



Annual Comprehensive Financial Report

*For the Year Ended
December 31, 2023*

City of Middletown
One Donham Plaza
Middletown, Ohio

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CITY OF MIDDLETOWN, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2023

Prepared by
Finance Department

Samantha Zimmerman
Finance Director

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CITY OF
MIDDLETOWN

December 2, 2024

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. The Auditor of State (AOS) granted an extension of our audit due to the City switching general ledger accounting packages in November 2023 while also having two key positions unfilled for an extended length of time in 2023 and 2024 (Assistant Finance Director and Budget Manager) through September 2024. We are pleased to present this Annual Comprehensive Financial Report for Middletown, Ohio. This report, for the year ended December 31, 2023, 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 it 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 51,500.

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, 2022, City Council adopted the 2023 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. As the City moves past the Covid-19 pandemic and continues the economic recovery the focus of the City has turned to capital investment as the core of the 2024 and future City Budgets.

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 paving work continues with additional revenues generated beyond the projected debt coverage being used to perform additional miles of paving for the City. All zones of the original project are complete as of the end of 2023. Only striping remains to be complete in 2024.

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. Design work and initial stages of construction began in late 2022 and has continued into 2023. Fire Headquarters on Yankee Road and Cherry Street and Station 82 on State Route 122 will be the first stations built. These two are expected to be complete by the end of 2024. Construction on Station 81 on Henry Avenue and Charles Street and Station 85 on Sophie Avenue and Stolz Drive began in 2024 and is expected to be complete in spring of 2025.

The City's Parks Master Plan was completed in 2021 and improvements to the City's parks begin in 2022 and has continued into future budget years. The first improvement planned is for free Wi-Fi internet service to be provided to six of the City's major parks transforming them into Smart Parks for the community. Other priority improvements include refurbishing of restroom facilities and construction of shelters for citizen use.

Development and planning for the major multi-purpose use Entertainment Facility continued during 2023. This facility will feature an ice rink, be available for concerts and other events, and feature shopping alongside the main entertainment facility. The facility's position on State Route 122 will make it an attractive destination for visitors to Middletown. Groundbreaking on the event center development called, Renaissance Pointe, took place in June 2024. Phase I construction began and is expected to be complete by May 2025.

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.

In addition to live bands, fireworks, and the enjoyment of a designated outdoor refreshment area Middletown citizen were treated to the third winter Holiday Whopla which featured an outdoor skating rink and holiday themed events including interactive lights in 2023!

Water rates are reviewed every two years while taking in consideration of operations, maintenance, and capital improvement costs. The City initiated a Water and Sewer Rate Study in 2022 that continued through 2023 due to anticipated increases in operational costs and capital investment needs. Raftelis Financial Consultants, Inc (Raftelis) was hired to perform this rate study. A 15% per year Water rate increase was implemented for years 2024, 2025, and 2026, and a 7% increase for years 2027 and 2028. Sewer rates were determined to be sufficient and will remain the same for years 2024, 2025, and 2026, and will require an increase of 4% for years 2027 and 2028. Storm Water and Solid Waste fees will remain the same for 2024.

The Middletown unemployment rate has decreased by 0.2% from 2022 to 2023:

UNEMPLOYMENT RATE (%)			
Yearly Average			
	<u>Middletown</u>	<u>Ohio</u>	<u>U. S.</u>
2022	3.4%	4.1%	3.5%
2023	3.2%	3.5%	3.6%

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 25 year Fire Levy will replace the Senior Citizens Levy as of January 1, 2023. The majority of property tax revenues are used by the City's General Fund.

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

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Value</u>	<u>Property Tax Revenues (cash basis)</u>
2018	2019	\$706,717,500	\$4,169,113
2019	2020	\$747,047,250	\$4,175,414
2020	2021	\$848,115,520	\$4,680,219
2021	2022	\$866,706,120	\$5,628,272
2022	2023	\$855,118,050	\$5,384,102

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 (Cash Basis)</u>	
2019	\$26,309,538
2020	\$23,726,882
2021	\$35,134,999
2022	\$33,725,306
2023	\$42,418,678

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 2023 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, 2022.

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.

