterprise funds 12,174,576

Changes in net position of business-type activities \$ 12,108,844

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

	Business Type Activities - Enterprise Funds						Governmental Activities -
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities:							
Cash received from customers	\$ 9,810,564	\$ 16,515,909	\$ 2,438,739	\$ 3,820,422	\$ 1,163,520	\$ 33,749,154	\$ -
Cash payments to suppliers for goods and services	(4,119,777)	(5,045,615)	(781,868)	(3,722,199)	(3,640,023)	(17,309,482)	(7,782,596)
Cash payments to employees for services	(2,200,730)	(2,777,434)	(614,139)	(26,468)	(97,736)	(5,716,507)	(523,254)
Cash received from interfund services provided	-	-	-	-	-	-	9,050,388
Cash payments for interfund services used	(547,456)	(588,027)	(203,319)	(4,134)	(164,965)	(1,507,901)	(82,059)
Net cash provided (used) by operating activities	2,942,601	8,104,833	839,413	67,621	(2,739,204)	9,215,264	662,479
Cash flows from non-capital financing activities:							
Operating grants	-	-	-	-	2,566,715	2,566,715	-
Interfund loan receipts/(payments)	-	-	-	260,000	-	260,000	-
Transfers-in from other funds	-	-	55,000	-	908,044	963,044	-
Transfers-out to other funds	(41,445)	(41,445)	-	-	-	(82,890)	-
Net cash provided (used) by non-capital financing activities	(41,445)	(41,445)	55,000	260,000	3,474,759	3,706,869	-
Cash flows from capital and related financing activities:							
Proceeds from issuance of notes	-	2,000,000	-	-	-	2,000,000	-
Purchase of capital assets	(2,085,485)	(12,524,646)	(1,582,049)	-	(645,432)	(16,837,612)	(494,244)
Interest expense and fiscal charges	(81,200)	(140,811)	-	-	(79,430)	(301,441)	-
Repayment of debt principal	(215,000)	(490,000)	-	-	(695,000)	(1,400,000)	-
Capital grants	71,987	-	-	-	633,020	705,007	-
Net cash used by capital and related financing activities	(2,309,698)	(11,155,457)	(1,582,049)	-	(786,842)	(15,834,046)	(494,244)
Cash flows from investing activities:							
Interest income	77,392	133,543	9,550	-	-	220,485	38,084
Net cash provided by investing activities	77,392	133,543	9,550	-	-	220,485	38,084
Net change in cash and cash equivalents	668,850	(2,958,526)	(678,086)	327,621	(51,287)	(2,691,428)	206,319
Cash and pooled investments, beginning of year	14,083,703	25,724,170	1,969,953	72,423	1,123,401	42,973,650	8,377,858
Cash and pooled investments, end of year	\$ 14,752,553	\$ 22,765,644	\$ 1,291,867	\$ 400,044	\$ 1,072,114	\$ 40,282,222	\$ 8,584,177

continued

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2021**

Business Type Activities - Enterprise Funds							Governmental Activities -
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 2,738,761	\$ 7,145,352	\$ 697,565	\$ 72,840	\$ (3,515,077)	\$ 7,139,441	\$ (366,744)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	1,226,284	1,943,743	362,182	2,357	826,339	4,360,905	1,065,385
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:							
Decrease (increase) in accounts receivable (net)	(60,427)	(181,391)	(11,527)	(15,322)	-	(268,667)	299,832
Decrease (increase) in inventory of supplies	(252,071)	(18,593)	1,960	-	-	(268,704)	(23,591)
Decrease (increase) in due from other funds					-	-	(21,883)
Decrease (increase) in net OPEB asset	(113,940)	(130,193)	(24,571)	(2,509)	(25,932)	(297,145)	(21,565)
Decrease (increase) in deferred outflows of resources - pension related	20,783	23,748	4,482	458	4,730	54,201	3,933
Decrease (increase) in deferred outflows of resources - OPEB related	58,775	67,159	12,675	1,294	13,376	153,279	11,124
Increase (decrease) in accounts payable	251	66,885	(42,430)	24,211	117,210	166,127	(151,527)
Increase (decrease) in accrued wages and benefits	1,018	1,867	(3,919)	-	(2,468)	(3,502)	(3,153)
Increase (decrease) in other accrued liabilities	-	-	-	-	(75)	(75)	-
Increase (decrease) in due to other funds	(2,374)	1,249	(113)	-	4,802	3,564	-
Increase (decrease) in compensated absences payable	33,514	-	(3,077)	-	214	30,651	5,659
Increase (decrease) in due to other governments	57	-	-	-	-	57	-
Increase (decrease) in due to individuals	5,217	-	-	-	-	5,217	-
Increase (decrease) in net pension liability	(239,966)	(274,197)	(51,750)	(5,285)	(54,613)	(625,811)	(45,416)
Increase (decrease) in net OPEB liability	(847,691)	(968,615)	(182,807)	(18,669)	(192,920)	(2,210,702)	(160,437)
Increase (decrease) in deferred inflows of resources - pension related	152,378	174,114	32,861	3,356	34,679	397,388	28,839
Increase (decrease) in deferred inflows of resources - OPEB related	222,032	253,705	47,882	4,890	50,531	579,040	42,023
Total adjustments	203,840	959,481	141,848	(5,219)	775,873	2,075,823	1,029,223
Net cash provided (used) by operating activities	\$ 2,942,601	\$ 8,104,833	\$ 839,413	\$ 67,621	\$ (2,739,204)	\$ 9,215,264	\$ 662,479
Noncash investing, capital and financing activities:							
Capital contribution of assets from developers	\$ -	\$ 235,322	\$ 408,365	\$ -	\$ -	\$ 643,687	\$ -

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, 2021**

	Custodial Funds
Assets	
Cash and equity in pooled cash, deposits and investments	\$ 19,087
Cash and cash equivalents in segregated accounts	116,279
Total assets	<u>135,366</u>
Liabilities	
Due to other governments	135,366
Total liabilities	<u>135,366</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, 2021**

	Custodial Funds
Additions	
Taxes collected for distribution	\$ 2,882,165
Fines, licenses and permits for distribution	1,800,169
Total additions	<u>4,682,334</u>
Deductions	
Distributions to other governments	3,287,988
Distributions on behalf of others	1,394,346
Total deductions	<u>4,682,334</u>
Net increase (decrease) in fiduciary net position	-
Net Position - beginning of year	-
Net Position - end of year	<u>\$ -</u>

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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) and the Middletown Port Authority as blended component units.

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.

The Middletown Port Authority (the Port) was created by City Council on January 5, 2021 and is governed by a seven-member board that is appointed by the Mayor and confirmed by Council. Although the Port is legally separate from the City, the Port is reported as if it were part of the primary government since the resources received and held by the Port were used exclusively for the benefit of the City in 2021. The Port is responsible for working with the City and private

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

business sector for the attraction and business expansion of companies and projects that will positively impact the City and maintain the quality of infrastructure within the City.

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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.

Street Levy Fund – To account for all income tax receipts collected from the ten year 0.25% income tax increase approved by voters November 3, 2020, (beginning January 1, 2021) and the expenses related solely to the construction, repair, improvement and maintenance of streets and roads within the City, including payment of the bond issuance related to the street paving project beginning in 2021.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

ARPA Fund (American Rescue Plan Act of 2021 Fund) – To account for revenue and expenses related to the Act. These funds are in response to the economic fallout of the COVID-19 pandemic in the United States and will provide needed relief to support the public health response and lay the foundation for a strong and equitable economic recovery.

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.

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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

value. For the fiscal year ended December 31, 2021, 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 \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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.

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 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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

I. 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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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. 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.

J. 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 Street Levy Fund, the General Obligation Debt Service Fund, the Termination Pay 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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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:

INTERFUND TRANSFERS

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$0	\$1,633,582
Capital Improvement Fund	\$190,370	\$0
Non Major Governmental Funds	\$1,083,058	\$520,000
Enterprise Funds:		
Water Fund	\$0	\$41,445
Sewer Fund	\$0	\$41,445
Storm Water Fund	\$55,000	\$0
Non Major Enterprise Funds	\$908,044	\$0
TOTAL	\$2,236,472	\$2,236,472

A brief description of transfers include:

- \$908,044 to the Airport Fund for debt payment
- \$545,000 to the Middletown Port Authority for the General Fund and Non-Major Governmental Funds
- \$190,370 to the Capital Improvement Fund for paving
- \$160,168 to the Economic Development Bond Fund for debt payments
- \$140,000 to the Downtown Improvements Fund for downtown improvements
- \$125,000 to the Nuisance Abatement Fund for nuisance and demolition
- \$82,890 to the Computer Replacement Fund for anticipated computer replacements for the Water and Sewer Fund
- \$55,000 to the Storm Water Fund for Court work program
- \$30,000 to the Conservancy Fund for property tax payments

K. 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.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

L. 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 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, 2021, the total liability of the City for compensated absences was \$6,562,256.

M. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

N. 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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

O. 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.

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, 2021, but which were levied to finance fiscal year 2022 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.

P. 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.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 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 2021.

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 2021 increased the original 2021 Appropriation Resolution by \$64,180,447 for all budgeted funds. The majority of these supplemental appropriations are due to the following factors:

- \$34,289,879 for paving related expenditures directly related to the passage of a ten year Street Levy to increase income tax by 0.25%, beginning January 1, 2021:
 - \$31,080,963 for paving
 - \$3,183,916 for debt payments; principal and interest
 - \$25,000 for professional services and project detail
- \$6,370,210 income tax receipts to be transferred to new Street Levy Fund
- \$1,876,932 for the design and construction of a maintenance building at the Water Reclamation Facility
- \$1,287,090 for the purchase of a Sutphen aerial ladder fire truck
- \$1,096,000 for the design of a new lime solids processing facility at the Water Treatment Plant
- \$850,000 for water main replacement at Poinciana Road and Hampton Place
- \$815,000 for LED street light upgrade (phase 2)
- \$765,000 for design of an elevated water storage tank with back-up generators for use at Water Treatment Plant and Yankee Road pump station
- \$737,247 for the ODOT Urban Paving project
- \$708,044 for bond principal payment related to Airport debt defeasance

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 2021 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 2021, including all supplemental appropriations and modifications.

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, 2020, reflect an "Appropriation for prior year encumbrances."

**NOTE 3 - CASH AND EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS,
CASH IN SEGREGATED ACCOUNTS**

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, 2021, are comprised of the following:

Deposits	
Petty Cash	\$5,575
Certificate of Deposit	\$16,272,281
Demand deposit accounts	<u>35,714,502</u>
Subtotal deposits	\$51,992,358
Investments	
Money Market Funds	\$8,325,446
U.S. Government and Agency	\$39,998,593
STAR Ohio	<u>\$16,661,251</u>
Subtotal investments	<u>\$64,985,290</u>
Total	<u>\$116,977,648</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."

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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.

State statute permits interim monies to be deposited in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bond, notes, debentures, or any other obligations of securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent to be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this section are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty day in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, city, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. An investment must mature within five years for the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, 32.8% (\$17,731,868) of the City's bank balance of \$54,004,431 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining was covered by pooled collateral.

The City's investments at December 31, 2021 are summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity</u> <u>Years</u>
U.S. Government and Agency	\$28,930,022	2.15
US Treasury Notes	\$11,068,571	2.24
STAR Ohio	\$16,661,251	n/a
US Money Market Funds	<u>\$8,325,446</u>	n/a
	<u>\$64,985,290</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 AAAm by Standard & Poor's. Investments in STAR Ohio were rated AAAm by Standard & Poor's. U.S. Government and Agency and U.S. Treasury Notes were rated AA+ 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.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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, 2021 (using the current financial resource measurement focus), the following funds had a deficit fund balance: 2021 Sidewalk Curb and Gutter Program (\$159,530), 2020 Sidewalk Curb and Gutter Program (\$847,805), 2019 Sidewalk Curb and Gutter Program (\$363,598), 2018 Sidewalk Curb and Gutter Program (\$107,236), Conservancy District (\$60,688), Central Avenue Sidewalk Curb & Gutter Program (\$52,002), Neighborhood Stabilization (\$36,953), and Community Development (\$26,803).

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 2021 taxes were collected was \$848,115,520. The full tax rate for all City operations for the fiscal year ended December 31, 2021, 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, 2021. 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 2021 operations. The receivable is therefore offset by a credit to deferred inflow of resources.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - INCOME TAX

The City levies an income tax of 2 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. An additional 0.25% was added January 1, 2021 with the passage of a ten year Street Levy for road improvements within the City. 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, 2021 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>				
<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	\$15,551,847	\$493,557	\$0	\$16,045,404
Construction in progress	\$2,555,817	\$9,007,432	(\$2,555,817)	\$9,007,432
Total capital assets, not being depreciated	\$18,107,664	\$9,500,989	(\$2,555,817)	\$25,052,836
Capital assets, being depreciated:				
Land improvements	\$845,313	\$0	\$0	\$845,313
Buildings	\$30,726,504	\$29,481	\$0	\$30,755,985
Equipment	\$32,116,780	\$2,533,042	(\$122,457)	\$34,527,365
General infrastructure	\$213,796,492	\$7,370,657	\$0	\$221,167,149
Total capital assets, being depreciated	\$277,485,089	\$9,933,180	(\$122,457)	\$287,295,812
Totals at Historical Cost	\$295,592,753	\$19,434,169	(\$2,678,274)	\$312,348,648
Less accumulated depreciation:				
Land improvements	\$589,534	\$11,556	\$0	\$601,090
Buildings	\$21,970,802	\$676,670	\$0	\$22,647,472
Equipment	\$23,276,330	\$2,009,108	(\$122,457)	\$25,162,981
General infrastructure	<u>\$167,943,732</u>	<u>\$4,066,507</u>	<u>\$0</u>	<u>\$172,010,239</u>
Total depreciation	\$213,780,398	\$6,763,841	(\$122,457)	\$220,421,782
Capital Assets, Net	\$81,812,355	\$12,670,328	(\$2,555,817)	\$91,926,866

Depreciation was charged to governmental functions as follows:

Community environment	\$455,268
General Government	\$1,335,255
Leisure	\$171,095
Public health and welfare	\$15,667
Public safety	\$922,119
Streets and highways	\$3,864,437
Total	\$6,763,841

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

<i>BUSINESS-TYPE ACTIVITIES</i>				
<u><i>Capital Asset</i></u>	<u><i>Beginning Balance</i></u>	<u><i>Increase</i></u>	<u><i>Decrease</i></u>	<u><i>Ending Balance</i></u>
Capital assets, not being depreciated:				
Land	\$3,891,732	\$6,108	\$0	\$3,897,840
Construction in progress	\$6,417,495	\$2,667,205	(\$6,349,047)	\$2,735,653
Total capital assets, not being depreciated	\$10,309,227	\$2,673,313	(\$6,349,047)	\$6,633,493
Capital assets, being depreciated:				
Land improvements	\$926,159	\$7,082	\$0	\$933,241
Buildings	\$33,496,191	\$423,579	\$0	\$33,919,770
Equipment	\$27,542,047	\$1,217,228	(\$5,200)	\$28,754,075
General infrastructure	\$107,147,257	\$19,509,144	\$0	\$126,656,401
Total capital assets, being depreciated	<u>\$169,111,654</u>	<u>\$21,157,033</u>	<u>(\$5,200)</u>	<u>\$190,263,487</u>
Totals at Historical Cost	\$179,420,881	\$23,830,346	(\$6,354,247)	\$196,896,980
Less accumulated depreciation:				
Land improvements	\$531,397	\$41,876	\$0	\$573,273
Buildings	\$20,159,822	\$735,343	\$0	\$20,895,165
Equipment	\$20,107,196	\$1,105,506	(\$5,200)	\$21,207,502
General infrastructure	<u>\$51,110,854</u>	<u>\$2,478,180</u>	<u>\$0</u>	<u>\$53,589,034</u>
Total depreciation	\$91,909,269	\$4,360,905	(\$5,200)	\$96,264,974
Total capital assets, being depreciated, net	\$77,202,385	\$16,796,128	\$0	\$93,998,513
Capital Assets, Net	\$87,511,612	\$19,469,441	(\$6,349,047)	\$100,632,006

Depreciation was charged to Enterprise Funds as follows:

Water	\$1,226,284
Sewer	\$1,943,743
Storm	\$362,182
Solid Waste	\$2,357
Airport	\$289,425
Transit	\$536,914
Total	<u>\$4,360,905</u>

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 – DEFINED BENEFIT 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 *accrued wages and benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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>
2021 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2021 Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	<u>0.0%</u>
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 \$1,868,736 for 2021. Of this amount, \$155,728 is reported as accrued wages and benefits payable.

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

City 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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 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:

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2021 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,473,475 for 2021. Of this amount \$206,123 is reported as accrued wages and benefits payable.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, the specific liability of the City was \$1,186,191 payable in semi-annual payments through the year 2035.

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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	\$ 12,702,835	\$ 31,088,329	\$ 43,791,164
Proportion of the Net Pension Liability			
Current Measurement Date	0.085785%	0.456035%	
Prior Measurement Date	0.080918%	0.459636%	
Change in Proportionate Share	0.004867%	-0.003601%	
Pension Expense	\$ 952,489	\$ 1,676,861	\$ 2,629,350

At December 31, 2021, 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	\$ 810,846	\$ 338,760	\$ 1,149,606
Differences between expected and actual experience	-	1,336,542	1,336,542
Change in Assumptions	-	547,837	547,837
Entity contributions subsequent to the measurement date	1,868,736	2,473,475	4,342,211
Total Deferred Outflows of Resources	\$ 2,679,582	\$ 4,696,614	\$ 7,376,196

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

	OPERS	OP&F	Total
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 4,951,194	\$ 1,433,738	\$ 6,384,932
Differences between expected and actual experience	531,370	1,220,722	1,752,092
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	1,294,742	1,294,742
Total Deferred Inflows of Resources	<u>\$ 5,482,564</u>	<u>\$ 3,949,202</u>	<u>\$ 9,431,766</u>

The City reported \$4,342,211 as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. 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:			
2022	\$ (1,540,755)	\$ (350,222)	\$ (1,890,977)
2023	(437,419)	512,074	74,655
2024	(2,018,275)	(1,631,838)	(3,650,113)
2025	(675,269)	(290,527)	(965,796)
2026	-	34,450	34,450
Total	<u>\$ (4,671,718)</u>	<u>\$ (1,726,063)</u>	<u>\$ (6,397,781)</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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Measurement and Valuation Date	December 31, 2020
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: 0.5% simple through 2021, then 2.15% simple

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00%	5.64%
Real Estate	10.00%	5.39%
Private Equity	12.00%	10.42%
International Equities	23.00%	7.36%
Other investments	9.00%	4.75%
Total	100.00%	5.43%

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 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	\$ 24,230,831	\$ 12,702,835	\$ 3,117,427

Changes Subsequent to the Measurement Date. In September 2021, the Board approved several changes to the pension plan based on the completed five-year experience study covering the period 2016-2020. In addition to other changes, the Board approved to decrease the assumed pension investment rate of return from 7.20% to 6.90%. These changes are not reflected in the current measurement period but are expected to increase the associated pension liability.