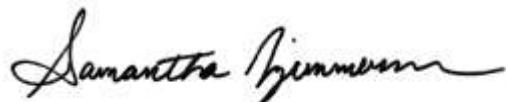
Acknowledgements

The 2023 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



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, 2022

Christopher P. Monell

Executive Director/CEO

CITY OF MIDDLETOWN, OHIO

Principal Officials **January 1, 2023**

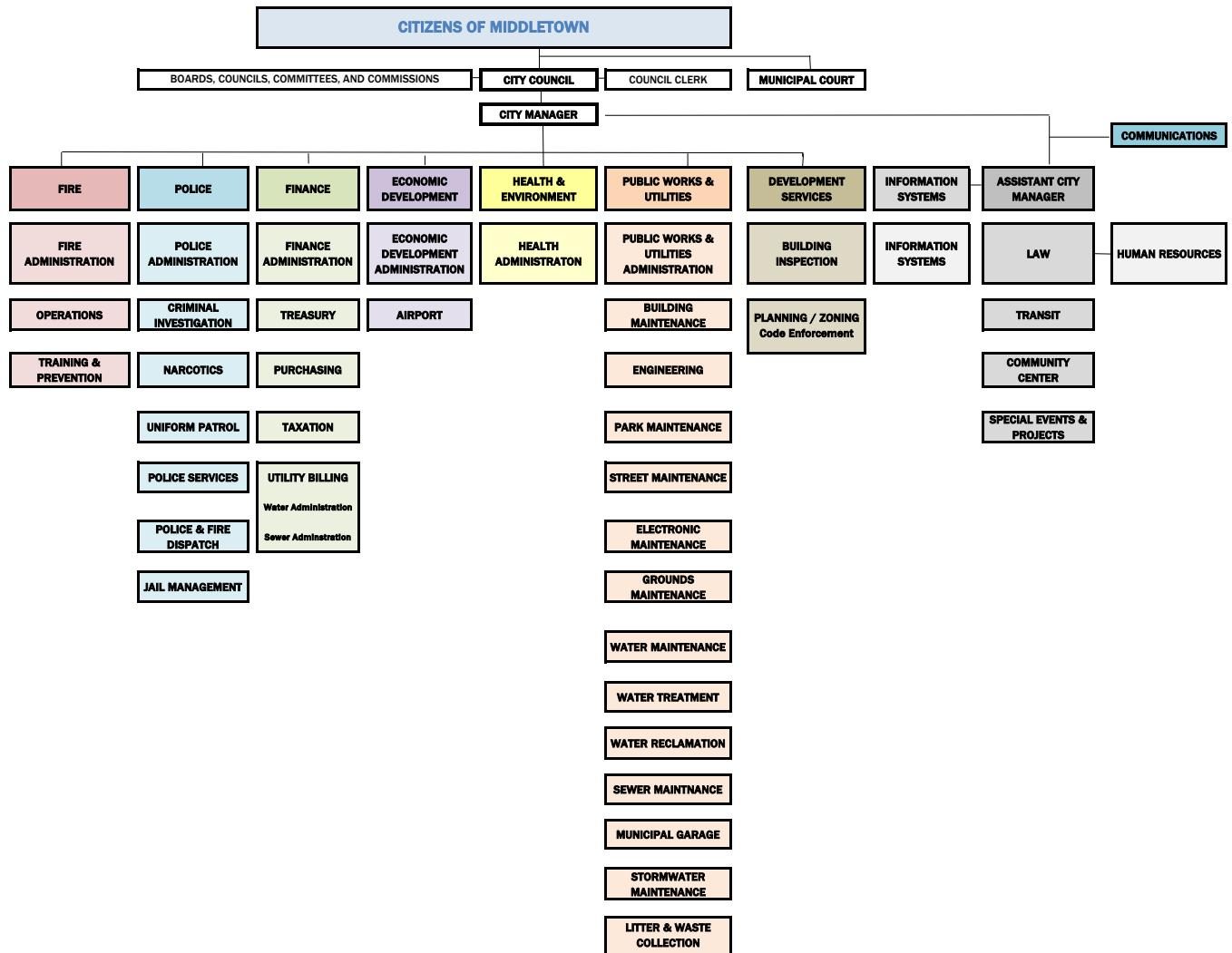
Legislative

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

Executive/Administrative

City Manager	Paul J. Lolli
Assistant City Manager.....	Nathan E. Cahall
Director of Court Services	Steven P. Longworth
Assistant Economic Development Director.....	Lisha M. Morlan
Finance Director	Samantha J. Zimmerman
Fire Chief.....	Thomas L. Snively
General Counsel	Ashley M. Bretland
Health Commissioner	Jacquelyn D. Phillips
Information Systems Director	Troy S. Anderton
Development Services Director.....	Ashley N. Combs
Police Chief	David M. Birk
Public Works & Utilities Director.....	Scott D. Tadych

CITY OF MIDDLETOWN 2023 ORGANIZATIONAL CHART



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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio, as of December 31, 2023, 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 GAAS, 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 GAAS. 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 December 2, 2024 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
December 2, 2024

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. 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), the ARPA Fund (page 96), the Fire Station Levy Fund (page 97), and the Butler County ARPA Fund (page 98) 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 99.

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, 2023

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, 2023

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 2023, 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, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City adopted GASB Statement 75 in 2018, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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
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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, 2023 and 2022 (in thousands).

Table 1
Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 135,287	\$ 115,440	\$ 51,064	\$ 51,107	\$ 186,351	\$ 166,547
Capital assets	<u>128,885</u>	<u>109,226</u>	<u>123,555</u>	<u>114,135</u>	<u>252,440</u>	<u>223,361</u>
Total assets	264,172	224,666	174,619	165,242	438,791	389,908
Deferred outflows of resources	26,644	15,543	2,184	711	28,828	16,254
Long-term liabilities	135,576	104,287	9,935	9,050	145,511	113,337
Other liabilities	<u>34,070</u>	<u>28,039</u>	<u>4,343</u>	<u>3,980</u>	<u>38,413</u>	<u>32,019</u>
Total liabilities	169,646	132,326	14,278	13,030	183,924	145,356
Deferred inflows of resources	16,205	27,741	79	2,236	16,284	29,977
Net position:						
Net investments in capital assets	91,270	82,887	117,803	107,409	209,073	190,296
Restricted	22,632	18,607	-	-	22,632	18,607
Unrestricted	<u>(8,937)</u>	<u>(21,351)</u>	<u>44,644</u>	<u>43,277</u>	<u>35,707</u>	<u>21,926</u>
Total position	104,965	80,143	162,447	150,686	267,412	230,829
Beginning net position	80,143	63,778	150,686	134,203	230,829	197,981
Net increase	<u>24,822</u>	<u>16,365</u>	<u>11,761</u>	<u>16,483</u>	<u>36,583</u>	<u>32,848</u>
Ending net position	<u><u>\$ 104,965</u></u>	<u><u>\$ 80,143</u></u>	<u><u>\$ 162,447</u></u>	<u><u>\$ 150,686</u></u>	<u><u>\$ 267,412</u></u>	<u><u>\$ 230,829</u></u>

As of December 31, 2023, the City's ending net position was \$267,412 compared to \$230,829 in 2022, an increase of \$36,583 or 15.8%. Governmental activities increased by 31.0% or \$24,822 and business type activities increased 7.8% or \$11,761 in 2023 over 2022 totals.

Governmental activities net position increased by \$24,822 in 2023, a slight increase from the \$16,365 decrease in 2022. Governmental activities net position has continued to improve as the general economic conditions improve in the post-COVID economy. The overall increase in 2023 over 2022, is primarily related to the increased service charges and grants received by the City and continued controlled operating expenses. 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, 2023

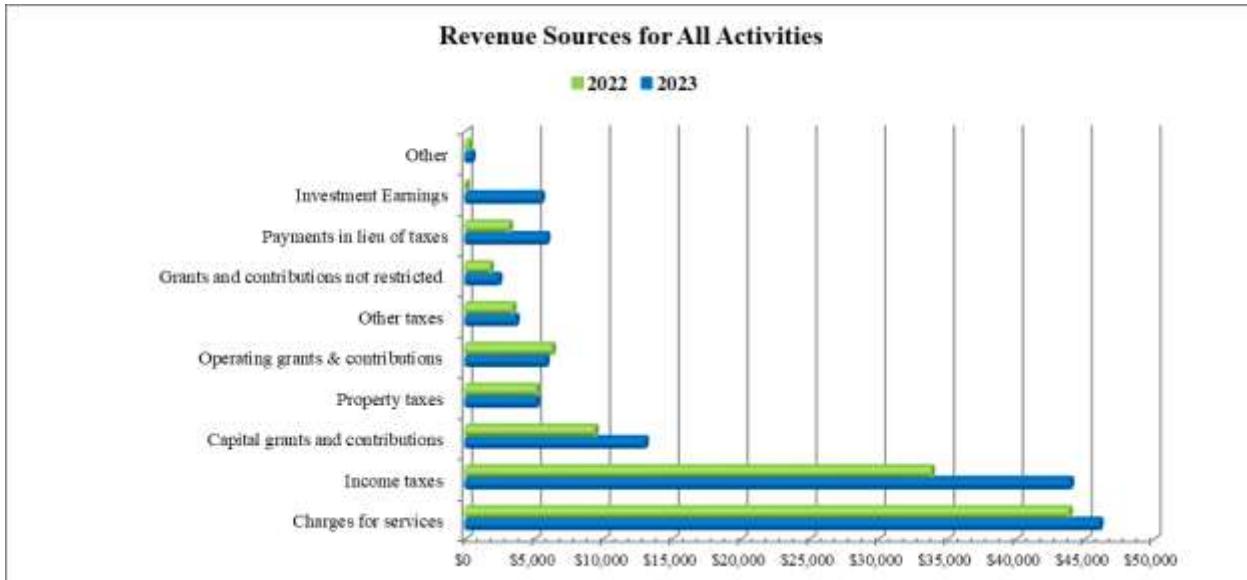
B. Governmental and Business-type Activities during 2023

Table 2, (in thousands) presents a condensed summary of the City's activities during 2023 and 2022 and the resulting changes in net position.