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, are presented below:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Cost of Living Increases (COLA)	2.20% simple per year
Salary Increases	3.75% to 10.50%
Payroll Growth	2.75% plus productivity increase rate of 0.5%
Inflation	2.75%

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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%

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

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 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 real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	21.00%	4.10%
Non-US Equity	14.00%	4.80%
Private Markets	8.00%	6.40%
Core Fixed Income*	23.00%	0.90%
High Yield Fixed Income	7.00%	3.00%
Private Credit	5.00%	4.50%
U.S Inflation Linked Bonds*	17.00%	0.70%
Midstream Energy Infrastructure	5.00%	5.60%
Real Assets	8.00%	5.80%
Gold	5.00%	1.90%
Private Real Estate	12.00%	5.30%
	125.00%	

Note: Assumptions are geometric

* levered 2X

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 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 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.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Entity's proportionate share of the net pension liability	\$ 43,278,917	\$ 31,088,329	\$ 20,886,013

NOTE 9 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/(Asset)

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB asset* or *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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit 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 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 another post employment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report 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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans’ employer contributions allocated to health care was zero in 2021. 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 2021 was 4.0 percent.

The City’s contractually required contribution was \$0 for 2021.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees.

On January 1, 2019, OP&F 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 Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB. 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 Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 24.0 percent of covered payroll for fire employer units. The Ohio Revised Code states that the employer contribution may not exceed 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts. There is 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. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of the employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$59,526 for 2021. Of this amount, \$4,961 is reported as accrued wages and benefits payable.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020 and was determined by rolling forward the total OPEB liability as of January 1, 2020 to December 31, 2020. The City's proportion of the net OPEB liability/(asset) 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:

	OPERS	OP&F	Total
Proportionate Share of Net OPEB Liability/(Asset)	\$ (1,562,720)	\$ 4,831,767	\$ 3,269,047
Proportion of Net OPEB Liability:			
Current Measurement Date	0.087715%	0.456035%	
Prior Measurement Date	0.084171%	0.459636%	
Change in Proportionate Share	0.003544%	-0.003601%	
OPEB (Negative) Expense	\$ (9,337,654)	\$ 498,537	\$ (8,839,117)

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

At December 31, 2021, 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	\$ 286,442	\$ 346,410	\$ 632,852
Differences between expected and actual experience	-	-	-
Change in Assumptions	768,251	2,746,832	3,515,083
Contributions subsequent to the measurement date	-	59,526	59,526
Total Deferred Outflows of Resources	<u>\$ 1,054,693</u>	<u>\$ 3,152,768</u>	<u>\$ 4,207,461</u>
	OPERS	OP&F	Total
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 832,326	\$ 177,571	\$ 1,009,897
Differences between expected and actual experience	1,410,346	803,322	2,213,668
Change in Assumptions	2,532,075	805,092	3,337,167
Changes in employer proportion and differences between contributions and proportionate share of contributions	43,895	227,547	271,442
Total Deferred Inflows of Resources	<u>\$ 4,818,642</u>	<u>\$ 2,013,532</u>	<u>\$ 6,832,174</u>

\$59,526 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 or an increase in the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2022	(1,960,208)	241,876	(1,718,332)
2023	(1,343,972)	286,555	(1,057,417)
2024	(361,695)	216,491	(145,204)
2025	(98,074)	224,765	126,691
2026	-	53,151	53,151
Thereafter	-	56,872	56,872
Total	<u>\$ (3,763,949)</u>	<u>\$ 1,079,710</u>	<u>\$ (2,684,239)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages 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, 2019, rolled forward to the measurement date of December 31, 2020.

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

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75%, including wage inflation
Single Discount Rate:	
Current Measurement Date	6.00%
Prior Measurement Date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate	
Current Measurement Date	2.00%
Prior Measurement Date	2.75%
Health Care Cost Trend Rate	
Current Measurement Date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement Date	10.50% initial, 3.50% ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
Real Estate Investment Trust	7.00%	6.48%
International Equities	25.00%	7.36%
Other investments	9.00%	4.02%
Total	100.00%	4.43%

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Entity's proportionate share of the net OPEB asset	\$ (388,577)	\$ (1,562,720)	\$ (2,527,946)

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 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 2021 is 8.50 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 asset	\$ (1,600,799)	\$ (1,562,720)	\$ (1,520,101)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single Discount Rate:	
Current Measurement Date	2.96%
Prior Measurement Date	3.56%
Municipal Bond Rate:	
Current Measurement Date	2.12%
Prior Measurement Date	2.75%
Cost of Living Adjustments	2.20% simple per year

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.

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 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, 2020, are summarized below:

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	21.00%	4.10%
Non-US Equity	14.00%	4.80%
Private Markets	8.00%	6.40%
Core Fixed Income*	23.00%	0.90%
High Yield Fixed Income	7.00%	3.00%
Private Credit	5.00%	4.50%
U.S Inflation Linked Bonds*	17.00%	0.70%
Midstream Energy Infrastructure	5.00%	5.60%
Real Assets	8.00%	5.80%
Gold	5.00%	1.90%
Private Real Estate	12.00%	5.30%
	125.00%	

Note: Assumptions are geometric

* levered 2X

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate Total OPEB liability was calculated using the discount rate of 2.96 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 2.12 percent at December 31, 2020 was blended with the long-term rate of 8.00 percent, which resulted in a blended discount rate of 2.96 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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
Entity's proportionate share of the net OPEB liability	\$ 6,024,935	\$ 4,831,767	\$ 3,847,540

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, 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 \$605,040.

Year	Beginning of Fiscal Year Liability	Current Year Claims & Changes In Estimate	Claim Payments	Balance At Fiscal Year End
2020	\$800,698	\$5,077,205	\$5,079,505	\$798,398
2021	\$798,398	\$6,185,485	\$6,378,843	\$605,040

NOTE 11 - LONG TERM OBLIGATIONS

Long-term obligation of the City as of December 31, 2021 are as follows:

A. GOVERNMENTAL ACTIVITIES

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2021
2001 Illinois/Longfellow Improve.	\$16,279	\$0	\$16,279	\$0	\$0	\$944
2001 Dick's Creek	\$8,442	\$0	\$8,442	\$0	\$0	\$490
2001 Oxford State Rd Water Line	\$5,279	\$0	\$5,279	\$0	\$0	\$306
2001 Oxford State Rd Intersection	\$4,000	\$0	\$4,000	\$0	\$0	\$234
2004 Roosevelt Ave. Improvements	\$170,000	\$0	\$40,000	\$130,000	\$40,000	\$9,350
2017 Towne Blvd. Improvements	\$320,000	\$0	\$20,000	\$300,000	\$15,000	\$11,650
2007 Cincinnati Dayton Rd Sewer	\$61,000	\$0	\$9,000	\$52,000	\$10,000	\$2,898
2014 Lefferson Road	\$90,000	\$0	\$5,000	\$85,000	\$5,000	\$4,725
2014 S Main St Lighting	\$80,000	\$0	\$20,000	\$60,000	\$20,000	\$4,200
2021 Made Industrial Drive Improvements	\$0	\$2,160,000	\$0	\$2,160,000	\$0	\$0
Total Special Assessment Bonds	\$755,000	\$2,160,000	\$128,000	\$2,787,000	\$90,000	\$34,797

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2021
<i>General Obligation Bonds:</i>						
2017 Towne Blvd/SR 122/I-75	\$250,000	\$0	\$50,000	\$200,000	\$50,000	\$11,158
2017 Towne Blvd. Extension	\$450,000	\$0	\$220,000	\$230,000	\$230,000	\$18,694
2017 Refunding Bonds	\$3,450,000	\$0	\$335,000	\$3,115,000	\$340,000	\$131,100
2010 Downtown Parking Flat Lot	\$100,000	\$0	\$100,000	\$0	\$0	\$3,125
2010 Greentree Health Science Academy	\$3,275,000	\$0	\$255,000	\$3,020,000	\$260,000	\$197,828
2013 Court of Appeals	\$770,350	\$0	\$249,900	\$520,450	\$256,480	\$28,035
2013 MRH Land	\$1,064,650	\$0	\$345,100	\$719,550	\$353,520	\$39,415
2015 AK Steel Holding Corp Project	\$1,675,000	\$0	\$85,000	\$1,590,000	\$85,000	\$75,168
2015 Bender Tract	\$1,530,000	\$0	\$130,000	\$1,400,000	\$130,000	\$63,553
Premiums	\$292,888	\$0	\$137,438	\$155,450	\$0	\$0
Total General Obligation Bonds	\$12,857,888	\$0	\$1,907,438	\$10,950,450	\$1,705,000	\$568,075
<i>General Obligation Notes Payable:</i>						
Various Purpose Notes	\$0	\$1,300,000	\$0	\$1,300,000	\$1,300,000	\$0
Total General Obligation Notes Payable	\$0	\$1,300,000	\$0	\$1,300,000	\$1,300,000	\$0
<i>Revenue Obligation Bonds (Voted):</i>						
2021 Income Tax Street Improvements	\$0	\$31,545,000	\$2,861,000	\$28,684,000	\$2,807,000	\$322,916
Total Revenue Obligation Bonds (Voted)	\$0	\$31,545,000	\$2,861,000	\$28,684,000	\$2,807,000	\$322,916
Compensated Absences	\$5,716,054	\$2,420,727	\$2,285,526	\$5,851,255	\$2,311,756	
Police & Fire Pension						
Unfunded Accrued Liability	\$1,283,932	\$0	\$97,741	\$1,186,191	\$97,741	
Total Governmental Activities	\$20,612,874	\$37,425,727	\$7,279,705	\$50,758,896	\$8,311,497	\$925,788

The governmental funds typically used to liquidate the liability for compensated absences and pension 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
DECEMBER 31, 2021

B. BUSINESS TYPE ACTIVITIES

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2021
<i>General Obligation Bonds:</i>						
2017 Airport	\$695,000	\$0	\$695,000	\$0	\$0	\$25,700
2017 Sewer	\$3,255,000	\$0	\$430,000	\$2,825,000	\$435,000	\$121,250
2014 Wastewater Energy Improvements	\$600,000	\$0	\$60,000	\$540,000	\$60,000	\$22,200
2014 Water Energy Improvements	\$2,195,000	\$0	\$215,000	\$1,980,000	\$220,000	\$81,200
Premium	\$554,843	\$0	\$136,344	\$418,499	\$0	\$0
Total General Obligation Bonds Payable	\$7,299,843	\$0	\$1,536,344	\$5,763,499	\$715,000	\$250,350
<i>General Obligation Notes Payable:</i>						
Various Purpose Notes - Sewer	\$0	\$2,000,000	\$0	\$2,000,000	\$2,000,000	\$0
Total General Obligation Notes Payable	\$0	\$2,000,000	\$0	\$2,000,000	\$2,000,000	\$0
Compensated Absences	\$680,350	\$372,449	\$341,798	\$711,001	\$345,615	\$0
Total Business Type Activities	\$7,980,193	\$2,372,449	\$1,878,142	\$8,474,500	\$3,060,615	\$250,350

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 \$78,101,680 at December 31, 2021. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2021 are as follows:

GOVERNMENTAL ACTIVITIES			
Police and Fire Pension Debt Schedule 12/31/21			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$52,217	\$45,524	\$97,741
2025-2031	\$261,085	\$227,620	\$488,705
2032-2034	\$111,583	\$97,198	\$208,781
Total	\$633,753	\$552,438	\$1,186,191

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

GOVERNMENTAL ACTIVITIES						
General Obligation and Assessment Bonds Schedule 12/31/21						
	General Obligation Bonds			Special Assessment Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$4,512,000	\$932,255	\$5,444,255	\$90,000	\$133,639	\$223,639
2023	\$4,422,000	\$825,540	\$5,247,540	\$175,000	\$123,555	\$298,555
2024	\$3,909,000	\$722,799	\$4,631,799	\$175,000	\$116,893	\$291,893
2025	\$4,039,000	\$628,717	\$4,667,717	\$171,000	\$107,190	\$278,190
2026	\$4,130,000	\$543,322	\$4,673,322	\$76,000	\$99,845	\$175,845
2027-2031	\$17,907,000	\$1,243,427	\$19,150,427	\$385,000	\$447,020	\$832,020
2032-2036	\$560,000	\$71,750	\$631,750	\$475,000	\$346,770	\$821,770
2037-2041				\$555,000	\$230,345	\$785,345
2042-2044				\$685,000	\$71,760	\$756,760
Total	\$39,479,000	\$4,967,809	\$44,446,809	\$2,787,000	\$1,677,017	\$4,464,017

BUSINESS TYPE ACTIVITIES			
General Obligation Bonds Schedule - 12/31/21			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$715,000	\$207,800	\$922,800
2023	\$725,000	\$190,700	\$915,700
2024	\$750,000	\$170,950	\$920,950
2025	\$780,000	\$136,400	\$916,400
2026	\$815,000	\$105,200	\$920,200
2027-2029	\$1,560,000	\$110,250	\$1,670,250
Total	\$5,345,000	\$921,300	\$6,266,300

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 Treasurers 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 Counties 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.

In March, 2021 the City issued long term Income Tax Revenue Bonds in the amount of \$31,545,000 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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The City issued a combined \$3,300,000 in bond anticipation notes (BANs) in 2021 for the purpose of financing the City's cost of construction improvements to the Water Reclamation Facility and for the purchase of a new aerial ladder fire truck. These BANs were refinanced as tax exempt long term general obligation various purpose improvement bonds in June, 2022.

NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The City's inter-fund receivables and payables at the end of 2021 were comprised of operating advances from the General Fund to other operating funds (\$2,350,255) and payments to the Municipal Garage Fund by the City operating funds for December 2021 services (\$110,643). Inter-fund balances as of December 31, 2021 are as follows:

Fund	Receivables	Payables
Governmental Funds:		
General Fund	\$2,350,255	\$61,947
Health Fund	\$0	\$131
Non major government funds	\$0	\$1,867,635
Total governmental funds	\$2,350,255	\$1,929,713
Enterprise Funds:		
Water	\$0	\$8,586
Sewer	\$0	\$5,889
Storm Water	\$0	\$3,043
Solid Waste	\$0	\$260,000
Non major enterprise funds	\$0	\$253,667
Total enterprise funds	\$0	\$531,185
Internal Service Funds		
Internal service funds	\$110,643	\$0
Total internal service funds	\$110,643	\$0
Total all funds	\$2,460,898	\$2,460,898

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, 2021, to December 31, 2021, 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
DECEMBER 31, 2021

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, 2020, 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, 2020 and 2019:

<u>Casualty & Property</u> <u>Coverage</u>	<u>2019</u>	<u>2020</u>
Assets	\$54,973,597	\$57,336,499
Liabilities	<u>(\$16,440,940)</u>	<u>(\$16,156,805)</u>
Net position - Unrestricted	<u>\$38,532,657</u>	<u>\$41,179,694</u>

At December 31, 2020 and 2019, the liabilities above included incurred claims payable. The assets above also include unpaid claims to be billed to approximately 571 member governments in the future, as of December 31, 2020 and 2019, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. At December 31, 2020, the city's share of these unpaid claims collectible in future years is approximately \$688,566.

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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Contributions to PEP

2017	\$618,127
2018	\$577,497
2019	\$606,845
2020	\$622,220
2021	\$694,332

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, 2021, 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
John R Jurgensen Company	2021 - 2022 Street Levy paving project	\$24,363,921
Perkins/Carmack Construction, LLC	Construction of maintenance building at Water Reclamation Facility	\$1,823,551
Hazen & Sawyer	Lime solids processing facility design	\$1,096,000
Barrett Paving Materials, Inc	2021 Local Street Improvements	\$1,094,821
JL Kuck General Contractors, Inc	Potable well 20 pumping system	\$800,000
Redzone Robotics, Inc.	Sewer system condition assessment	\$751,462
Barrett Paving Materials, Inc	Moore Rd water main replacement & resurfacing	\$678,628
Jacobs Engineering Group, Inc	Design of an elevated storage tank for water system reliability	\$671,996
Jack Doheny Company	Purchase of a new Vactor with hydro excavator for sewer maintenance	\$362,411
Barrett Paving Materials, Inc	Poinciana Rd/Hampton Place water main replacement & reconstruction	\$346,701
		<u>\$31,989,491</u>

B. Encumbrance Commitments

At December 31, 2021, the City had encumbrance commitments of \$24,890,904 in the Street Levy Fund, \$1,054,995 in the General Fund, \$1,283,538 in the Auto & Gas Fund, \$468,808 in the Capital Improvements Fund, \$5,313 for the American Rescue Plan Act Fund, \$4,878 for the Health Fund and \$367,407 for all other Governmental Funds.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 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 – 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, 2021 is \$82,940,000 hospital facilities revenue bonds issued on behalf of Atrium Medical Center.

NOTE 18 – DEFEASED DEBT

In 2017, the City of Middletown approved and issued “Refunding Bonds” in the aggregate principal amount of \$10,745,000, of which a minor portion of the refunded bond, previously issued in 2008 (with a maturity date of 2027), was for the purpose of making building and fuel storage improvements at Hook Municipal Airport (Middletown Regional Airport). After payment of the scheduled debt service for 2021, the City defeased the “2017 Airport refunding” bonds with \$600,000, the outstanding principal payment obligations by creating a separate irrevocable trust fund. This debt is now deemed to be paid, discharged and considered defeased and therefore removed as a liability from the City’s financial statements. Beginning in fiscal year 2022 and extending through fiscal year 2027, the City will be able to decrease the Airport Fund expense budget by an average of \$116,000 per year, likely affecting the needed transfers from the general fund or allowing for additional improvements at the Airport.