Table 2
Statement of Activities
(in thousands)

	Governmental		Business-Type		Total	
	Activities	2023	Activities	2023	2022	2023
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ 12,753	\$ 10,437	\$ 33,271	\$ 33,368	\$ 46,024	\$ 43,805
Operating grants & contributions	4,853	3,768	946	2,506	5,799	6,274
Capital grants and contributions	<u>5,478</u>	<u>6,216</u>	<u>7,518</u>	<u>3,159</u>	<u>12,996</u>	<u>9,375</u>
Total program revenues	23,084	20,421	41,735	39,033	64,819	59,454
<u>General revenues:</u>						
Income taxes	43,889	33,804	0	0	43,889	33,804
Property taxes	5,118	5,122	0	0	5,118	5,122
Other taxes	3,615	3,403	0	0	3,615	3,403
Payments in lieu of taxes	5,846	3,145	0	0	5,846	3,145
Grants and contributions not restricted	2,366	1,760	0	0	2,366	1,760
Investment earnings	4,183	(2,473)	1,265	527	5,448	(1,946)
Other	<u>359</u>	<u>217</u>	<u>58</u>	<u>30</u>	<u>417</u>	<u>247</u>
Total general revenues	<u>65,376</u>	<u>44,978</u>	<u>1,323</u>	<u>557</u>	<u>66,699</u>	<u>45,535</u>
Total revenues	88,460	65,399	43,058	39,590	131,518	104,989
Expenses						
Public safety	34,482	26,956	0	0	34,482	26,956
Public health	882	771	0	0	882	771
Leisure activities	1,369	206	0	0	1,369	206
Community environment	3,145	4,491	0	0	3,145	4,491
Highways and streets	7,877	4,216	0	0	7,877	4,216
General government	13,554	10,830	0	0	13,554	10,830
Interest on long-term debt	2,209	1,601	0	0	2,209	1,601
Water	0	0	9,872	6,816	9,872	6,816
Sewer	0	0	12,280	8,838	12,280	8,838
Transit	0	0	2,553	967	2,553	967
Solid Waste	0	0	3,995	3,916	3,995	3,916
Storm Water	0	0	1,783	1,532	1,783	1,532
Airport	0	0	<u>934</u>	<u>1,001</u>	<u>934</u>	<u>1,001</u>
Total expenses	<u>63,518</u>	<u>49,071</u>	<u>31,417</u>	<u>23,070</u>	<u>94,935</u>	<u>72,141</u>
Increase in net position before transfers	24,942	16,328	11,641	16,520	36,583	32,848
Transfers	(120)	37	120	(37)	0	0
Increase in net position	24,822	16,365	11,761	16,483	36,583	32,848
Beginning net position	<u>80,143</u>	<u>63,778</u>	<u>150,686</u>	<u>134,203</u>	<u>230,829</u>	<u>197,981</u>
Ending net position	<u>\$104,965</u>	<u>\$ 80,143</u>	<u>\$162,447</u>	<u>\$ 150,686</u>	<u>\$267,412</u>	<u>\$230,829</u>

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023



Although in total, total revenue sources have only fluctuated by 25.3%, there are several sources that have drastic changes from 2022 to 2023. Capital grants and contributions increased 38.6% or \$3,621 and operating grants and contributions decreased slightly 7.6% or \$475. Grants and contributions not restricted increased 34.4% or \$606, with \$2,366 in revenue for 2023 versus \$1,760 for 2022. 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.

Charges for services, the largest source of revenue for the City, increased by \$2,219 in 2023 (a 5.1% increase from \$43,805 in 2022 to \$46,024 in 2023). This revenue increase is generally attributed to increased public safety charges including EMS services. In 2023, a utility rate study was completed which will result in an increase in business-type revenue in 2024 and beyond.

Income taxes increased in 2023 by \$10,085 or 29.8%, going from \$33,804 in 2022 to \$43,889 in 2023. This is partially attributable to, one-time business income tax deposits of \$2,400 and \$3,000, collected in 2023. 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 slightly decreased in 2023 by \$4 or 0.1% (from \$5,122 in 2022 to \$5,118 in 2023). 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. In 2023, the Senior Citizens levy was replaced by a Fire Station levy of the same millage that will be used to fund the construction of four new fire stations in the city.

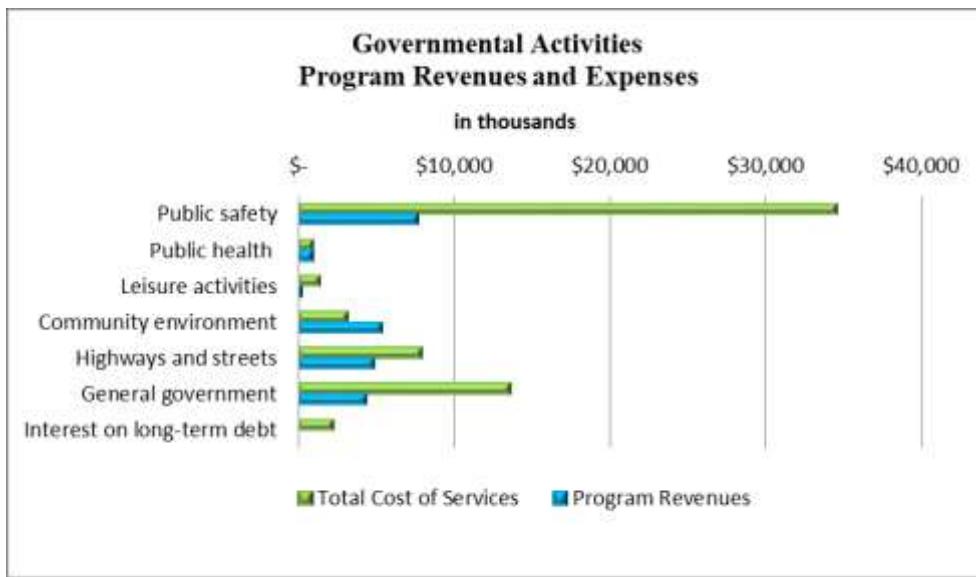
CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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1) Governmental activities during 2023

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 2023, 36.3% of total cost of services (\$63,518) was offset with program revenues totaling \$23,084 leaving \$40,434 as the net cost of services. In 2022, total cost of services was offset 41.6% with income coming from program revenues. These years are generally in line with the 40% average of the 38% recouped in 2021, 33% recouped in 2020, and 49% recouped in 2019.

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	\$ 34,482	\$ 7,620	22.1%	\$ 26,862
Public health	882	938	106.3%	(56)
Leisure activities	1,369	152	11.1%	1,217
Community environment	3,145	5,311	168.9%	(2,166)
Highways and streets	7,877	4,770	60.6%	3,107
General government	13,554	4,293	31.7%	9,261
Interest on long-term debt	2,209	—	0.0%	2,209
Total	<u>\$ 63,518</u>	<u>\$ 23,084</u>	<u>36.3%</u>	<u>\$ 40,434</u>



Public Health recouped 106.3% of program costs in 2023. This was a decrease of 141.9% from 2022 Public Health total of 248.2%. Covid-19 grants and workforce development grants in 2021, 2022 and 2023, have allowed Public Health to end with revenue in excess of the cost of services for these years. This is not expected to continue in 2024 and beyond as Covid-19 grants are expected to end. Community Environment, which relies heavily upon federal and state grants, recouped 168.9% of services in 2023, up from 61.4% of services in 2022. Community environment includes Community Development, Neighborhood Stabilization Program, and Home Funds.

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Highways and streets activities for 2023 were funded with program revenues totaling 60.6%, a decrease of 86.5% from 2022 program revenues of 147.1%. Program revenues recouped 79% in 2021, 48% in 2020, and 57% in 2019. Grants are a large factor in fluctuations for this activity and there were significant grants in 2021 and 2022 related to major roadwork repairs in the City.

Public safety, the City's most expensive program, recouped \$7,620 or 22.1% of its expenses in 2023 and 21.3% of its costs in 2022. 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 \$152 revenue for 2023 and \$2 revenue for 2022. Leisure activity revenues increased due to an increase in parks and recreation efforts in the City. The Community Center activities have been contracted out for the past eight years and very little fluctuations are expected in the near term future.

2) Business-type activities during 2023

The City attempts to break even or gain a surplus on its business-type activities. All activities except the Airport had operating surpluses in 2023. Surpluses are used to accumulate earnings for future capital investments and debt payments.