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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:

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Fund Balances	General Fund	Special Assessment Debt Service Fund	Capital Improvements Fund	Health Fund	Street Levy Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable							
Inventory of supplies	\$ 22,015	\$ -	\$ -	\$ -	\$ -	\$ 551,995	\$ 574,010
Loans Receivable						59,839	59,839
Interfund loans	2,350,255						2,350,255
Total Nonspendable	2,372,270	-	-			611,834	2,984,104
Restricted for							
Capital improvements			1,008,195			128,611	1,136,806
Debt service		433,030				-	433,030
TIF agreement						1,977,223	1,977,223
Housing assistance						400,512	400,512
Community Development						2,635,867	2,635,867
Public health				898,211		-	898,211
Public safety						3,482,926	3,482,926
Roads					25,088,636	2,443,561	27,532,197
Total Restricted	-	433,030	1,008,195	898,211	25,088,636	11,068,700	38,496,772
Committed							
Capital improvements						196,898	196,898
Retirement benefits	471,239						471,239
Debt service						148,533	148,533
Recreation						6,947	6,947
Purchase of capital assets						1,398,609	1,398,609
Total Committed	471,239	-	-	-	-	1,750,987	2,222,226
Assigned							
Capital Improvements						174,467	174,467
Purchase commitments	602,000					-	602,000
Next Year's Budget	124,394						124,394
Total Assigned	726,394	-	-	-	-	174,467	900,861
Unassigned (deficit)	17,632,666		-	-	-	(1,654,615)	15,978,051
Total Fund Balances	\$ 21,202,569	\$ 433,030	\$ 1,008,195	\$ 898,211	\$ 25,088,636	\$ 11,951,373	\$ 60,582,014

NOTE 21 – TAX ABATEMENTS

As of December 31, 2021, 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 affect 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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

The City abated property taxes of approximately \$60,628 from Community Reinvestment Area (CRA) abatement agreements in 2021, and approximately \$5,263,318 under the Enterprise Zone Agreement program during 2021, 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 \$24,148.
- 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 \$14,878.
- 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 \$2,461.
- 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 \$50,605.
- A 100% property tax abatement to a developer for construction of a 12,000 square foot speculative building. The abatement amounted to an estimated \$11,496.
- A 100% property tax abatement to a developer for construction of a 612,589 square foot speculative building. The abatement amounted to an estimated \$849,543.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

- 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 \$437,572.

NOTE 22 – SUBSEQUENT EVENTS

On May 3, 2022, Middletown voters approved a bond issue by the City of Middletown for the purpose of constructing fire facilities; furnishing and equipping the same; improving the sites thereof; and acquiring interests in land as necessary in connection therewith, in the principal amount of \$16,800,000, to be repaid annually over a maximum period of thirty years, and an annual levy of property taxes be made outside of the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue one mill for each one dollar of tax valuation. This amounts to ten cents for each one hundred dollars of tax valuation, commencing in 2022, and first due in calendar year 2023, to pay the annual debt charges on the bonds, and to pay the debt charges of any notes or bonds issued. The City intends to issue long term public placement bonds in late summer to fund the construction of the new fire facilities.

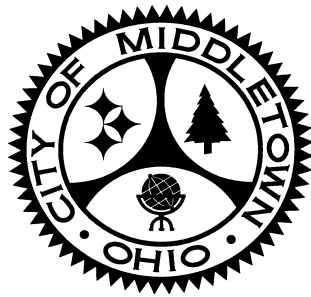
The Bond Anticipation Notes (BANs), issued in 2021 have been refinanced with long-term general obligation tax-exempt various improvement bonds for the principal amount of \$3,300,000 for the purpose of paying the costs of (a) acquiring and equipping a fire ladder truck for the use by the appurtenances thereto and (b) improvements to the municipal wastewater system including the construction, equipping and installation of a maintenance building at the water reclamation facility, together with all necessary and related appurtenances thereto. These newly issued bonds will be paid over ten years with a closing date of June 21, 2022. This \$3,300,000 is the planned pay-off of the above mentioned purposes.

NOTE 23 – 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 24 – COVID -19

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



**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 2,921,020	\$ 2,921,020	\$ 3,203,253	\$ 282,233
Municipal income taxes	18,810,754	24,095,762	24,095,762	-
Intergovernmental revenue	1,174,097	1,174,097	1,657,711	483,614
Charges for services	4,606,045	4,606,045	4,658,847	52,802
Fees, licenses, and permits	443,028	443,028	607,140	164,112
Fines and forfeits	30,095	30,095	20,237	(9,858)
Interest earnings	110,427	110,427	144,206	33,779
Miscellaneous	1,142,162	1,680,055	1,584,346	(95,709)
Total revenues	29,237,628	35,060,529	35,971,502	910,973
Expenditures:				
Current				
Community Environment				
Administration				
Personal services	202,687	69,267	69,267	-
Other	124,915	524,915	380,795	144,120
Community revitalization administration				
Other	3,500	3,500	-	3,500
Street lighting				
Other	701,561	668,777	660,774	8,003
Total community environment	1,032,663	1,266,459	1,110,836	155,623
Leisure Time Activities				
Community center				
Other	120,000	120,000	100,950	19,050
Parks maintenance				
Personal services	556,521	556,521	474,750	81,771
Other	339,936	339,936	324,223	15,713
Total leisure time activities	1,016,457	1,016,457	899,923	116,534

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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Public Safety				
Fire administration				
Personal services	380,474	380,474	381,557	(1,083)
Other	11,232	11,232	8,898	2,334
Fire operations				
Personal services	6,607,839	6,957,839	6,783,916	173,923
Other	1,548,893	3,126,110	3,029,843	96,267
Fire prevention/training				
Personal services	563,838	593,838	583,158	10,680
Other	7,655	7,655	6,059	1,596
Police administration				
Personal services	863,014	863,014	799,163	63,851
Other	108,500	108,500	90,793	17,707
Criminal investigation				
Personal services	1,414,208	1,354,208	1,287,324	66,884
Other	37,873	37,873	32,218	5,655
Narcotics				
Personal services	687,014	657,014	628,588	28,426
Other	24,000	24,000	20,679	3,321
Uniform patrol				
Personal services	5,175,935	4,975,935	4,923,901	52,034
Other	841,235	839,235	826,105	13,130
Police services				
Personal services	353,796	353,796	340,674	13,122
Other	8,700	8,700	8,468	232
Police and fire dispatch				
Personal services	1,388,724	1,583,724	1,458,661	125,063
Other	80,907	80,907	78,921	1,986
Jail management				
Personal services	1,025,951	1,045,951	992,768	53,183
Other	378,286	378,286	367,091	11,195
Building inspection and services				
Personal services	506,543	506,543	494,398	12,145
Other	72,638	74,838	74,596	242
Building maintenance				
Personal services	230,487	230,487	228,678	1,809
Other	264,905	299,905	290,920	8,985
Total public safety	22,582,647	24,500,064	23,737,377	730,940
				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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
General Government				
City council				
Personal services	132,517	132,517	130,256	2,261
Other	23,346	23,346	14,656	8,690
City manager				
Personal services	310,334	420,334	403,655	16,679
Other	101,161	101,161	95,234	5,927
Finance administration				
Personal services	262,103	178,103	173,030	5,073
Other	43,243	63,243	57,530	5,713
Treasury				
Personal services	221,268	221,268	221,267	1
Other	9,335	9,335	8,858	477
Information systems				
Personal services	635,068	635,068	624,058	11,010
Other	108,484	108,484	85,352	23,132
Personnel				
Personal services	257,235	197,235	194,319	2,916
Other	154,479	179,479	176,786	2,693
Law				
Personal services	357,821	357,821	352,417	5,404
Other	425,527	837,352	826,900	10,452
Purchasing				
Personal services	95,419	95,419	94,382	1,037
Other	4,549	4,549	3,613	936
Planning				
Personal services	269,979	283,979	282,689	1,290
Other	259,515	277,315	271,719	5,596
Economic development				
Personal services	447,101	484,401	483,812	589
Other	502,515	751,215	745,847	5,368
Communications				
Personal services	92,358	92,358	91,308	1,050
Other	146,776	146,776	142,985	3,791
Engineering				
Personal services	323,323	263,323	246,147	17,176
Other	135,767	135,767	117,901	17,866
Total general government	5,319,223	5,999,848	5,844,721	155,127

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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Miscellaneous				
Non-departmental				
Personal services	34,515	34,515	33,207	1,308
Other	1,820,578	1,793,771	1,604,959	188,812
Total miscellaneous	1,855,093	1,828,286	1,638,166	190,120
Total expenditures	31,806,080	34,611,114	33,231,023	1,380,091
Excess of revenues over (under) expenditures	(2,568,452)	449,415	2,740,479	2,291,064
Other financing sources (uses)				
Transfers-In	105,000	105,000	105,000	-
Advances In	-	-	66,280	66,280
Transfers-out	(655,168)	(2,080,195)	(1,608,582)	471,613
Other sources	-	-	451,394	451,394
Proceeds from notes	-	1,300,000	1,300,000	-
Total other financing sources (uses)	(550,168)	(675,195)	314,092	989,287
Net change in fund balance	(3,118,620)	(225,780)	3,054,571	3,280,351
Fund balance, beginning of year	9,881,346	9,881,346	9,881,346	-
Appropriation for prior year encumbrances	2,099,745	2,099,745	2,099,745	-
Fund balance, end of the year	\$ 8,862,471	\$ 11,755,311	\$ 15,035,662	\$ 3,280,351

See notes to the required supplementary informaton.

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 345,000	345,000	\$ 241,500	\$ (103,500)
Intergovernmental revenue	15,101	15,101	389,825	374,724
Charges for services	260,520	260,520	288,859	28,339
Miscellaneous	20,000	20,000	166,939	146,939
Total revenues	640,621	640,621	1,087,123	446,502
Expenditures:				
Current				
Public health and welfare:				
Personal services	664,718	716,418	698,022	18,396
Other	153,114	280,914	255,221	25,693
Total expenditures	817,832	997,332	953,243	44,089
Excess of expenditures over/under revenues	(177,211)	(356,711)	133,880	490,591
Other financing sources:				
Other sources	-	-	10,301	10,301
Total other financing sources	-	-	10,301	10,301
Net change in fund balance	(177,211)	(356,711)	144,181	500,892
Fund balance, beginning of the year	723,593	723,593	723,593	-
Appropriation for prior year encumbrances	37,356	37,356	37,356	-
Fund balance, end of the year	\$ 583,738	\$ 404,238	\$ 905,130	\$ 500,892

* See notes to the RSI.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
STREET LEVY FUND
FOR YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ -	\$ 3,700,000	\$ 3,679,822	\$ (20,178)
Interest earnings	-	55,000	31,934	(23,066)
Total revenues	-	3,755,000	3,711,756	(43,244)
Expenditures:				
Current				
Highways and streets:				
Other	-	31,105,963	31,046,038	(59,925)
Debt Service	-	3,183,916	3,183,916	-
Total expenditures	-	34,289,879	34,229,954	(59,925)
Excess of revenues over (under) expenditures	-	(30,534,879)	(30,518,198)	(103,169)
Other financing sources (uses):				-
Proceeds from bonds	-	31,300,048	31,300,048	62,600,096
Total other financing sources (uses)	-	31,300,048	31,300,048	62,600,096
Net change in fund balance	-	765,169	781,850	62,496,927
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ -	\$ 765,169	\$ 781,850	\$ 62,496,927

*See notes to the RSI.

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AMERICAN RESCUE PLAN ACT (ARPA) FUND
FOR YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ 9,462,577	\$ 9,462,577	\$ -
Total revenues	-	9,462,577	9,462,577	-
Expenditures:				
Current				
Highways and streets				
Other	-	815,000	815,000	-
Total expenditures	-	815,000	815,000	-
Net change in fund balance	-	8,647,577	8,647,577	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ -	\$ 8,647,577	\$ 8,647,577	\$ -

*See notes to the RSI.

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 Eight Years *

	2021	2020	2019	2018	2017
Entity's Proportion of the Net Pension Liability	0.08578500%	0.08091800%	0.08150200%	0.08075000%	0.08353830%
Entity's Proportionate Share of the Net Pension Liability	\$ 12,702,835	\$ 15,994,021	\$ 22,321,871	\$ 12,668,078	\$ 18,970,130
Entity's Covered Payroll	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	97.08%	122.28%	180.10%	104.50%	162.92%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%
	2016	2015	2014		
Entity's Proportion of the Net Pension Liability	0.0809491%	0.08166428%	0.08166428%		
Entity's Proportionate Share of the Net Pension Liability	\$ 14,021,397	\$ 9,849,625	\$ 9,627,155		
Entity's Covered Payroll	\$ 11,036,783	\$ 10,884,143	\$ 11,843,740		
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	127.04%	90.50%	81.28%		
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	81.08%	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%.

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 Eight Years *

	2021	2020	2019	2018	2017
Entity's Proportion of the Net Pension Liability	0.45603500%	0.45963600%	0.47664900%	0.47918800%	0.46428800%
Entity's Proportionate Share of the Net Pension Liability	\$ 31,088,329	\$ 30,963,551	\$ 38,907,174	\$ 29,409,924	\$ 29,407,539
Entity's Covered Payroll	\$ 11,026,572	\$ 11,216,823	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	281.94%	276.05%	361.78%	282.52%	305.33%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%
	2016	2015	2014		
Entity's Proportion of the Net Pension Liability	0.46728149%	0.54326535%	0.54326535%		
Entity's Proportionate Share of the Net Pension Liability	\$ 30,060,543	\$ 28,143,411	\$ 26,458,727		
Entity's Covered Payroll	\$ 9,724,488	\$ 10,647,153	\$ 11,049,711		
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	309.12%	264.33%	239.45%		
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	66.77%	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 Nine Years *

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 1,868,736	\$ 1,877,821	\$ 1,852,126	\$ 1,743,281	\$ 1,569,931
Contributions in Relation to the Contractually Required Contribution	(1,868,736)	(1,877,821)	(1,852,126)	(1,743,281)	(1,569,931)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858
Contributions as a Percentage of Covered Payroll	14%	14%	14%	14%	13%
	2016	2015	2014	2013	
Contractually Required Contribution	\$ 1,413,090	\$ 1,545,150	\$ 1,205,425	\$ 1,658,124	
Contributions in Relation to the Contractually Required Contribution	(1,413,090)	(1,545,150)	(1,205,425)	(1,658,124)	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Entity Covered Payroll	\$ 11,644,126	\$ 11,036,783	\$ 10,884,143	\$ 11,843,740	
Contributions as a Percentage of Covered Payroll	12%	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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 2,473,475	\$ 2,380,338	\$ 2,459,236	\$ 2,256,918	\$ 2,188,619
Contributions in Relation to the Contractually Required Contribution	(2,473,475)	(2,380,338)	(2,459,236)	(2,256,918)	(2,188,619)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823	\$ 10,754,471	\$ 10,409,924
Contributions as a Percentage of Covered Payroll	21.01%	21.59%	21.92%	20.99%	21.02%
	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 2,019,817	\$ 2,108,003	\$ 2,273,530	\$ 2,750,824	\$ 2,446,776
Contributions in Relation to the Contractually Required Contribution	(2,019,817)	(2,108,003)	(2,273,530)	(2,750,824)	(2,446,776)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 9,631,388	\$ 9,724,488	\$ 10,647,153	\$ 11,049,711	\$ 10,869,951
Contributions as a Percentage of Covered Payroll	20.97%	21.68%	21.35%	24.89%	22.51%

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

	2021	2020	2019	2018	2017
Entity's Proportion of the Net OPEB Liability/(Asset)	0.08771500%	0.08417100%	0.08542800%	0.08470200%	0.08689100%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (1,562,720)	\$ 11,626,265	\$ 11,137,784	\$ 9,198,025	\$ 8,776,325
Entity's Covered Payroll	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126
Entity's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	-11.94%	88.88%	89.86%	75.87%	75.37%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	115.57%	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%.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

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 Five Years *

	2021	2020	2019	2018	2017
Entity's Proportion of the Net OPEB Liability	0.45603500%	0.45963600%	0.47664900%	0.47918800%	0.46428800%
Entity's Proportionate Share of the Net OPEB Liability	\$ 4,831,767	\$ 4,540,163	\$ 4,340,623	\$ 27,150,114	\$ 22,038,709
Entity's Covered Payroll	\$ 11,026,572	\$ 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	43.82%	40.48%	40.36%	260.81%	228.82%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	45.42%	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%.

In 2021, the single discount rate changed from 3.56% to 2.96%.

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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ 106,137
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(106,137)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858
Contributions as a Percentage of Covered Payroll	0%	0%	0%	0%	1%
	<u>2016</u>				
Contractually Required Contribution	\$ 231,052				
Contributions in Relation to the Contractually Required Contribution	<u>(231,052)</u>				
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 11,644,126				
Contributions as a Percentage of Covered Payroll	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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 59,526	\$ 57,284	\$ 59,183	\$ 54,314	\$ 52,670
Contributions in Relation to the Contractually Required Contribution	(59,526)	(57,284)	(59,183)	(54,314)	(52,670)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823	\$ 10,754,471	\$ 10,409,924
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 48,194	\$ 59,155	\$ 54,120	\$ 308,502	\$ 761,574
Contributions in Relation to the Contractually Required Contribution	(48,194)	(59,155)	(54,120)	(308,502)	(761,574)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 9,631,388	\$ 9,724,488	\$ 10,647,153	\$ 11,049,711	\$ 10,869,951
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	2.79%	6.75%

CITY OF MIDDLETOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 - BUDGETARY ACCOUNTING

The Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Non-GAAP Basis) for the General, Health, Street Levy and ARPA 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, Health, Street Levy and ARPA Funds are as follows:

EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	General Fund	Health Fund	Street Levy Fund	ARPA Fund
GAAP basis (as reported)	\$3,161,942	\$249,058	\$25,088,636	\$0
Adjustments: revenue and other sources	(177,369)	(78,759)	(582,952)	8,652,890
Expenditures and other uses	1,058,713	(21,240)	1,167,070	-
Advances In	66,280	-	-	-
Encumbrances	(1,054,995)	(4,878)	(24,890,904)	(5,313)
Budget basis	\$3,054,571	\$144,181	\$781,850	\$8,647,577

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2021**

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, 2021**

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, 2021**

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 2021

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 2021

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

MIDDLETOWN PORT AUTHORITY FUND *No adopted budget for 2021

To accumulate funds to be used for the purpose of working with the City and private business sector for the attraction and business expansion of companies and projects that will positively impact the City and maintain the quality of infrastructure within the City.

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 MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2021**

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, 2021**

Non Major Debt Service Funds continued:

MANCHESTER ROAD TAX INCREMENT FINANCING DISTRICT FUND *No adopted budget for 2021

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 2021

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, 2021**

Non Major Capital Project Funds continued:

2011 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2021

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 2021

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.