The following table (in thousands) summarizes the business-type activities during 2023:

Table 4
Business-type Activities
(in thousands)

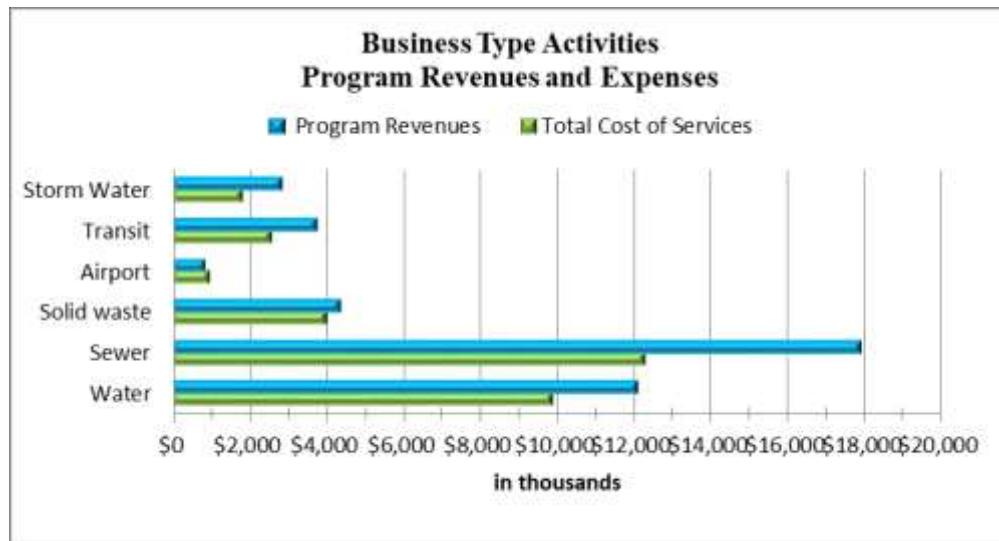
	<u>Total Cost of Services</u>	<u>Program Revenues</u>	<u>Revenues as % of Total Costs</u>	<u>Net Revenue from Operations</u>
Water	\$9,872	\$12,080	122%	\$2,208
Sewer	12,280	17,907	146%	5,627
Solid waste	3,995	4,346	109%	351
Airport	934	825	88%	(109)
Transit	2,553	3,751	147%	1,198
Storm Water	1,783	2,826	158%	1,043
Total	<u>\$31,417</u>	<u>\$41,735</u>	<u>133%</u>	<u>\$10,318</u>

The transit and airport funds rely upon grants and taxes to supplement their services. For 2019, the airport ended with a negative surplus of (\$99) and transit ended 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 ended 2021 and 2022 without a surplus (\$332 and \$138 deficits respectively), despite fuel sales. Transit ends with \$199 net revenue and 106% of costs recouped in 2021 and \$2,242 net revenue and 332% in 2022. This large shift for 2022 was driven by grants related to transit bus purchases. In 2023, the airport ends with a negative surplus of (\$109) and the transit fund ends with a surplus of \$1,198. Transit's surplus is in large part due to continued grants related to transit bus purchases.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Sewer rates were increased in late 2015, adding a 10% surcharge to all accounts. The surcharge is to replace aging sewer infrastructure. Water rates increased 7.5% in 2016. Water charges were increased by 7.5% again in 2017 along with a 15% increase in sewer and an additional \$0.75 per month for refuse removal. Sewer rates were increased 15% in 2018 and 10% in 2019. Sewer rates saw an increase of 10% in 2020, 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 2022, Water recouped 151% of expenses with \$3,477 in net revenues and Sewer net revenues of \$8,512 represented 196% of expenses. Solid waste was at 99% coverage in 2022 with a shortfall of (\$37). In 2023, Water recouped 122% of expenses with \$2,208 in net revenues and Sewer net revenues of \$5,627 represented 146% of expenses. Solid waste recouped 109% of expenses with \$351 in net revenues. A solid waste increase of \$2 is expected for 2024 and a water & sewer study was completed in 2023 with rate increases starting in 2024. Total cost of services vary for these funds due to capital improvement projects.

Storm water received \$2,826 in program revenues for 2023, down \$613 from \$3,439 in program revenues for 2022. Program revenue was \$2,858 in 2021. Program revenues were \$2,533 in 2020 and \$3,089 for 2019. The increased revenue since 2016 is due to a fee increase in 2016, with a dip in 2020 associated with Covid-19 reducing overall revenues from businesses. 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 2023 was \$1,043.