2021 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2021 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, 2021**

	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	\$ 8,093,011	\$ 2,125,756	\$ 1,955,796	\$ 12,174,563
Receivables (net of allowance for uncollectibles):				
Property taxes	1,306,940	-	-	1,306,940
Accounts	353,235	-	15,967	369,202
Loans	957,759	-	-	957,759
Interest	150,512	-	-	150,512
Special assessments	260,000	-	-	260,000
Payment in lieu of taxes	-	1,293,528	-	1,293,528
Due from other governments	1,686,803	6,477	-	1,693,280
Inventory of supplies	630,582	-	-	630,582
Total assets	\$ 13,438,842	\$ 3,425,761	\$ 1,971,763	\$ 18,836,366
Liabilities:				
Accounts payable	\$ 155,705	\$ -	\$ 21,094	\$ 176,799
Accrued wages and benefits	53,990	-	-	53,990
Due to other funds	285,380	-	1,582,255	1,867,635
Due to other governments	123,893	-	-	123,893
Due to individuals	400,000	-	-	400,000
Total liabilities	1,018,968	-	1,603,349	2,622,317
Deferred inflows:				
Revenues levied for the next year and unavailable revenue	2,962,671	1,300,005	-	4,262,676
Total deferred inflows	2,962,671	1,300,005	-	4,262,676
Fund balances:				
Nonspendable	611,834	-	-	611,834
Restricted	8,962,866	1,977,223	128,611	11,068,700
Committed	6,947	148,533	1,595,507	1,750,987
Assigned	-	-	174,467	174,467
Unassigned	(124,444)	-	(1,530,171)	(1,654,615)
Total fund balances	9,457,203	2,125,756	368,414	11,951,373
Total liabilities, deferred inflows and fund balances	\$ 13,438,842	\$ 3,425,761	\$ 1,971,763	\$ 18,836,366

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Project Funds	Total Non Major Governmental Funds
Revenues:				
Property taxes	\$ 1,193,189	\$ -	\$ -	\$ 1,193,189
Municipal income taxes	3,503,932	650,000	8,000	4,161,932
Payment in lieu of taxes	-	2,666,697	-	2,666,697
Intergovernmental revenues	4,275,422	452,828	212,214	4,940,464
Charges for services	30,000	-	-	30,000
Fines and forfeits	1,442,186	-	-	1,442,186
Special assessments	224,294	-	366,665	590,959
Investment income	11,808	-	10,029	21,837
Miscellaneous	427,200	277,935	85,794	790,929
Total revenues	11,108,031	4,047,460	682,702	15,838,193
Expenditures:				
Current				
Public safety	5,653,730	-	-	5,653,730
Public health and welfare	5,715	-	-	5,715
Leisure time activities	81,846	-	-	81,846
Community environment	3,154,583	-	382,256	3,536,839
Highways and streets	2,491,164	-	159,530	2,650,694
General government	-	-	91,975	91,975
Miscellaneous	305,350	1,609,562	-	1,914,912
Debt service				
Principal retirement	-	1,555,000	215,000	1,770,000
Interest and fiscal charges	170,989	407,648	138,720	717,357
Total expenditures	11,863,377	3,572,210	987,481	16,423,068
Excess of revenues over (under) expenditures	(755,346)	475,250	(304,779)	(584,875)
Other financing sources (uses):				
Transfers-in	700,000	-	383,058	1,083,058
Transfers-out	(120,000)	(400,000)	-	(520,000)
Proceeds from bonds	2,160,000	-	-	2,160,000
Total other financing sources (uses)	2,740,000	(400,000)	383,058	2,723,058
Net change in fund balances	1,984,654	75,250	78,279	2,138,183
Fund balance, beginning of year	7,472,549	2,050,506	290,135	9,813,190
Fund balance, end of the year	\$ 9,457,203	\$ 2,125,756	\$ 368,414	\$ 11,951,373

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021**

	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	\$ 1,979,444	\$ 6,947	\$ 36,399	\$ 10,000	\$ 53,835	\$ 121,098
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	-	-
Accounts	288,535	-	-	-	-	-
Interest	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	1,565,750	-	-	-	-	-
Inventory of supplies	551,995	-	-	-	-	-
Total assets	\$ 4,385,724	\$ 6,947	\$ 36,399	\$ 10,000	\$ 53,835	\$ 121,098
Liabilities:						
Accounts payable	\$ 38,091	\$ -	\$ -	\$ -	\$ 587	\$ -
Accrued wages and benefits	17,367	-	-	-	-	-
Due to other funds	17,154	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	72,612	-	-	-	587	-
Deferred inflows:						
Revenues levied for the next year and unavailable revenue	1,317,556	-	-	-	-	-
Total deferred inflows	1,317,556	-	-	-	-	-
Fund balances:						
Nonspendable	551,995	-	-	-	-	-
Restricted	2,443,561	-	36,399	10,000	53,248	121,098
Committed	-	6,947	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	2,995,556	6,947	36,399	10,000	53,248	121,098
Total liabilities, deferred inflows and fund balances	\$ 4,385,724	\$ 6,947	\$ 36,399	\$ 10,000	\$ 53,835	\$ 121,098

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforce- ment Education	Civic Develop- ment	Municipal Court	Police Grant	Court IDIAM
\$ 251,506	\$ 209,743	\$ 21,433	\$ 58,650	\$ 142,133	\$ 12,889	\$ 148,553	\$ 64,172
-	-	-	-	-	-	-	-
2,726	-	-	671	29,110	28,457	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,000	-
-	-	-	-	-	-	-	-
\$ 254,232	\$ 209,743	\$ 21,433	\$ 59,321	\$ 171,243	\$ 41,346	\$ 158,553	\$ 64,172
\$ 4,540	\$ -	\$ -	\$ -	\$ 30,861	\$ 2,637	\$ 6,131	\$ -
-	1,870	-	-	-	33,216	-	-
774	-	-	-	-	1,452	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,314	1,870	-	-	30,861	37,305	6,131	-
-	-	-	-	-	-	10,000	-
-	-	-	-	-	-	10,000	-
-	-	-	-	-	-	-	-
248,918	207,873	21,433	59,321	140,382	4,041	142,422	64,172
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
248,918	207,873	21,433	59,321	140,382	4,041	142,422	64,172
\$ 254,232	\$ 209,743	\$ 21,433	\$ 59,321	\$ 171,243	\$ 41,346	\$ 158,553	\$ 64,172

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021**

	Court Special Projects	Home Program	Community Develop- ment	Community Development Escrow	Police Pension	Fire Pension
Assets:						
Cash and equity in pooled cash, deposits and investments	\$ 339,608	\$ 106,106	\$ 50,641	\$ 605	\$ 1,088,968	\$ 1,093,767
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	250,125	250,125
Accounts	3,195	-	-	541	-	-
Interest	-	-	-	-	-	-
Loans	-	-	-	647,920	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	-	-	42,878	-	13,088	13,088
Inventory of supplies	-	-	-	-	-	-
Total assets	\$ 342,803	\$ 106,106	\$ 93,519	\$ 649,066	\$ 1,352,181	\$ 1,356,980
Liabilities:						
Accounts payable	\$ -	\$ 32,680	\$ 20,322	\$ -	\$ -	\$ -
Accrued wages and benefits	1,537	-	-	-	-	-
Due to other funds	-	50,000	100,000	-	-	-
Due to other governments	-	-	-	544	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	1,537	82,680	120,322	544	-	-
Deferred inflows:						
Revenues levied for the next year and unavailable revenue	-	-	-	-	263,213	263,213
Total deferred inflows	-	-	-	-	263,213	263,213
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	341,266	23,426	-	648,522	1,088,968	1,093,767
Committed	-	-	-	-	-	-
Unassigned	-	-	(26,803)	-	-	-
Total fund balances	341,266	23,426	(26,803)	648,522	1,088,968	1,093,767
Total liabilities, deferred inflows and fund balances	\$ 342,803	\$ 106,106	\$ 93,519	\$ 649,066	\$ 1,352,181	\$ 1,356,980

Neighborhood Stabilization Program	Conservancy District	Nuisance Abatement	Senior Services	HUD Section 108 Loan	Housing Assistance	Middletown Port Authority	Totals	
\$ 460	\$ 62,661	\$ 150,935	\$ -	\$ 1,765	\$ -	\$ 2,080,693	\$	8,093,011
-	109,014	-	697,676	-	-	-		1,306,940
-	-	-	-	-	-	-		353,235
-	-	-	-	-	150,512	-		150,512
-	-	-	-	-	250,000	59,839		957,759
-	-	260,000	-	-	-	-		260,000
-	9,068	-	32,931	-	-	-		1,686,803
78,587	-	-	-	-	-	-		630,582
\$ 79,047	\$ 180,743	\$ 410,935	\$ 730,607	\$ 1,765	\$ 400,512	\$ 2,140,532	\$	13,438,842
\$ -	\$ -	\$ 14,239	\$ -	\$ -	\$ -	\$ 5,617	\$	155,705
-	-	-	-	-	-	-		53,990
116,000	-	-	-	-	-	-		285,380
-	123,349	-	-	-	-	-		123,893
-	-	-	-	-	-	400,000		400,000
116,000	123,349	14,239	-	-	-	405,617		1,018,968
-	118,082	260,000	730,607	-	-	-		2,962,671
-	118,082	260,000	730,607	-	-	-		2,962,671
-	-	-	-	-	-	59,839		611,834
-	-	136,696	-	1,765	400,512	1,675,076		8,962,866
-	-	-	-	-	-	-		6,947
(36,953)	(60,688)	-	-	-	-	-		(124,444)
(36,953)	(60,688)	136,696	-	1,765	400,512	1,734,915		9,457,203
\$ 79,047	\$ 180,743	\$ 410,935	\$ 730,607	\$ 1,765	\$ 400,512	\$ 2,140,532	\$	13,438,842

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, 2021

	Auto & Gas Tax	Acquisition for Parks	Emergency Medical Services	Urban Development Action Grant	Court Computer- ization	Law Enforcement Trust
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	250,000	-	-	-	-	-
Intergovernmental revenues	3,215,132	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	32,123	33,146
Special assessments	-	-	-	-	-	-
Interest earnings	10,944	-	-	-	-	-
Miscellaneous	132,279	-	1,000	-	-	-
Total revenues	3,608,355	-	1,000	-	32,123	33,146
Expenditures:						
Current						
Public safety	545,123	-	-	-	95,939	52,650
Public health and welfare	-	-	5,715	-	-	-
Leisure time activities	-	81,846	-	-	-	-
Community environment	-	-	-	64,235	-	-
Highways and streets	2,491,164	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,036,287	81,846	5,715	64,235	95,939	52,650
Excess of revenues over (under) expenditures	572,068	(81,846)	(4,715)	(64,235)	(63,816)	(19,504)
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-
Proceeds from bonds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	572,068	(81,846)	(4,715)	(64,235)	(63,816)	(19,504)
Fund balance, beginning of year	2,423,488	88,793	41,114	74,235	117,064	140,602
Fund balance, end of the year	\$ 2,995,556	\$ 6,947	\$ 36,399	\$ 10,000	\$ 53,248	\$ 121,098

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforce- ment Education	Civic Develop- ment	Municipal Court	Police Grant	Court IDIAM
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	575,000	-	-
-	-	-	-	-	-	50,439	-
-	-	-	-	-	-	-	-
133,731	107,256	11,649	11,942	-	999,985	-	6,773
-	-	-	-	-	-	-	-
-	-	-	-	-	-	690	-
28,131	-	-	-	221,529	4,672	34,708	-
161,862	107,256	11,649	11,942	221,529	1,579,657	85,837	6,773
121,423	87,545	16,507	1,563	-	1,673,531	74,777	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	293,870	-	-	-
-	-	-	-	-	-	-	-
121,423	87,545	16,507	1,563	293,870	1,673,531	74,777	-
40,439	19,711	(4,858)	10,379	(72,341)	(93,874)	11,060	6,773
-	-	-	-	-	-	-	-
-	-	-	-	(120,000)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(120,000)	-	-	-
40,439	19,711	(4,858)	10,379	(192,341)	(93,874)	11,060	6,773
208,479	188,162	26,291	48,942	332,723	97,915	131,362	57,399
\$ 248,918	\$ 207,873	\$ 21,433	\$ 59,321	\$ 140,382	\$ 4,041	\$ 142,422	\$ 64,172

(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, 2021

	Court Special Projects	Home Program	Community Develop- ment	Community Development Escrow	Police Pension	Fire Pension
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 229,061	\$ 229,061
Municipal income taxes	-	-	-	-	1,183,286	1,495,646
Intergovernmental revenues	-	290,781	582,527	-	26,102	26,102
Charges for services	-	-	-	-	-	-
Fines and forfeits	99,386	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Interest earnings	-	-	79	72	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	99,386	290,781	582,606	72	1,438,449	1,750,809
Expenditures:						
Current						
Public safety	305,740	-	-	-	1,183,286	1,495,646
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Community environment	-	260,983	592,594	243,000	-	-
Highways and streets	-	-	-	-	-	-
Miscellaneous	-	-	-	5,360	3,060	3,060
Debt service	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	305,740	260,983	592,594	248,360	1,186,346	1,498,706
Excess of revenues over (under) expenditures	(206,354)	29,798	(9,988)	(248,288)	252,103	252,103
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-
Proceeds from bonds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(206,354)	29,798	(9,988)	(248,288)	252,103	252,103
Fund balance, beginning of year	547,620	(6,372)	(16,815)	896,810	836,865	841,664
Fund balance, end of the year	\$ 341,266	\$ 23,426	\$ (26,803)	\$ 648,522	\$ 1,088,968	\$ 1,093,767

Neighborhood Stabilization Program	Conservancy District	Nuisance Abatement	Senior Services	HUD Section 108 Loan	Housing Assistance	Middletown Port Authority	Totals
\$ -	\$ 100,256	\$ -	\$ 634,811	\$ -	\$ -	\$ -	\$ 1,193,189
-	-	-	-	-	-	-	3,503,932
-	18,197	-	66,142	-	-	-	4,275,422
-	-	-	-	-	-	30,000	30,000
-	-	6,195	-	-	-	-	1,442,186
-	-	224,294	-	-	-	-	224,294
-	-	-	-	-	-	23	11,808
-	-	-	-	-	-	4,881	427,200
-	118,453	230,489	700,953	-	-	34,904	11,108,031
-	-	-	-	-	-	-	5,653,730
-	-	-	-	-	-	-	5,715
-	-	-	-	-	-	-	81,846
-	124,845	333,973	700,953	-	-	834,000	3,154,583
-	-	-	-	-	-	-	2,491,164
-	-	-	-	-	-	-	305,350
-	-	-	-	-	-	170,989	170,989
-	124,845	333,973	700,953	-	-	1,004,989	11,863,377
-	(6,392)	(103,484)	-	-	-	(970,085)	(755,346)
-	30,000	125,000	-	-	-	545,000	700,000
-	-	-	-	-	-	-	(120,000)
-	-	-	-	-	-	2,160,000	2,160,000
-	30,000	125,000	-	-	-	2,705,000	2,740,000
-	23,608	21,516	-	-	-	1,734,915	1,984,654
(36,953)	(84,296)	115,180	-	1,765	400,512	-	7,472,549
\$ (36,953)	\$ (60,688)	\$ 136,696	\$ -	\$ 1,765	\$ 400,512	\$ 1,734,915	\$ 9,457,203

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Intergovernmental revenue	3,533,244	3,533,244	3,200,086	(333,158)
Interest earnings	13,031	13,031	10,944	(2,087)
Rentals and leases	-	-	1,800	1,800
Miscellaneous	85,267	85,267	75,184	(10,083)
Total revenues	3,881,542	3,881,542	3,538,014	(343,528)
Expenditures:				
Current				
Public safety:				
Electronic Maintenance				
Personal Services	306,334	338,334	329,406	8,928
Other	440,599	440,599	434,869	5,730
Total public safety	746,933	778,933	764,275	14,658
Highways and streets:				
Street Maintenance				
Personal Services	944,583	944,583	934,791	9,792
Other	2,545,059	2,545,059	2,479,474	65,585
Grounds Maintenance				
Personal Services	181,088	181,088	153,205	27,883
Other	123,305	123,305	110,396	12,909
Total highways and streets	3,794,035	3,794,035	3,677,866	116,169
Total expenditures	4,540,968	4,572,968	4,442,141	130,827
Net change in fund balance	(659,426)	(691,426)	(904,127)	(212,701)
Fund balance, beginning of the year	942,659	942,659	942,659	-
Appropriation for prior year encumbrances	657,374	657,374	657,374	-
Fund balance, end of the year	\$ 940,607	\$ 908,607	\$ 695,906	\$ (212,701)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current				
Leisure activities				
Other	81,846	81,846	81,846	-
Total expenditures	81,846	81,846	81,846	-
Fund balance, beginning of the year	6,947	6,947	6,947	-
Appropriation for prior year encumbrances	81,846	81,846	81,846	-
Fund balance, end of the year	\$ 6,947	\$ 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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ 2,850	\$ 2,850	\$ 1,000	\$ (1,850)
Total revenues	2,850	2,850	1,000	(1,850)
Expenditures:				
Current				
Public health and welfare				
Other	8,850	8,850	5,715	3,135
Total expenditures	8,850	8,850	5,715	3,135
Net change in fund balance	(6,000)	(6,000)	(4,715)	1,285
Fund balance, beginning of the year	41,114	41,114	41,114	-
Fund balance, end of the year	\$ 35,114	\$ 35,114	\$ 36,399	\$ 1,285

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ 1,850	\$ 1,850	\$ -	\$ (1,850)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	2,850	2,850	-	(2,850)
Expenditures:				
Current				
Community environment				
Other	85,735	85,735	85,735	-
Total expenditures	85,735	85,735	85,735	-
Net change in fund balance	(82,885)	(82,885)	(85,735)	(2,850)
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	85,735	85,735	85,735	-
Fund balance, end of the year	\$ 2,850	\$ 2,850	\$ -	\$ (2,850)

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeitures	\$ 65,500	\$ 65,500	\$ 35,318	\$ (30,182)
Total revenues	65,500	65,500	35,318	(30,182)
Expenditures:				
Current				
Public safety				
Other	100,000	100,000	97,229	2,771
Total expenditures	100,000	100,000	97,229	2,771
Net change in fund balance	(34,500)	(34,500)	(61,911)	(27,411)
Fund balance, beginning of the year	115,746	115,746	115,746	-
Fund balance, end of the year	\$ 81,246	\$ 81,246	\$ 53,835	\$ (27,411)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 19,500	\$ 19,500	\$ 33,146	\$ 13,646
Total revenues	19,500	19,500	33,146	13,646
Expenditures:				
Current				
Public safety				
Other	60,000	60,000	52,650	7,350
Total expenditures	60,000	60,000	52,650	7,350
Net change in fund balance	(40,500)	(40,500)	(19,504)	20,996
Fund balance, beginning of the year	140,602	140,602	140,602	-
Fund balance, end of the year	\$ 100,102	\$ 100,102	\$ 121,098	\$ 20,996

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 68,000	\$ 68,000	\$ 136,062	\$ 68,062
Miscellaneous	12,000	12,000	28,131	16,131
Total revenues	80,000	80,000	164,193	84,193
Expenditures:				
Current				
Public safety				
Other	197,678	197,678	169,270	28,408
Total expenditures	197,678	197,678	169,270	28,408
Net change in fund balance	(117,678)	(117,678)	(5,077)	112,601
Fund balance, beginning of the year	175,209	175,209	175,209	-
Appropriation for prior year encumbrances	28,935	28,935	28,935	-
Fund balance, end of the year	\$ 86,466	\$ 86,466	\$ 199,067	\$ 112,601

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 107,060	\$ 107,060	\$ 114,223	\$ 7,163
Total revenues	107,060	107,060	114,223	7,163
Expenditures:				
Current				
Public safety				
Personal Services	117,477	119,390	67,310	52,080
Other	48,500	48,500	20,318	28,182
Total expenditures	165,977	167,890	87,628	80,262
Net change in fund balance	(58,917)	(60,830)	26,595	87,425
Fund balance, beginning of the year	181,234	181,234	181,234	-
Appropriation for prior year encumbrances	1,913	1,913	1,913	
Fund balance, end of the year	\$ 124,230	\$ 122,317	\$ 209,743	\$ 87,425

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 21,848	\$ 21,848	\$ 12,111	\$ (9,737)
Total revenues	21,848	21,848	12,111	(9,737)
Expenditures:				
Current				
Public safety				
Other	25,250	25,250	16,506	8,744
Total expenditures	25,250	25,250	16,506	8,744
Net change in fund balance	(3,402)	(3,402)	(4,395)	(993)
Fund balance, beginning of the year	25,828	25,828	25,828	-
Fund balance, end of the year	\$ 22,426	\$ 22,426	\$ 21,433	\$ (993)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 6,400	\$ 6,400	\$ 11,420	\$ 5,020
Total revenues	6,400	6,400	11,420	5,020
Expenditures:				
Current				
Public safety				
Other	6,108	6,108	6,108	-
Total expenditures	6,108	6,108	6,108	-
Net change in fund balance	292	292	5,312	5,020
Fund balance, beginning of year	42,684	42,684	42,684	-
Appropriation for prior year encumbrances	6,108	6,108	6,108	-
Fund balance, end of the year	\$ 49,084	\$ 49,084	\$ 54,104	\$ 5,020

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ 200,000	\$ 200,000	\$ 230,766	\$ 30,766
Total revenues	200,000	200,000	230,766	30,766
Expenditures:				
Current				
Miscellaneous	358,940	358,940	358,933	7
Other				
Total expenditures	358,940	358,940	358,933	7
Excess of revenues over/under expenditures	(158,940)	(158,940)	(128,167)	30,773
Other financing sources (uses):				
Transfers-out	(105,000)	(105,000)	(105,000)	105,000
Total other financing sources (uses)	(105,000)	(105,000)	(105,000)	105,000
Net change in fund balance	(263,940)	(263,940)	(233,167)	135,773
Fund balance, beginning of the year	202,620	202,620	202,620	-
Appropriation for prior year encumbrances	108,940	108,940	108,940	-
Fund balance, end of the year	\$ 47,620	\$ 47,620	\$ 78,393	\$ 135,773

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 575,000	\$ 575,000	\$ 575,000	\$ -
Fines and forfeits	1,403,432	1,403,432	1,038,355	(365,077)
Miscellaneous	5,412	5,412	4,109	(1,303)
Total revenues	1,983,844	1,983,844	1,617,464	(366,380)
Expenditures:				
Current				
Public safety				
Personal Services	1,649,479	1,649,479	1,571,646	77,833
Other	145,376	145,376	96,539	48,837
Total expenditures	1,794,855	1,794,855	1,668,185	126,670
Net change in fund balance	188,989	188,989	(50,720)	(239,710)
Fund balance, beginning of the year	34,375	34,375	34,375	-
Appropriation for prior year encumbrances	29,234	29,234	29,234	-
Fund balance, end of the year	\$ 252,598	\$ 252,598	\$ 12,889	\$ (239,710)

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 39,563	\$ 39,563	\$ 85,147	\$ 45,584
Interest earnings	-	-	690	690
Total revenues	39,563	39,563	85,837	46,274
Expenditures:				
Current				
Public safety:				
Step Grant				
Personal Services	19,999	19,999	-	19,999
Step Grant II				
Personal Services	22,400	22,400	-	22,400
2016 JAG Local Solicitation Grant				
Contractual Services	16,049	56,049	56,049	-
2019 JAG BYRNE Memorial Grant				
Contractual Services	-	12,598	12,598	-
OVI Task Force Grant				
Personal Services	15,000	15,000	-	15,000
Total expenditures	73,448	126,046	68,647	57,399
Net change in fund balance	(33,885)	(86,483)	17,190	103,673
Fund balance, beginning of the year	131,362	131,362	131,362	-
Fund balance, end of the year	\$ 97,477	\$ 44,879	\$ 148,553	\$ 103,673

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 7,097	\$ 7,097	\$ 6,773	\$ (324)
Total revenues	7,097	7,097	6,773	(324)
Expenditures:				
Current				
Miscellaneous				
Other	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balance	(17,903)	(17,903)	6,773	24,676
Fund balance, beginning of the year	57,399	57,399	57,399	-
Fund balance, end of the year	\$ 39,496	\$ 39,496	\$ 64,172	\$ 24,676

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 133,000	\$ 135,660	\$ 102,572	\$ (33,088)
Total revenues	133,000	135,660	102,572	(33,088)
Expenditures:				
Current				
Public safety				
Personal Services	62,821	91,621	77,659	13,962
Other	400,000	411,900	253,041	158,859
Total expenditures	462,821	503,521	330,700	172,821
Net change in fund balance	(329,821)	(367,861)	(228,128)	139,733
Fund balance, beginning of the year	541,147	541,147	541,147	-
Appropriation for prior year encumbrances	1,428	1,428	1,428	-
Fund balance, end of the year	\$ 212,754	\$ 174,714	\$ 314,448	\$ 139,733

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 290,000	\$ 290,000	\$ 291,019	\$ 1,019
Total revenues	290,000	290,000	291,019	1,019
Expenditures:				
Current				
Community environment				
Other	313,860	313,860	265,179	48,681
Total expenditures	313,860	313,860	265,179	48,681
Net change in fund balance	(23,860)	(23,860)	25,840	49,700
Fund balance, beginning of the year	56,406	56,406	56,406	-
Appropriation for prior year encumbrances	23,860	23,860	23,860	-
Fund balance, end of the year	\$ 56,406	\$ 56,406	\$ 106,106	\$ 49,700

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 885,000	\$ 1,128,000	\$ 850,146	\$ (277,854)
Interest earnings	-	-	79	79
Total revenues	885,000	1,128,000	850,225	(277,775)
Expenditures:				
Current				
Community environment				
Other	1,077,711	1,341,711	921,018	420,693
Total expenditures	1,077,711	1,341,711	921,018	420,693
Net change in fund balance	(192,711)	(213,711)	(70,793)	142,918
Fund balance, beginning of the year	(119,593)	(119,593)	(119,593)	-
Appropriation for prior year encumbrances	192,711	192,711	192,711	-
Fund balance, end of the year	\$ (119,593)	\$ (140,593)	\$ 2,324	\$ 142,918

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ 2,536	\$ 2,536	\$ 72	\$ (2,464)
Miscellaneous	57,709	57,709	29,590	(28,119)
Total revenues	60,245	60,245	29,662	(30,583)
Expenditures:				
Current				
Community Environment				
Other	106,138	349,138	249,781	99,357
Total expenditures	106,138	349,138	249,781	99,357
Net change in fund balance	(45,893)	(288,893)	(220,119)	68,774
Fund balance, beginning of the year	220,725	220,725	220,725	-
Fund balance, end of the year	\$ 174,832	\$ (68,168)	\$ 605	\$ 68,774

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 180,000	\$ 180,000	\$ 229,061	\$ 49,061
Intergovernmental revenue	26,400	26,400	26,103	(297)
Municipal income taxes	890,000	1,562,162	1,183,286	(378,876)
Total revenues	1,096,400	1,768,562	1,438,450	(330,112)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,590	4,590	3,060	1,530
Personal Services	1,232,162	1,562,162	1,183,286	378,876
Total expenditures	1,236,752	1,566,752	1,186,346	380,406
Net change in fund balance	(140,352)	201,810	252,104	50,294
Fund balance, beginning of the year	836,864	836,864	836,864	-
Fund balance, end of the year	\$ 696,512	\$ 1,038,674	\$ 1,088,968	\$ 50,294

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 186,465	\$ 186,465	\$ 229,061	\$ 42,596
Intergovernmental revenue	26,400	26,400	26,102	(298)
Municipal income taxes	1,085,000	1,615,615	1,495,646	(119,969)
Total revenues	1,297,865	1,828,480	1,750,809	(77,671)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,590	4,590	3,060	1,530
Personal Services	1,378,615	1,615,615	1,495,646	119,969
Total expenditures	1,383,205	1,620,205	1,498,706	121,499
Net change in fund balance	(85,340)	208,275	252,103	43,828
Fund balance, beginning of the year	841,664	841,664	841,664	-
Fund balance, end of the year	\$ 756,324	\$ 1,049,939	\$ 1,093,767	\$ 43,828

**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, 2021**

	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 MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CONSERVANCY DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 74,173	\$ 74,173	\$ 100,256	\$ 26,083
Intergovernmental revenue	11,079	11,079	18,197	7,118
Total revenues	85,252	85,252	118,453	33,201
Expenditures:				
Current				
Community environment				
Other	125,449	125,449	124,844	605
Total expenditures	125,449	125,449	124,844	605
Excess of revenues over (under) expenditures	(40,197)	(40,197)	(6,391)	33,806
Other financing sources (uses):				
Transfers-in	30,000	30,000	30,000	-
Total other financing sources (uses)	30,000	30,000	30,000	-
Net change in fund balance	(10,197)	(10,197)	23,609	33,806
Fund balance, beginning of the year	39,053	39,053	39,053	-
Fund balance, end of the year	\$ 28,856	\$ 28,856	\$ 62,661	\$ 33,806

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 210,000	\$ 210,000	\$ 224,294	\$ 14,294
Fines & forfeits	-	-	6,195	6,195
Total revenues	210,000	210,000	230,489	20,489
Expenditures:				
Current				
Community environment				
Other	330,000	330,000	329,698	302
Total expenditures	330,000	330,000	329,698	302
Excess of revenues over (under) expenditures	(120,000)	(120,000)	(99,209)	20,791
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	25,791	20,791
Fund balance, beginning of the year	116,244	116,244	116,244	-
Fund balance, end of the year	\$ 121,244	\$ 121,244	\$ 142,035	\$ 20,791

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 634,935	\$ 634,935	\$ 634,811	\$ (124)
Intergovernmental revenue	94,875	94,875	66,142	(28,733)
Total revenues	729,810	729,810	700,953	(28,857)
Expenditures:				
Current				
Community environment				
Other	729,810	729,810	700,953	28,857
Total expenditures	729,810	729,810	700,953	28,857
Net change in fund balance	-	-	-	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

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, 2021

	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)
INCOME TAX FUND
FOR YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
CITY INCOME TAX	\$ 23,412,665	\$ 36,318,652	\$ 35,134,999	\$ (1,183,653)
less transfers out				
TO GENERAL FUND	\$ (15,425,000)	\$ (19,808,000)	\$ (19,808,000)	\$ -
TO AUTO & GAS TAX FUND	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ -
TO FIRE PENSION FUND	\$ (1,085,000)	\$ (1,615,615)	\$ (1,495,646)	\$ (119,969)
TO POLICE PENSION FUND	\$ (890,000)	\$ (1,562,162)	\$ (1,183,286)	\$ (378,876)
TO GENERAL BOND RETIREMENT	\$ (650,000)	\$ (650,000)	\$ (650,000)	\$ -
TO COMPUTER REPLACE FUND	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ -
TO TERMINATION PAY	\$ (475,000)	\$ (475,000)	\$ (475,000)	\$ -
TO PUBLIC SAFETY FUND	\$ (3,337,762)	\$ (4,287,762)	\$ (4,287,762)	\$ -
TO STREET LEVY FUND	\$ -	\$ (6,370,210)	\$ (3,679,822)	\$ (2,690,388)
TO HEALTH FUND	\$ (345,000)	\$ (345,000)	\$ (241,500)	\$ (103,500)
TO MUNICIPAL COURT	\$ (575,000)	\$ (575,000)	\$ (575,000)	\$ -
Municipal income tax	\$ 371,903	\$ 371,903	\$ 2,480,984	\$ (4,476,386)
Total revenues	371,903	371,903	2,480,984	(4,476,386)
Expenditures:				
Current				
General government				
Personal services	662,459	662,459	629,088	33,371
Other	94,756	94,756	66,533	28,223
Total expenditures	757,215	757,215	695,621	61,594
Net change in fund balance	(385,312)	(385,312)	1,785,363	(4,414,792)
Fund balance, beginning of the year	25,000	25,000	25,000	-
Appropriation for prior year encumbrances	51,871	51,871	51,871	-
Fund balance, end of the year	\$ (308,441)	\$ (308,441)	\$ 1,862,233	\$ (4,414,792)

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, 2021

	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	632,405	632,405	632,405	-
Public health & welfare	847	847	-	847
Leisure time activities	39,761	39,761	39,761	-
Community environment	22,094	22,094	22,094	-
General government	24,024	24,024	24,024	-
Highways & streets	30,869	30,869	30,869	-
Total expenditures	750,000	750,000	749,153	847
Net change in fund balance	(275,000)	(275,000)	(274,153)	847
Fund balance, beginning of the year	833,295	833,295	833,295	-
Fund balance, end of the year	\$ 558,295	\$ 558,295	\$ 559,142	\$ 847



**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2021**

	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	\$ 148,533	\$ 680,839	\$ 23,785	\$ 4,458	\$ 11,900	\$ 135,343
Receivables (net of allowance for uncollectibles):						
Payments in lieu of taxes	-	365,639	13,731	3,647	217	14,806
Due from other governments	6,477	-	-	-	-	-
Total assets	\$ 155,010	\$ 1,046,478	\$ 37,516	\$ 8,105	\$ 12,117	\$ 150,149
Deferred inflows						
Revenues levied for the next year and unavailable revenue	\$ 6,477	\$ 365,639	\$ 13,731	\$ 3,647	\$ 217	\$ 14,806
Total deferred inflows	6,477	365,639	13,731	3,647	217	14,806
Fund balances:						
Restricted	-	680,839	23,785	4,458	11,900	135,343
Committed	148,533	-	-	-	-	-
Total fund balance	148,533	680,839	23,785	4,458	11,900	135,343
Total deferred inflows and fund balance	\$ 155,010	\$ 1,046,478	\$ 37,516	\$ 8,105	\$ 12,117	\$ 150,149

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
\$ 134,105	\$ 281,831	\$ 471,549	\$ 378	\$ 123,409	\$ 17,257	\$ 24,662	\$ 67,707	\$ 2,125,756
224,293	151,696	302,046	-	18,027	3,795	267	195,364	1,293,528
-	-	-	-	-	-	-	-	6,477
\$ 358,398	\$ 433,527	\$ 773,595	\$ 378	\$ 141,436	\$ 21,052	\$ 24,929	\$ 263,071	\$ 3,425,761
\$ 224,293	\$ 151,696	\$ 302,046	\$ -	\$ 18,027	\$ 3,795	\$ 267	\$ 195,364	\$ 1,300,005
224,293	151,696	302,046	-	18,027	3,795	267	195,364	1,300,005
134,105	281,831	471,549	378	123,409	17,257	24,662	67,707	1,977,223
-	-	-	-	-	-	-	-	148,533
134,105	281,831	471,549	378	123,409	17,257	24,662	67,707	2,125,756
\$ 358,398	\$ 433,527	\$ 773,595	\$ 378	\$ 141,436	\$ 21,052	\$ 24,929	\$ 263,071	\$ 3,425,761

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2021**

	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	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	554,029	9,319	-	519	15,719
Intergovernmental	452,828	-	-	-	-	-
Miscellaneous revenues	277,935	-	-	-	-	-
Total revenues	1,380,763	554,029	9,319	-	519	15,719
Expenditures						
Debt service						
Principal retirement	1,109,800	235,200	-	-	-	-
Interest and fiscal charges	310,848	16,800	-	-	-	-
Miscellaneous	-	141,070	-	-	-	-
Total expenditures	1,420,648	393,070	-	-	-	-
Excess of revenues over (under) expenditures	(39,885)	160,959	9,319	-	519	15,719
Other financing sources (uses):						
Transfers-out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	(39,885)	160,959	9,319	-	519	15,719
Fund balance, beginning of the year	188,418	519,880	14,466	4,458	11,381	119,624
Fund balance, end of the year	\$ 148,533	\$ 680,839	\$ 23,785	\$ 4,458	\$ 11,900	\$ 135,343

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000
627,468	514,921	779,525	-	69,038	7,562	343	88,254	2,666,697
-	-	-	-	-	-	-	-	452,828
-	-	-	-	-	-	-	-	277,935
627,468	514,921	779,525	-	69,038	7,562	343	88,254	4,047,460
140,000	70,000	-	-	-	-	-	-	1,555,000
-	-	80,000	-	-	-	-	-	407,648
457,328	369,613	554,649	-	9,154	-	-	77,748	1,609,562
597,328	439,613	634,649	-	9,154	-	-	77,748	3,572,210
30,140	75,308	144,876	-	59,884	7,562	343	10,506	475,250
-	-	-	-	(400,000)	-	-	-	(400,000)
-	-	-	-	(400,000)	-	-	-	(400,000)
30,140	75,308	144,876	-	(340,116)	7,562	343	10,506	75,250
103,965	206,523	326,673	378	463,525	9,695	24,319	57,201	2,050,506
\$ 134,105	\$ 281,831	\$ 471,549	\$ 378	\$ 123,409	\$ 17,257	\$ 24,662	\$ 67,707	\$ 2,125,756