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-six governmental funds, eight of which are considered major funds. Assets of those eight funds comprise \$103,856 of the total governmental funds' assets. 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, 2023

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	ARPA - Butler County Fund	Fire Station Levy Fund
Total assets	\$ 39,935	\$ 774	\$ 7,150	\$ 687	\$ 9,959	\$ 13,464	\$ 4,389	\$ 27,498
Total liabilities	(3,305)	-	(517)	(70)	(1,336)	(13,464)	(4,389)	(56)
Deferred inflow of resources	(7,382)	(408)	(878)	-	(309)	-	-	(966)
Fund balance	<u>\$ 29,248</u>	<u>\$ 366</u>	<u>\$ 5,755</u>	<u>\$ 617</u>	<u>\$ 8,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,476</u>
Unassigned fund balance	<u>\$ 24,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues	\$ 50,352	\$ 119	\$ 4,854	\$ 705	\$ 5,746	\$ 3,494	\$ 115	\$ 1,461
Expenditures	(35,925)	(199)	(5,059)	(867)	(11,515)	(3,494)	(115)	(2,539)
Other financing sources/uses	(5,758)	-	4,900	-	-	-	-	10,400
Net change in fund balance	<u>\$ 8,669</u>	<u>\$ (80)</u>	<u>\$ 4,695</u>	<u>\$ (162)</u>	<u>\$ (5,769)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,322</u>

General Fund. The General Fund saw an increase of \$8,669 for an ending fund balance of \$29,248 in 2023. The ending fund balance was \$20,578 for 2022. This is attributable to an increase in income tax revenue compared to 2022, partially offset with increased charges for services in 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. This fund receives state and federal grants for street improvements. Large street projects that began in 2021 continued through 2022 into 2023, the resulting associated revenue continued as well.

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. The Health Fund's balance decreased \$162 in 2023 primarily due to the reduction of grant revenues related to the Covid-19 pandemic.

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. The decrease in 2023 fund balance of \$5,769 is due to the significant paving expenses and debt payments during the year.

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, 2023

Fire Station Levy Fund. The Fire Station Levy fund was established to account for revenues and expenses related to the construction of four new fire stations in the City. Middletown citizens passed a 25 year 1-mill property tax levy in May of 2022 to fund this construction. Debt was subsequently issued from the fund to begin the process of construction. Additional debt was issued for this project in 2023 due to the increased costs of construction.

Butler County ARPA Fund. The Butler County ARPA fund was established to account for revenues and expenses related to ARPA funds received directly from Butler County. These funds will be used in the same manner as the funds received from the original ARPA fund.

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	\$ 52,104	\$ 88,709	\$ 18,931	\$ 1,463
Total deferred outflows of resources	829	970	179	18
Total liabilities	(4,947)	(7,306)	(701)	(1,080)
Total deferred inflows of resources	(30)	(35)	(7)	(1)
Total net position	<u>\$ 47,956</u>	<u>\$ 82,338</u>	<u>\$ 18,402</u>	<u>\$ 400</u>
Unrestricted net position	<u>\$ 12,467</u>	<u>\$ 25,723</u>	<u>\$ 2,558</u>	<u>\$ (1)</u>
Operating revenues	\$ 10,366	\$ 15,633	\$ 2,427	\$ 4,346
Operating expenses	(9,738)	(12,148)	(1,783)	(3,995)
Net non-operating revenues (expenses)	330	670	78	-
Net contributions and transfers	1,706	2,241	401	-
Net change in net position	<u>\$ 2,664</u>	<u>\$ 6,396</u>	<u>\$ 1,123</u>	<u>\$ 351</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 2023 is \$47,956 with a change of \$2,664 from the 2022 total of \$45,291. The 2023 increase of \$1,842 in total assets is due to water main improvements for the Central Avenue project. The last water rate increase was 7.5% and took place in 2017. A new rate study was completed in 2023, a new rate structure will begin in 2024.

Sewer Fund. In 2023, the sewer fund ended with a total net position of \$82,338, an \$6,396 increase over the 2022 total net position. This increase is largely due to further Long Term Control Plan projects finished in 2023 and capital repairs from the Central Avenue project. There was a 5% rate increase for

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

sewer in 2021, a 10% sewer charge increase in 2020, a 10% rate increase for 2019, rate increase of 15% in 2018, and a 15% rate increase in 2017. 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 \$1,123 in the 2023 total net position of \$18,402. This being an increase over the 2022 total net position of \$17,280. There was an increase of \$1,317 in total assets primarily due to the storm water work completed related to the Central Avenue rehabilitation and a rate increase of \$0.75 per month in storm water fees for 2021.

Solid Waste Fund. There was an increase of \$351 in the 2023 total net position of \$400. The small decrease of \$37 in 2022 is in part due to the increased cost associated with the City's refuse collection provider. The total net position for 2022 is \$49. Revenue remained fairly consistent compared to 2021 while operating expenses increased by \$153. A \$2 solid waste rate increase will be implemented in 2024 to offset these rising costs.

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 2023 with a total net position of \$1,776. This was an increase of \$180 from the 2022 total net position of \$1,596. These changes are due to control of expenses related to 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 2023 with a total net position of \$10,006, a \$581 decrease from the 2022 total net position of \$10,587. 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 2023 due to high demand due to the supply issues that occurred post-COVID.