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 250,400	\$ 250,400	\$ 156,135	\$ (94,265)
Miscellaneous	-	-	21,887	21,887
Total revenues	250,400	250,400	178,022	(72,378)
Expenditures:				
Debt service	172,997	172,997	162,797	10,200
Total expenditures	172,997	172,997	162,797	10,200
Net change in fund balance	77,403	77,403	15,225	(62,178)
Fund balance, beginning of the year	417,805	417,805	417,805	-
Fund balance, end of the year	\$ 495,208	\$ 495,208	\$ 433,030	\$ (62,178)

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 650,000	\$ 650,000	\$ 650,000	\$ -
Intergovernmental	950	950	82,969	82,019
Miscellaneous	730,763	730,763	392,794	(337,969)
Total revenues	1,381,713	1,381,713	1,125,763	(255,950)
Expenditures:				
Current				
Miscellaneous				
Other	5,000	5,000	328	4,672
Debt service	1,433,305	1,433,305	1,174,303	259,002
Total expenditures	1,438,305	1,438,305	1,174,631	263,674
Other financing sources:				
Proceeds from Debt	-	-	8,983	
Total other financing sources	-	-	8,983	-
Net change in fund balance	(56,592)	(56,592)	(39,885)	16,707
Fund balance, beginning of the year	188,418	188,418	188,418	-
Fund balance, end of the year	\$ 131,826	\$ 131,826	\$ 148,533	\$ 16,707

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 394,000	\$ 554,029	\$ 554,029	\$ -
Total revenues	394,000	554,029	554,029	-
Expenditures:				
Current				
Miscellaneous				
Other	109,800	141,070	141,070	-
Debt service	252,000	252,000	252,000	-
Total expenditures	361,800	393,070	393,070	-
Net change in fund balance	32,200	160,959	160,959	-
Fund balance, beginning of the year	519,880	519,880	519,880	-
Fund balance, end of the year	\$ 552,080	\$ 680,839	\$ 680,839	\$ -

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 8,155	\$ 8,155	\$ 9,319	\$ 1,164
Total revenues	8,155	8,155	9,319	1,164
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	(1,945)	(1,945)	9,319	11,264
Fund balance, beginning of the year	14,466	14,466	14,466	-
Fund balance, end of the year	\$ 12,521	\$ 12,521	\$ 23,785	\$ 11,264

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, 2021

	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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 974	\$ 974	\$ 520	\$ (454)
Total revenues	974	974	520	(454)
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	939	939	520	(419)
Fund balance, beginning of the year	11,381	11,381	11,381	-
Fund balance, end of the year	\$ 12,320	\$ 12,320	\$ 11,900	\$ (419)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 9,077	\$ 9,077	\$ 15,718	\$ 6,641
Total revenues	9,077	9,077	15,718	6,641
Expenditures:				
Current				
Miscellaneous				
Other	300	300	-	300
Total expenditures	300	300	-	300
Net change in fund balance	8,777	8,777	15,718	6,941
Fund balance, beginning of the year	119,624	119,624	119,624	-
Fund balance, end of the year	\$ 128,401	\$ 128,401	\$ 135,343	\$ 6,941

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 585,000	\$ 627,468	\$ 627,468	\$ -
Total revenues	585,000	627,468	627,468	-
Expenditures:				
Current				
Miscellaneous				
Other	446,750	458,122	457,328	794
Debt service	140,000	140,000	140,000	-
Total expenditures	586,750	598,122	597,328	794
Net change in fund balance	(1,750)	29,346	30,140	794
Fund balance, beginning of the year	103,965	103,965	103,965	-
Fund balance, end of the year	\$ 102,215	\$ 133,311	\$ 134,105	\$ 794

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 285,000	\$ 514,921	\$ 514,921	\$ -
Total revenues	285,000	514,921	514,921	-
Expenditures:				
Current				
Miscellaneous				
Other	213,850	369,614	369,613	1
Debt service	70,000	70,000	70,000	-
Total expenditures	283,850	439,614	439,613	1
Net change in fund balance	1,150	75,307	75,308	1
Fund balance, beginning of the year	206,523	206,523	206,523	-
Fund balance, end of the year	\$ 207,673	\$ 281,830	\$ 281,831	\$ 1

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 285,000	\$ 779,525	\$ 779,525	\$ -
Total revenues	285,000	779,525	779,525	-
Expenditures:				
Current				
Miscellaneous				
Other	219,750	554,650	554,649	1
Debt service	80,000	80,000	80,000	-
Total expenditures	299,750	634,650	634,649	1
Net change in fund balance	(14,750)	144,875	144,876	1
Fund balance, beginning of the year	326,673	326,673	326,673	-
Fund balance, end of the year	\$ 311,923	\$ 471,548	\$ 471,549	\$ 1

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, 2021

	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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 42,500	\$ 42,500	\$ 69,037	\$ 26,537
Total revenues	42,500	42,500	69,037	26,537
Expenditures:				
Current				
Miscellaneous				
Other	20,020	420,020	405,478	14,542
Capital Outlay	55,000	55,000	3,676	
Total expenditures	75,020	475,020	409,154	14,542
Net change in fund balance	(32,520)	(432,520)	(340,117)	41,079
Fund balance, beginning of the year	463,525	463,525	463,525	-
Fund balance, end of the year	\$ 431,005	\$ 31,005	\$ 123,409	\$ 41,079

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, 2021

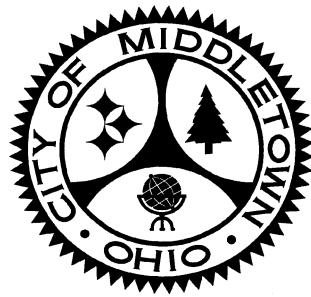
	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 390	\$ 390	\$ 7,562	\$ 7,172
Total revenues	390	390	7,562	7,172
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	355	355	7,562	7,207
Fund balance, beginning of the year	9,695	9,695	9,695	-
Fund balance, end of the year	\$ 10,050	\$ 10,050	\$ 17,257	\$ 7,207

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 250	\$ 250	\$ 343	\$ 93
Total revenues	250	250	343	93
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	215	215	343	128
Fund balance, beginning of the year	24,319	24,319	24,319	-
Fund balance, end of the year	\$ 24,534	\$ 24,534	\$ 24,662	\$ 128

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 100,000	\$ 100,000	\$ 88,254	\$ (11,746)
Total revenues	100,000	100,000	88,254	(11,746)
Expenditures:				
Current				
Miscellaneous				
Other	100,000	100,000	77,748	22,252
Total expenditures	100,000	100,000	77,748	22,252
Net change in fund balance	-	-	10,506	10,506
Fund balance, beginning of the year	57,201	57,201	57,201	-
Fund balance, end of the year	\$ 57,201	\$ 57,201	\$ 67,707	\$ 10,506



**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2021**

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter
Assets					
Cash and equity in pooled cash, deposits and investments	\$ 128,611	\$ 158,046	\$ 1,418,240	\$ 180,931	\$ 15,618
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	15,967	-
Total assets	\$ 128,611	\$ 158,046	\$ 1,418,240	\$ 196,898	\$ 15,618
Liabilities					
Accounts payable	\$ -	\$ 1,463	\$ 19,631	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	1,463	19,631	-	-
Fund balances:					
Restricted	128,611	-	-	-	-
Committed	-	-	1,398,609	196,898	-
Assigned	-	156,583	-	-	15,618
Unassigned	-	-	-	-	-
Total fund balances	128,611	156,583	1,398,609	196,898	15,618
Total liabilities and fund balances	\$ 128,611	\$ 158,046	\$ 1,418,240	\$ 196,898	\$ 15,618

Central Avenue Sidewalk Curb and Gutter	2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ -	\$ -	\$ 1	\$ -	\$ 52,083	\$ 2,266	\$ 1,955,796
-	-	-	-	-	-	15,967
\$ -	\$ -	\$ 1	\$ -	\$ 52,083	\$ 2,266	\$ 1,971,763
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	21,094
52,002	107,236	363,599	847,805	211,613	-	1,582,255
52,002	107,236	363,599	847,805	211,613	-	1,603,349
-	-	-	-	-	-	128,611
-	-	-	-	-	-	1,595,507
-	-	-	-	-	2,266	174,467
(52,002)	(107,236)	(363,598)	(847,805)	(159,530)	-	(1,530,171)
(52,002)	(107,236)	(363,598)	(847,805)	(159,530)	2,266	368,414
\$ -	\$ -	\$ 1	\$ -	\$ 52,083	\$ 2,266	\$ 1,971,763

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR CAPITAL PROJECT FUNDS
FOR YEAR ENDED DECEMBER 31, 2021**

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter
Revenues					
Municipal income taxes	\$ -	\$ -	\$ 8,000	\$ -	\$ -
Intergovernmental revenues	-	-	-	212,214	-
Special Assessments	-	-	-	-	603
Investment income	715	1,393	7,921	-	-
Miscellaneous	-	85,794	-	-	-
Total revenues	715	87,187	15,921	212,214	603
Expenditures					
Current					
Community environment	-	89,274	-	292,982	-
Highways and streets	-	-	-	-	-
General government	-	-	91,975	-	-
Debt service					
Principal retirement	-	130,000	-	-	-
Interest and fiscal charges	-	63,553	-	-	-
Total expenditures	-	282,827	91,975	292,982	-
Excess of revenues over (under) expenditures	715	(195,640)	(76,054)	(80,768)	603
Other financing sources (uses)					
Transfers-in	-	140,000	82,890	-	-
Total other financing sources (uses)	-	140,000	82,890	-	-
Net change in fund balances	715	(55,640)	6,836	(80,768)	603
Fund balance, beginning of year	127,896	212,223	1,391,773	277,666	15,015
Fund balance, end of the year	\$ 128,611	\$ 156,583	\$ 1,398,609	\$ 196,898	\$ 15,618

Central Avenue Sidewalk Curb and Gutter	2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,000
-	-	-	-	-	-	212,214
10,503	49,532	70,856	235,171	-	-	366,665
-	-	-	-	-	-	10,029
-	-	-	-	-	-	85,794
10,503	49,532	70,856	235,171	-	-	682,702
-	-	-	-	-	-	382,256
-	-	-	-	159,530	-	159,530
-	-	-	-	-	-	91,975
-	-	-	-	-	85,000	215,000
-	-	-	-	-	75,167	138,720
-	-	-	-	159,530	160,167	987,481
10,503	49,532	70,856	235,171	(159,530)	(160,167)	(304,779)
-	-	-	-	-	160,168	383,058
-	-	-	-	-	160,168	383,058
10,503	49,532	70,856	235,171	(159,530)	1	78,279
(62,505)	(156,768)	(434,454)	(1,082,976)	-	2,265	290,135
\$ (52,002)	\$ (107,236)	\$ (363,598)	\$ (847,805)	\$ (159,530)	\$ 2,266	\$ 368,414

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 570,123	\$ 570,123	\$ 685,340	\$ 115,217
Intergovernmental revenue	3,270,559	4,800,663	4,109,575	(691,088)
Charges for services	5,000	5,000	15,514	10,514
Interest earnings	-	-	6,935	6,935
Miscellaneous	10,000	10,000	8,350	(1,650)
Total revenues	3,855,682	5,385,786	4,825,714	(560,072)
Expenditures:				
Current				
Public safety				
Other	227,128	227,128	238,870	(11,742)
Leisure time activities				
Other	41,205	231,575	217,439	14,136
Highways and streets				
Other	5,142,037	6,672,141	5,965,086	707,055
Miscellaneous				
Other	12,000	12,000	9,271	2,729
Total expenditures	5,422,370	7,142,844	6,430,666	712,178
Excess of revenues over (under) expenditures	(1,566,688)	(1,757,058)	(1,604,952)	152,106
Other financing sources (uses):				
Transfer-in	-	190,370	190,370	-
Other sources	-	-	64,217	64,217
Total other financing sources (uses)	-	190,370	254,587	64,217
Net change in fund balance	(1,566,688)	(1,566,688)	(1,350,365)	216,323
Fund balance, beginning of the year	900,365	900,365	900,365	-
Appropriation for prior year encumbrances	1,210,370	1,210,370	1,210,370	-
Fund balance, end of the year	\$ 544,047	\$ 544,047	\$ 760,370	\$ 216,323

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 715	\$ 715
Total revenues	-	-	715	715
Expenditures:				
Current				
Community environment				
Other	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	715	715
Fund balance, beginning of the year	127,896	127,896	127,896	-
Fund balance, end of the year	\$ 127,896	\$ 127,896	\$ 128,611	\$ 715

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ 2,929	\$ 2,929	\$ 1,393	\$ (1,536)
Miscellaneous	69,775	69,775	85,794	16,019
Total revenues	72,704	72,704	87,187	14,483
Expenditures:				
Current				
Community environment				
Other	80,000	161,200	126,511	34,689
Debt Service				
Principal retirement	130,000	130,000	130,000	-
Interest & fiscal charges	63,553	63,553	63,553	-
Total expenditures	273,553	354,753	320,064	34,689
Excess of revenues under expenditures	(200,849)	(282,049)	(232,877)	49,172
Other financing sources (uses):				
Transfers-in	140,000	140,000	140,000	-
Total other financing sources (uses)	140,000	140,000	140,000	-
Net change in fund balance	(60,849)	(142,049)	(92,877)	49,172
Fund balance, beginning of the year	139,723	139,723	139,723	-
Appropriation for prior year encumbrances	81,200	81,200	81,200	-
Fund balance, end of the year	\$ 160,074	\$ 78,874	\$ 128,046	\$ 49,172

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ 8,000	\$ 0
Interest earnings	62,254	62,254	7,921	(54,333)
Miscellaneous	55,120	55,120	-	(55,120)
Total revenues	125,374	125,374	15,921	(109,453)
Expenditures:				
Current				
General government				
Other	493,020	493,020	126,648	366,372
Total expenditures	493,020	493,020	126,648	366,372
Excess of revenues under expenditures	(367,646)	(367,646)	(110,727)	256,919
Other financing sources:				
Transfers-in	82,890	82,890	82,890	0
Total other financing sources	82,890	82,890	82,890	0
Net change in fund balance	(284,756)	(284,756)	(27,837)	256,919
Fund balance, beginning of the year	1,373,753	1,373,753	1,373,753	-
Appropriation for prior year encumbrances	18,020	18,020	18,020	-
Fund balance, end of the year	\$ 1,107,017	\$ 1,107,017	\$ 1,363,936	\$ 256,919

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 166,464	\$ 166,464	\$ 209,891	\$ 43,427
Total revenues	166,464	166,464	209,891	43,427
Expenditures:				
Current				
Community environment				
Other	402,247	402,247	401,840	407
Total expenditures	402,247	402,247	401,840	407
Net change in fund balance	(235,783)	(235,783)	(191,949)	43,834
Fund balance, beginning of the year	135,491	135,491	135,491	-
Appropriation for prior year encumbrances	167,389	167,389	167,389	-
Fund balance, end of the year	\$ 67,097	\$ 67,097	\$ 110,931	\$ 43,834

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 603	\$ 603
Total revenues	-	-	603	603
Expenditures:				
Current				
Highways and streets	-	-	-	-
Other	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	603	603
Fund balance, beginning of the year	15,015	15,015	15,015	-
Fund balance, end of the year	\$ 15,015	\$ 15,015	\$ 15,618	\$ 603

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special Assessments	\$ -	\$ -	\$ 10,503	\$ 10,503
Total revenues	-	-	10,503	10,503
Expenditures:				
Current				
Highways and streets	-	-	-	-
Other	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over/under expenditures	-	-	10,503	10,503
Other financing sources/uses:				
Advance out	-	-	(10,503)	(10,503)
Total other financing sources/(uses)	-	-	(10,503)	(10,503)
Net change in fund balance	-	-	-	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 49,533	\$ 49,533
Total revenues	-	-	49,533	49,533
Expenditures:				
Current				
Highways and streets	-	-	-	-
Other	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	49,533	49,533
Other financing uses:				
Advance out	-	-	(49,533)	(49,533)
Total other financing uses	-	-	(49,533)	(49,533)
Net change in fund balance	-	-	-	-
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)
2019 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 70,856	\$ 70,856
Total revenues	-	-	70,856	70,856
Expenditures:				
Current				
Highways and streets				
Other	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	70,856	70,856
Other financing uses:				
Advance out	-	-	(70,855)	(70,855)
Total other financing uses	-	-	(70,855)	(70,855)
Net change in fund balance	-	-	1	1
Fund balance, beginning of the year	(107,570)	(107,570)	(107,570)	-
Appropriation for prior year encumbrances	107,570	107,570	107,570	-
Fund balance, end of the year	\$ -	\$ -	\$ 1	\$ 1

**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, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 235,171	\$ 235,171
Total revenues	-	-	235,171	235,171
Expenditures:				
Current				
Highways and streets				
Other	171,687	-	-	-
Total expenditures	171,687	-	-	-
Excess of revenues under expenditures	(171,687)	-	235,171	235,171
Other financing uses:				
Advance out	-	-	(407,002)	(407,002)
Total other financing uses	-	-	(407,002)	(407,002)
Net change in fund balance	(171,687)	-	(171,831)	(171,831)
Fund balance, beginning of the year	145	145	145	-
Appropriation for prior year encumbrances	171,687	171,687	171,687	-
Fund balance, end of the year	\$ 145	\$ 171,832	\$ (0)	\$ (171,831)

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2021 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 1,255,000	\$ 1,255,000	\$ -	\$ (1,255,000)
Total revenues	1,255,000	1,255,000	-	(1,255,000)
Expenditures:				
Current				
Highways and streets				
Other	1,255,000	1,255,000	211,613	1,043,387
Total expenditures	1,255,000	1,255,000	211,613	1,043,387
Excess of revenues under expenditures	-	-	(211,613)	(211,613)
Other financing sources:				
Advance in	-	-	211,613	211,613
Total other financing sources	-	-	211,613	211,613
Net change in fund balance	-	-	-	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

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, 2021

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous revenue	\$ -	\$ -	\$ 0	\$ 0
Total revenues	-	-	0	0
Expenditures:				
Current				
Debt Service				
Principal retirement	85,000	85,000	85,000	
Interest expense	75,168	75,168	75,168	
Total expenditures	160,168	160,168	160,168	-
Excess of revenues over/under expenditures	(160,168)	(160,168)	(160,168)	0
Other financing sources:				
Transfer in	160,168	160,168	160,168	0
Total other financing sources	160,168	160,168	160,168	0
Net change in fund balance	-	-	1	1
Fund balance, beginning of the year	2,265	2,265	2,265	-
Fund balance, end of the year	\$ 2,265	\$ 2,265	\$ 2,266	\$ 1

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2021**

NON MAJOR ENTERPRISE FUNDS:

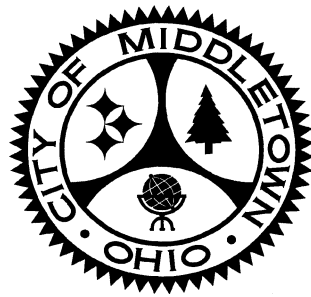
To account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recorded primarily through user 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, 2021**

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Assets:			
Current assets			
Equity in pooled cash, deposits and investments	\$ 748,438	\$ 323,676	\$ 1,072,114
Receivables (net of allowance for uncollectibles):			
Intergovernmental	-	691,549	691,549
Total current assets	748,438	1,015,225	1,763,663
Noncurrent assets:			
Net OPEB asset	-	25,932	25,932
Capital assets:			
Construction in progress	122,700	-	122,700
Land	1,524,356	-	1,524,356
Land improvements	666,367	7,082	673,449
Infrastructure assets	1,730,936	125,132	1,856,068
Buildings	2,072,312	1,370,702	3,443,014
Equipment	1,733,484	3,953,337	5,686,821
Less: Accumulated depreciation	(3,271,906)	(4,200,138)	(7,472,044)
Total capital assets (net of accumulated depreciation)	4,578,249	1,256,115	5,834,364
Total noncurrent assets	4,578,249	1,282,047	5,860,296
Total assets	5,326,687	2,297,272	7,623,959
Deferred outflows of resources:			
Pension related	-	44,465	44,465
OPEB related	-	17,501	17,501
Total deferred outflows of resources:	-	61,966	61,966
Liabilities:			
Current liabilities			
Accounts payable	144,832	408,121	552,953
Accrued wages and benefits	-	1,201	1,201
Other accrued liabilities	5,164	-	5,164
Due to other funds	242,357	11,310	253,667
Compensated absences (short-term)	-	4,002	4,002
Total current liabilities	392,353	424,634	816,987
Long-term liabilities:			
Compensated absences payable	-	653	653
Net pension liability	-	210,784	210,784
Total long-term liabilities	-	211,437	211,437
Total liabilities	392,353	636,071	1,028,424
Deferred inflows of resources:			
Pension related	-	90,976	90,976
OPEB related	-	79,958	79,958
Total deferred inflows of resources:	-	170,934	170,934
Net position:			
Investment in capital assets	4,578,249	1,256,115	5,834,364
Unrestricted	356,085	296,118	652,203
Total net position	\$ 4,934,334	\$ 1,552,233	\$ 6,486,567

**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, 2021**

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Operating revenues:			
Charges for services	\$ 1,158,290	\$ -	\$ 1,158,290
Other operating revenue	5,303	-	5,303
Total operating revenues	1,163,593	-	1,163,593
Operating expenses:			
Personal services	5,552	(64,443)	(58,891)
Contractual services	521,379	2,657,890	3,179,269
Commodities	599,944	3,313	603,257
Depreciation	289,425	536,914	826,339
Other operating expenses	128,696	-	128,696
Total operating expenses	1,544,996	3,133,674	4,678,670
Operating income (loss)	(381,403)	(3,133,674)	(3,515,077)
Non-operating revenues (expenses):			
Interest expense and fiscal charges	(14,603)	-	(14,603)
Operating grants	69,000	2,699,927	2,768,927
Total non-operating revenues (expenses)	54,397	2,699,927	2,754,324
Income (loss) before capital contributions and transfers	(327,006)	(433,747)	(760,753)
Capital contributions	-	633,020	633,020
Transfers in	908,044	-	908,044
Change in net position	581,038	199,273	780,311
Total net position, beginning of year	4,353,296	1,352,960	5,706,256
Total net position, end of year	\$ 4,934,334	\$ 1,552,233	\$ 6,486,567

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,163,520	\$ -	\$ 1,163,520
Cash payments to suppliers for goods and services	(1,203,460)	(2,436,563)	(3,640,023)
Cash payments to employees for services	-	(97,736)	(97,736)
Cash payments for interfund services used	(15,745)	(149,220)	(164,965)
Net cash provided (used) by operating activities	(55,685)	(2,683,519)	(2,739,204)
Cash flows from non-capital financing activities:			
Operating grants	188,110	2,378,605	2,566,715
Transfers in	908,044	-	908,044
Net cash provided (used) by non-capital financing activities	1,096,154	2,378,605	3,474,759
Cash flows from capital and related financing activities:			
Purchase of capital assets	(85,151)	(560,281)	(645,432)
Interest expense	(79,430)	-	(79,430)
Repayment of debt principal	(695,000)	-	(695,000)
Capital grants	-	633,020	633,020
Net cash provided (used) by capital and related financing activities	(859,581)	72,739	(786,842)
Net increase (decrease) in cash and cash equivalents	180,888	(232,175)	(51,287)
Cash and cash equivalents, beginning of year	567,550	555,851	1,123,401
Cash and cash equivalents, end of year	\$ 748,438	\$ 323,676	\$ 1,072,114

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Airport	Transit	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (381,403)	\$ (3,133,674)	\$ (3,515,077)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	289,425	536,914	826,339
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in net OPEB asset	-	(25,932)	(25,932)
Decrease (increase) in deferred outflows of resources - pension related	-	4,730	4,730
Decrease (increase) in deferred outflows of resources - OPEB related	-	13,376	13,376
Increase (decrease) in accounts payable	38,302	78,908	117,210
Increase (decrease) in accrued wages and benefits	(1,954)	(514)	(2,468)
Increase (decrease) in other accrued liabilities	(75)	-	(75)
Increase (decrease) in due to other funds	20	4,782	4,802
Increase (decrease) in compensated absences payable	-	214	214
Increase (decrease) in net pension liability	-	(54,613)	(54,613)
Increase (decrease) in net OPEB liability	-	(192,920)	(192,920)
Increase (decrease) in deferred inflows of resources - pension related	-	34,679	34,679
Increase (decrease) in deferred inflows of resources - OPEB related	-	50,531	50,531
Total adjustments	325,718	450,155	775,873
Net cash provided (used) by operating activities	\$ (55,685)	\$ (2,683,519)	\$ (2,739,204)

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2021**

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, 2021**

	Municipal Garage	Employee Benefits Fund	Totals
Assets:			
Current assets:			
Equity in pooled cash, deposits and investments	\$ 6,668,387	\$ 1,915,790	\$ 8,584,177
Receivables (net of allowance for uncollectibles):			
Accounts	627	49,187	49,814
Due from other funds	110,643	-	110,643
Inventory of supplies	309,328	-	309,328
Total current assets	7,088,985	1,964,977	9,053,962
Noncurrent assets:			
Net OPEB asset	21,565	-	21,565
Capital assets:			
Construction in progress	83,350	-	83,350
Land	195,750	-	195,750
Buildings	565,317	-	565,317
Equipment	14,865,726	-	14,865,726
Less: Accumulated depreciation	(12,333,322)	-	(12,333,322)
Total capital assets (net of accumulated depreciation)	3,376,821	-	3,376,821
Total noncurrent assets	3,398,386	-	3,398,386
Total assets	10,487,371	1,964,977	12,452,348
Deferred outflows of resources:			
Pension related	36,977	-	36,977
OPEB related	14,556	-	14,556
Total deferred outflows of resources:	51,533	-	51,533
Liabilities:			
Current liabilities:			
Accounts payable	124,540	605,040	729,580
Accrued wages and benefits	5,703	-	5,703
Compensated absences payable	24,846	-	24,846
Total current liabilities	155,089	605,040	760,129
Long-term liabilities:			
Compensated absences payable	44,182	-	44,182
Net pension liabilities	175,293	-	175,293
Total long-term liabilities	219,475	-	219,475
Total liabilities	374,564	605,040	979,604
Deferred inflows of resources:			
Pension related	75,657	-	75,657
OPEB related	66,496	-	66,496
Total deferred inflows of resources:	142,153	-	142,153
Net position:			
Investment in capital assets	3,376,821	-	3,376,821
Unrestricted	6,645,366	1,359,937	8,005,303
Total net position	\$ 10,022,187	\$ 1,359,937	\$ 11,382,124

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Municipal Garage	Employee Benefits Fund	Totals
Operating revenues:			
Charges for services	\$ 2,273,959	\$ 6,580,601	\$ 8,854,560
Total operating revenues	2,273,959	6,580,601	8,854,560
Operating expenses:			
Personal services	384,261	-	384,261
Contractual services	617,286	6,185,484	6,802,770
Commodities	862,926	-	862,926
Depreciation	1,065,385	-	1,065,385
Other operating expenses	105,962	-	105,962
Total operating expenses	3,035,820	6,185,484	9,221,304
Operating income (loss)	(761,861)	395,117	(366,744)
Non-operating revenues (expenses):			
Interest revenue	38,084	-	38,084
Total non-operating revenues (expenses)	38,084	-	38,084
Change in net position	(723,777)	395,117	(328,660)
Total net position, beginning of the year	10,745,964	964,820	11,710,784
Total net position, end of the year	\$ 10,022,187	\$ 1,359,937	\$ 11,382,124

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Municipal Garage	Employee Benefits Fund	Totals
Cash flows from operating activities:			
Cash payments to suppliers for goods and services	\$ (1,403,753)	\$ (6,378,843)	\$ (7,782,596)
Cash payments to employees for services	(523,254)	-	(523,254)
Cash received from interfund services provided	2,343,932	6,706,456	9,050,388
Cash payments for interfund services used	(82,059)	-	(82,059)
Net cash provided by operating activities	334,866	327,613	662,479
Cash flows from capital and related financing activities:			
Purchase of capital assets	(494,244)	-	(494,244)
Net cash used by capital and related financing activities	(494,244)	-	(494,244)
Cash flows from investing activities:			
Interest income	38,084	-	38,084
Net cash provided by investing activities	38,084	-	38,084
Net increase (decrease) in cash and cash equivalents	(121,294)	327,613	206,319
Cash and cash equivalents, beginning of year	6,789,681	1,588,177	8,377,858
Cash and cash equivalents, end of year	\$ 6,668,387	\$ 1,915,790	\$ 8,584,177

continued

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(continued)	Municipal Garage	Employee Benefits Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (761,861)	\$ 395,117	\$ (366,744)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,065,385	-	1,065,385
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in accounts receivable	173,978	125,854	299,832
Decrease (increase) in due from other funds	(21,883)	-	(21,883)
Decrease (increase) in supplies inventory	(23,591)	-	(23,591)
Decrease (increase) in net OPEB asset	(21,565)	-	(21,565)
Decrease (increase) in deferred outflows of resources - pension related	3,933	-	3,933
Decrease (increase) in deferred outflows of resources - OPEB related	11,124	-	11,124
Increase (decrease) in accounts payable	41,831	(193,358)	(151,527)
Increase (decrease) in accrued wages	(3,153)	-	(3,153)
Increase (decrease) in compensated absences	5,659	-	5,659
Increase (decrease) in net pension liability	(45,416)	-	(45,416)
Increase (decrease) in net OPEB liability	(160,437)	-	(160,437)
Increase (decrease) in deferred inflows of resources - pension related	28,839	-	28,839
Increase (decrease) in deferred inflows of resources - OPEB related	42,023	-	42,023
Total adjustments	1,096,727	(67,504)	1,029,223
Net cash provided by operating activities	\$ 334,866	\$ 327,613	\$ 662,479

**CITY OF MIDDLETOWN
CUSTODIAL FUNDS
DECEMBER 31, 2021**

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.

	Custodial Funds			
	Municipal Court		Joint Economic Development District I	Totals
Assets				
Cash and equity in pooled cash, deposits and investments	\$	-	\$	19,087
Cash and cash equivalents in segregated accounts		116,279		116,279
Total assets		116,279	19,087	135,366
Liabilities				
Due to other governments		116,279	19,087	135,366
Total liabilities		116,279	19,087	135,366
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, 2021

	Custodial Funds		
	Municipal Court	Joint Economic Development District I	Totals
Additions			
Taxes collected for distribution	\$ -	\$ 2,882,165	\$ 2,882,165
Fines, licenses and permits for distribution	1,800,169	-	1,800,169
Total additions	1,800,169	2,882,165	4,682,334
Deductions			
Distributions to other governments	469,746	2,818,242	3,287,988
Distributions on behalf of others	1,330,423	63,923	1,394,346
Total deductions	1,800,169	2,882,165	4,682,334
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 annual comprehensive 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 <i>(Table 1 to Table 6)</i>	201
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity <i>(Table 7 to Table 11)</i>	208
These schedules contain information to help the reader assess one of the government's most significant local revenue sources, income tax and property taxes.	
Debt Capacity <i>(Table 12 to Table 16)</i>	213
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.	
Demographic and Economic Information <i>(Table 17 and Table 18)</i>	218
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information <i>(Table 19 to Table 21)</i>	220
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.	

CITY OF MIDDLETOWN, OHIO
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 1

		2021	2020	2019	Restated 2018	2017	2016	Restated 2015	2014	2013	2012
Governmental Activities:											
Net Investment in Capital Assets	\$	75,330	68,760	63,745	59,480	57,656	56,377	53,363	54,102	57,244	57,866
Restricted		15,785	15,035	14,352	11,995	13,426	12,164	12,843	12,896	22,026	25,539
Unrestricted		(27,337)	(40,086)	(39,336)	(53,909)	(52,457)	(22,837)	(19,834)	(19,142)	11,328	12,210
Total Governmental Activities Net Position	\$	<u>63,778</u>	<u>43,709</u>	<u>38,761</u>	<u>17,566</u>	<u>18,625</u>	<u>45,704</u>	<u>46,372</u>	<u>47,856</u>	<u>90,598</u>	<u>95,615</u>
Business-Type Activities:											
Net Investment in Capital Assets	\$	93,049	80,406	73,092	68,619	66,917	61,159	54,257	51,744	56,230	54,343
Restricted		-	-	-	-	-	-	-	-	-	-
Unrestricted		41,154	41,687	35,633	27,821	18,493	18,502	17,976	17,251	15,918	16,775
Total Business-Type Activities Net Position	\$	<u>134,203</u>	<u>122,094</u>	<u>108,725</u>	<u>96,440</u>	<u>85,410</u>	<u>79,661</u>	<u>72,233</u>	<u>68,995</u>	<u>72,148</u>	<u>71,118</u>
Primary Government:											
Net Investment in Capital Assets	\$	168,379	149,166	136,837	128,099	124,573	117,536	107,619	105,846	113,474	112,209
Restricted		15,785	15,035	14,352	11,995	13,426	12,164	12,843	12,896	22,026	25,539
Unrestricted		13,816	1,601	(3,703)	(26,088)	(33,964)	(4,335)	(1,858)	(1,891)	27,246	28,985
Total Primary Government Net Position	\$	<u>197,980</u>	<u>165,803</u>	<u>147,486</u>	<u>114,006</u>	<u>104,035</u>	<u>125,365</u>	<u>118,604</u>	<u>116,851</u>	<u>162,746</u>	<u>166,733</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
Community environment	\$ 5,172	4,048	2,367	5,753	3,930	4,320	5,970	11,557	16,561	14,555
General government	8,441	9,169	6,535	6,943	7,464	8,610	5,212	6,190	5,142	6,240
Leisure	1,128	1,213	746	1,223	1,191	1,072	1,032	1,698	1,069	1,210
Public health	835	861	373	644	538	530	421	405	367	983
Public safety	21,393	29,685	14,327	28,187	26,315	24,990	22,846	23,586	24,164	24,639
Highways and streets	6,616	5,489	7,080	6,704	7,393	7,272	8,417	8,171	7,662	9,557
Interest on long-term debt	1,336	572	746	839	1,085	1,074	1,262	1,078	1,229	1,402
Total governmental activities expenses	<u>44,920</u>	<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>
Business-type activities:										
Water	7,332	7,748	7,602	6,873	7,257	7,040	6,807	7,326	7,184	6,564
Sanitary Sewer	9,640	7,943	8,568	8,402	7,711	7,545	7,859	8,892	7,688	7,206
Golf	-	-	-	-	-	-	-	352	1,540	1,489
Solid Waste	3,763	3,681	3,498	3,511	3,075	3,281	3,092	2,933	2,827	2,690
Storm Water	1,753	1,353	1,560	1,450	1,299	1,236	1,168			
Non major enterprise funds	4,693	3,647	3,085	2,930	2,422	2,410	1,815	3,232	3,234	3,154
Total business-type activities expenses	<u>27,180</u>	<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>
Total primary government expenses	<u>\$ 72,100</u>	<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>
Program Revenue										
Governmental activities:										
Charges for services:										
Community environment	\$ 266	176	314	888	307	682	543	688	880	926
General government	3,250	3,544	3,217	3,088	3,088	2,839	2,856	2,861	2,682	2,700
Highways and streets	128	181	151	119	279	532	312	219	337	228
Leisure	2	1	3	-	-	-	78	-	16	4
Public health	343	281	278	341	322	335	263	209	192	216
Public safety	4,753	4,428	4,653	4,903	4,768	4,439	4,245	4,850	5,179	4,936
Operating grants & contributions	2,556	5,476	1,591	1,738	2,366	1,202	553	922	9,843	9,386
Capital grants & contributions	5,712	2,870	5,605	4,032	5,181	5,391	3,410	3,079	1,752	8,524
Total governmental activities program revenue	<u>\$ 17,008</u>	<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>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Charges for services:										
Water	\$ 9,909	10,152	10,096	10,141	9,008	8,703	7,869	7,780	7,384	7,752
Sanitary Sewer	16,680	15,702	14,656	14,017	11,545	10,015	8,961	9,157	8,228	8,257
Golf course *closed /sold in 2014	-	-	-	-	-	-	-	27	1,161	1,165
Solid Waste	3,836	3,541	3,411	3,424	3,183	3,142	2,996	2,989	2,938	2,923
Storm Water	2,449	2,003	2,065	2,052	1,958	1,997	1,821			
Other business-type activities	1,158	912	433	374	397	417	421	2,192	2,150	2,064
Operating grants & contributions	2,769	2,283	1,218	1,542	1,052	1,727	1,226	1,509	1,404	1,437
Capital grants & contributions	1,349	1,843	3,291	1,944	862	2,559	180	129	163	355
Total business-type activities program revenue	38,150	36,437	35,170	33,494	28,006	28,560	23,474	23,783	23,428	23,953
Total primary government program revenue	\$ 55,158	53,395	50,982	48,603	44,317	43,980	35,734	36,611	44,309	50,873
Net (Expense)/Revenue										
Governmental activities	\$ (27,911)	(34,079)	(16,362)	(35,185)	(31,605)	(32,448)	(32,900)	(39,857)	(35,313)	(31,666)
Business-type activities	10,970	12,066	10,857	10,328	6,242	7,048	2,733	1,048	955	2,850
Total primary government net expense	(16,942)	(22,013)	(5,505)	(24,857)	(25,363)	(25,400)	(30,167)	(38,809)	(34,358)	(28,816)
General Revenues and Other Changes in Net										
Governmental activities:										
Income taxes	\$ 35,985	24,483	26,010	23,541	23,663	22,181	21,346	20,560	19,811	19,828
Property taxes	5,075	4,465	4,296	4,215	3,988	4,073	4,154	4,331	4,468	4,081
Other taxes	3,604	3,247	3,078	2,554	2,507	2,487	2,606	2,575	2,972	2,657
Grants/contributions not restricted	2,068	3,647	1,521	1,806	1,612	1,414	1,375	1,317	1,466	1,649
Investment earnings	(641)	881	867	269	11	(90)	115	96	41	(78)
Miscellaneous	2,769	2,544	2,296	1,826	1,753	1,645	1,751	1,161	1,125	1,478
Transfers	(880)	(240)	(511)	(84)	(1)	71	69	(1,942)	165	64
Total governmental activities general revenues	47,980	39,027	37,557	34,127	33,532	31,781	31,416	28,098	30,048	29,679
Business-type activities:										
Income taxes	\$ -	-	-	-	175	205	186	137	138	190
Investment earnings	220	465	636	344	226	153	133	28	18	123
Transfers	880	240	511	84	1	(72)	254	1,942	(165)	(64)
Miscellaneous	39	598	281	273	165	93	(69)	106	136	69
Total business type activities general revenues	1,139	1,303	1,428	701	567	379	504	2,213	127	318
Total primary government general revenues	\$ 49,119	40,330	38,985	34,828	34,099	32,160	31,920	30,311	30,175	29,997
Special item	\$ -	-	-	-	-	-	-	(3,345)	-	-
Changes in Net Position										
Governmental activities	\$ 20,069	4,948	21,195	(1,058)	1,928	(667)	(1,484)	(11,759)	(5,265)	(1,987)
Business-type activities	12,109	13,369	12,285	11,029	6,809	7,427	3,237	(84)	1,082	3,168
Total primary government	\$ 32,177	18,317	33,480	9,971	8,737	6,760	1,753	(11,843)	(4,183)	1,181

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
2021	\$ 35,985	\$ 5,075	\$ 3,604	\$ 44,664
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

CITY OF MIDDLETOWN, OHIO
Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 4

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable, restricted, committed and assigned	\$ 3,570	6,306	7,522	7,570	6,602	4,829	4,278	1,213	3,896	3,583
Unreserved, unassigned	17,633	10,430	6,884	7,189	6,730	5,625	5,181	7,751	5,909	7,441
Total General Fund	<u>\$ 21,203</u>	<u>16,736</u>	<u>14,406</u>	<u>14,759</u>	<u>13,332</u>	<u>10,454</u>	<u>9,459</u>	<u>8,964</u>	<u>9,805</u>	<u>11,024</u>
All Other Governmental Funds										
Nonspendable, restricted or committed	\$ 41,034	14,711	13,854	11,674	12,107	11,264	11,600	10,803	11,821	13,133
Unassigned reported in:										
Capital project funds	-	-	-	(360)	(91)	(514)	(342)	(82)	(646)	(1,263)
Debt service funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	<u>(1,655)</u>	<u>(1,881)</u>	<u>(965)</u>	<u>(581)</u>	<u>(571)</u>	<u>(283)</u>	<u>(149)</u>	<u>(72)</u>	<u>(275)</u>	<u>(133)</u>
Total All Other Governmental Funds	<u>39,379</u>	<u>12,830</u>	<u>12,888</u>	<u>10,732</u>	<u>11,445</u>	<u>10,467</u>	<u>11,110</u>	<u>10,650</u>	<u>10,900</u>	<u>11,737</u>
Total Governmental Funds	<u>\$ 60,582</u>	<u>29,566</u>	<u>27,294</u>	<u>25,491</u>	<u>24,777</u>	<u>20,921</u>	<u>20,569</u>	<u>19,614</u>	<u>20,705</u>	<u>22,761</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 5,082	4,530	4,340	4,198	4,009	4,086	4,258	4,311	4,281	3,694
Municipal income taxes	35,693	24,073	26,410	23,441	24,593	22,180	21,768	20,576	19,617	19,728
Intergovernmental revenues	12,121	13,396	8,955	9,700	10,275	9,978	7,608	16,035	16,872	19,611
Charges for services	5,195	4,633	4,646	4,987	4,663	4,706	4,549	4,593	4,657	4,555
Fees, licenses, and permits	607	518	396	453	388	496	403	295	317	297
Fines and forfeits	1,463	1,379	1,555	1,623	1,660	1,542	1,718	1,883	1,907	1,935
Special assessments	814	667	622	532	541	650	819	746	552	672
Investment earnings	(641)	881	867	269	11	(90)	115	96	41	(78)
Miscellaneous	4,550	4,811	4,752	4,635	3,917	3,791	3,463	3,255	3,503	3,708
Total revenues	64,883	54,888	52,543	49,838	50,057	47,339	44,701	51,790	51,747	54,122
Expenditures										
Current:										
General Government	5,815	5,452	5,533	5,103	4,881	4,596	3,952	3,695	3,511	3,815
Public safety	30,261	27,761	26,104	25,352	24,176	23,129	22,396	23,851	24,241	24,609
Public health and welfare	933	786	587	563	440	480	405	389	347	727
Leisure time activities	1,123	993	993	1,003	917	832	902	887	917	908
Community environment	4,872	3,704	4,031	5,338	3,473	3,902	5,590	11,633	16,583	14,177
Highways and streets	15,518	6,668	6,084	5,687	6,210	8,207	6,761	4,582	5,400	5,091
Miscellaneous	3,354	3,830	3,494	2,551	2,641	2143	2,202	1,954	2,292	2,531
Debt Service										
Principal retirement	4,759	1,833	2,639	2,566	2,518	2,709	4,538	3,329	5,176	2,414
Interest and fiscal charges	1,357	665	764	878	1,056	1,061	1,229	1,065	1,302	1,329
Total expenditures	67,992	51,692	50,229	49,041	46,313	47,059	47,975	51,385	59,769	55,601
Excess (deficiency) of revenues over expenditures	\$ (3,109)	3,196	2,314	797	3,744	280	(3,274)	405	(8,022)	(1,479)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Continued										
Other Financing Sources (Uses)										
Transfers in	\$ 1,273	1,175	2,803	987	437	230	1,069	67	1,084	163
Transfers out	(2,154)	(2,099)	(3,315)	(1,071)	(439)	(158)	(1,000)	(2,009)	(919)	(99)
Issuance of bonds	33,705	-	-	-	5,830		4,160	446	5,845	-
Issuance of notes	1,300	-	-	-	584	-	-	-	2,057	-
Other uses	-	-	-	-	(6,300)		-	-	(3,300)	-
Other sources	-	-	-	-	-	-	-	-	1,199	-
Total other financing sources (uses)	34,125	(923)	(512)	(84)	112	72	4,229	(1,496)	5,966	64
Net change in Fund Balances	31,016	2,273	1,802	713	3,856	352	955	(1,091)	(2,056)	(1,415)
Asset Additions	\$ 16,878	9,233	8,103	6,074	6,121	7,626	5,875	2,832	6,419	7,420
Non capital expenditures	\$ 51,113	42,459	42,126	42,967	40,192	39,433	42,100	48,553	53,350	48,181
Debt service as a % of noncapital expenditures	11.97%	5.88%	8.08%	8.02%	8.89%	9.56%	13.70%	9.05%	12.14%	7.77%

CITY OF MIDDLETOWN, OHIO
General Governmental Tax Revenues By Source
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 6

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Property taxes	\$ 5,082	4,530	4,340	4,198	4,009	4,086	4,258	4,311	4,281	3,694
Municipal income taxes	\$ 35,693	24,073	26,410	23,441	24,593	22,180	21,768	20,576	19,617	19,728

CITY OF MIDDLETOWN, 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		Direct Tax Rate	Assessed Value as a Percent of Estimated Actual Value
	Assessed	Actual	Assessed	Estimated Actual	Assessed	Actual	Assessed	Estimated Actual		
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
2020/2021	\$769,547	\$2,198,705	\$0	\$0	\$78,569	\$224,482	\$848,116	\$2,423,187	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

City of Middletown										
Collection Year	Operating	Police and Fire Pension	Senior Citizen Levy	City of Middletown Total	Butler County	Middletown City School District	Parks	Library	JVSD	Total
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
2021	5.30	0.60	1.00	6.90	7.30	49.41	0.7	0.75	1.93	66.99

(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, 2021 and Nine Years Ago
(in thousands)
Table 9

Top Ten Property Taxpayers (real property)

2012 Calendar year/ 2011 Tax Year			2021 Calendar year/ 2020 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.	\$ 35,422	4.53%	Duke Energy	\$ 51,266	6.04%
AK Steel Corp	\$ 10,331	1.32%	NTE Ohio LLC	\$ 17,162	2.02%
Rockies Express Pipeline LLC	\$ 4,804	0.61%	AK Steel Corp	\$ 10,316	1.22%
Sam Boymel	\$ 3,500	0.45%	Dynegy Dicks Creek LLC	\$ 5,381	0.63%
Precision Strip Inc	\$ 3,364	0.43%	AJB Realty LLC	\$ 4,824	0.57%
Middletown Coke	\$ 2,815	0.36%	Boymel Family LLC	\$ 4,602	0.54%
Liberty Retirement Properties	\$ 2,279	0.29%	Texas Eastern Transmission Corporation	\$ 4,173	0.49%
Chaka-Chak LLC	\$ 2,060	0.26%	Rockies Express Pipeline LLC	\$ 3,746	0.44%
Texas Eastern Transmission	\$ 1,950	0.25%	Precision Strip Inc	\$ 3,341	0.39%
Bavarian Woods	\$ 1,925	0.25%	Bavarian Woods Owner II LLC	\$ 3,142	0.37%
TOTAL TOP TEN	\$ 68,450	8.8%	TOTAL TOP TEN	\$ 107,952	12.73%
 TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	 \$781,403		 TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	 \$848,116	

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

Collected within the Fiscal Year of the Levy							
Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year (Millage)	Amount Levied	Amount Collected	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collected	Percent of Total Tax Collection to Current Tax Levy
2021	6.90	\$5,029	\$4,141	82.35%	\$203	\$4,344	86.38%
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	5.90	\$3,907	\$3,409	87.25%	\$283	\$3,692	94.50%

The County does not identify delinquent tax collections by year.
Does not include Commercial Activities Tax, Homestead & Rollback reimbursed by the State.

CITY OF MIDDLETOWN, 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
2021	2.00%	\$2,804,066	\$8,908,889	\$23,422,045	\$35,135,000
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

CITY OF MIDDLETOWN, 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	Revenue Obligation Bonds	Special Assessment Bonds	Governmental Notes Payable	General Obligation Bonds	Capital Leases	Business-Type Notes Payable						
2021	\$ 10,950	\$ 28,684	\$ 2,787	\$ 1,300	\$ 5,763	\$ -	\$ 2,000		\$ 51,485	4.13%	\$ 1,010		
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		

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)
2021	\$16,713	\$0	\$16,713	1.97%	\$328
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

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, 2021
 (amounts expressed in thousands)
 Table 14

Political Subdivision	General Bonded Debt	Percent Applicable to City	City's Share
Butler County	14,082	7.66%	\$1,079
Warren County	<u>21,520</u>	1.24%	<u>\$266</u>
Subtotal, overlapping debt			<u>\$1,345</u>
General Obligation Bond			10,950
Special Assessment debt			<u>2,787</u>
Subtotal, direct debt			13,737
Total direct and overlapping debt			<u><u>\$15,082</u></u>

Source: Butler and Warren County Auditor's Offices.

City Share calculated by percentage of assessed value for each county.

CITY OF MIDDLETOWN, OHIO
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)
Table 15

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$	75,048	74,447	74,447	69,321	69,321	69,524	73,811	74,205	78,440	89,052
Total net debt applicable to limit	\$	22,120	21,902	19,484	19,565	19,565	19,808	17,285	14,707	12,858	10,950
Legal debt margin	\$	52,928	52,545	54,963	49,929	52,118	53,583	59,220	60,874	66,409	75,074
Total net debt applicable to the limit as a percentage of debt limit		29.47%	29.42%	26.17%	28.22%	28.22%	28.49%	23.42%	19.82%	16.39%	12.30%
Assessed value											\$848,116
Add back: exempt real property											-
Total assessed value											848,116
Debt limit (10.5%) of total asses value											89,052
Debt applicable to limit:											
General obligation bond											10,950
Less: Amount set aside for repayment of general obligation debt											-
Total net debt applicable to limit											10,950
Legal debt margin											78,102

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	Special Assessment Collections	Debt Service		Coverage
			Principal	Interest & Fiscal Charges	
2021	2020	\$178,022	\$128,000	\$34,797	1.09
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

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)
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 estimate	\$22,793 estimate	37.6	16 yrs - 15.8% 12 yrs - 85.5%	11,014 estimate	4.6
2021	50,987	\$1,233,070	\$24,184	38.4	16 yrs - 15.6%	11,146	3.1

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	2021		
	Employees	Rank	Percentage of Total City Employment
Cleveland Cliffs Steel Co (formerly AK Steel)	2,709	1	13.7%
Atrium Medical Center	1,592	2	8.0%
Middletown City Schools	956	3	4.8%
PAC Worldwide Corp	912	4	4.6%
Kroger	683	5	3.4%
Walmart	645	6	3.3%
Majestic Care Middletown (formerly Garden Manor/Boymel)	464	7	2.3%
City of Middletown	443	8	2.2%
Graycor Industrial Construction	436	9	2.2%
Miami University	417	10	2.1%
TOTAL ESTIMATED CITY EMPLOYMENT	19,800		
Employer	2012		
	Employees	Rank	Percentage of Total City Employment
AK Steel	2,333	1	12.3%
Atrium Medical Center	2,013	2	10.6%
Middletown City School District	1,081	3	5.7%
CBS Temporary Services, LLC	1,064	4	5.6%
Crown Services 36 LLC	897	5	4.7%
CM Temporary Services, Inc	712	6	3.7%
Kokosing Construction	640	7	3.4%
Kroger Limited Partnership	526	8	2.8%
City of Middletown	520	9	2.7%
McDonald's Restaurant	427	10	2.2%
TOTAL ESTIMATED CITY EMPLOYMENT	19,000		

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	34	32	30.5	34.5	36.5	36.5	37.5	36.5	37.5	36.5
Public safety										
Police										
Officers	72	72	72	68	69	71	72	69	70	72
Civilians	34	32	31	31	35	33	33	41.5	41.5	41.5
Fire										
Firefighters & officers	72	72	66	64	67	67	67	79	81	81
Civilians	1	1	1	1	1	1	1	1	1	1
Other	26	26	28	30	32	32	31	32	32	31
Highways and streets										
Maintenance	15	15	14	14	14.5	14.5	14.5	14.5	14.5	14
Leisure Time Activities	7	7	6	6	6	6	6	6	6	6
Community Environment	6	4	3	2	4.5	4.5	4.5	5	6	6
Public health & welfare	3	3	3	3	5	5	5	5	7	7
Water	31	31	31	31	31	31	31	31	32	32
Sewer	32	32	35	35	36	36	35	36	37	38
Storm Water	7	7	7.5	7.5	9	9	9	9	9	9.5
Golf Course	5	5	5	0	0	0	0	0	0	0
Solid Waste	0	0	1	1	0	0.5	0.5	0.5	0.5	0.5
Transit	5	4	4	4	4	4	4	2	1	1
Internal Services	7	7	7	7	7	7	7	7	7	7
Total	357	350	345	339	358	358	358	375	383	384

Source: City of Middletown Finance Administration

CITY OF MIDDLETOWN, OHIO
Operating Indicators by Function
Last Ten Years
Table 20

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire										
Number of fire responses	2,073	6,048	4,809	2,159	2,116	1,997	2,734	2,901	2,042	2,771
Average response time (minutes)	5.2	5.2	5.5	6.0	5.6	6.1	5.3	5.3	5.5	5.4
Emergency medical calls	8,400	8,185	8,484	8,633	9,268	9,834	9,520	9,540	8,904	10,131
Police										
Calls for service	45,247	45,287	52,925	44,353	40,337	40,602	40,597	36,730	33,114	34,862
Number of arrests	8,036	7,919	6,481	5,861	6,239	6,150	4,773	4,022	3,308	3,909
Response time for priority calls (minutes)	5.4	5.8	5.7	5.8	6.1	6.1	4.4	6.3	6.1	5.6
Traffic accidents	1,466	1,400	1,196	1,212	1,387	1,094	1,032	1,058	841	1,016
Average daily jail population	53	56	58	57	103	62	54	41	28	33
Transit										
Unlinked passenger trips	204,362	153,824	168,753	167,837	147,614	136,787	146,186	145,176	120,388	111,712
Water										
Average daily water pumpage (million gallons per day)	8.84	7.93	8.80	8.30	8.93	9.00	10.36	10.78	10.24	10.41
Number of water accounts	19,179	19,200	19,097	19,006	19,094	19,017	19,144	19,029	19,307	20,311
Sewer										
Average daily flow (million gallons per day)	16.3	16.4	16.4	17.0	18.4	15.6	20.2	20.2	17.2	17.6
Sewer mains cleaned (linear feet)	154,512	66,224	59,892	15,040	46,748	11,869	16,655	31,102	10,414	10,850

Source: City of Middletown Departmental Data

CITY OF MIDDLETOWN, OHIO
Capital Asset Statistics by Function
Last Ten Years
Table 21

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety:										
Fire stations	5	5	4	4	4	4	4	4	4	4
Police stations	1	1	1	1	1	1	1	1	1	1
Highways and streets:										
Streets (miles)	242	242	242	242	242	242	242	242	242	242
Traffic Lights	111	111	111	111	109	109	109	109	109	109
Water:										
Water mains (miles)	343	343	343	343	343	290	290	290	290	290
Sewer:										
Sanitary & storm (miles)	320	320	320	320	320	394	394	394	394	394
Leisure & recreation:										
Parks	36	36	35	35	35	34	34	34	34	34
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Courses (public)	1	1	0	0	0	0	0	0	0	0

Source: City of Middletown