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 2023. Revenue saw an increase over budget by \$1,913 and actual expenses were \$1,867 less than the budgeted amount. The General Fund's original appropriation of \$37,353 was amended to \$38,669 with supplemental appropriations and de-appropriations. The General Fund's actual expenditures on a budget basis were \$36,802.

Original 2023 appropriations were increased during the year by \$75,145 for all funds. The majority of the supplemental appropriations included the following:

- \$22,553 for design and construction expense related to four new Fire Station construction project

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

- \$10,330 income tax additional receipts to be transferred to General Fund, Fire & Police Pension Funds, Public Safety Fund and Street Levy Fund
- \$7,116 bond anticipation notes issued for the purchase of real property at Union Road and State Route 122
- \$4,900 for General Fund reserve to be transferred to Capital Improvement Fund related to park facilities and HVAC improvements
- \$3,750 for design and construction expense related to Renaissance Pointe project on Union Road and State Route 122
- \$2,900 for capital expense related to the City Building HVAC improvements
- \$2,897 for debt service related to the street levy
- \$2,722 for demolition expense related to Middletown Paperboard project
- \$2,558 for capital expense related to park facilities
- \$1,814 for additional paving expenses for various paving projects
- \$1,800 for purchase of Central Connections
- \$1,300 Public Safety income tax additional receipts transferred to the General Fund
- \$1,150 for additional paving expenses for various paving projects
- \$1,068 for design and construction related to the Downtown CSO Storage Basin project
- \$1,960 additional TIF revenue for reimbursements
- \$690 for the purchase of a new emergency generator for the City Building
- \$500 for building expense related to Butler Tech Hangar

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

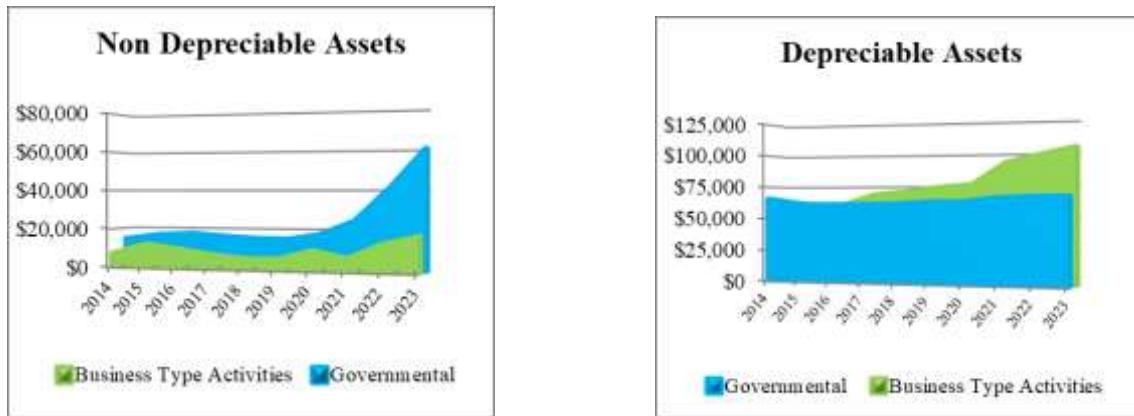
Capital assets are divided into two categories – depreciable and non-depreciable. Land and construction-in-progress are the only non-depreciable assets recorded for the City of Middletown. Construction-in-progress will be categorized with depreciable assets once the improvement project is completed with 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	233	466	699
Buildings	8,024	14,305	22,329
Equipment	10,035	11,160	21,195
Infrastructure	49,644	79,438	129,082
Construction in Progress	<u>44,904</u>	<u>14,288</u>	<u>59,192</u>
Total	<u><u>\$ 128,885</u></u>	<u><u>\$ 123,555</u></u>	<u><u>\$ 252,440</u></u>

(Asset amounts shown in thousands)

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023



The City had approximately \$252,440 in capital assets at the end of 2023 and \$223,361 in capital assets at year end of 2022.

- 1) Governmental activities non-depreciable assets:
 - a. Land – Total of capital assets at year-end was \$16,045.
 - b. Construction in progress – Total for 2023 is \$44,904, \$23,981 of which was added in 2023
 - \$8,258 for the Street Levy Paving project
 - \$6,650 for a new entertainment complex development
 - \$2,131 for replacement of HVAC system at the City Building
 - \$1,832 for Central Connections property & equipment
 - \$1,810 for local street improvements
 - \$1,783 for 4 new fire stations
 - \$517 for Community Center improvements and rehabilitation
 - \$443 for new city vehicles not yet in service
 - \$239 for Smith Park restroom buildings remodel
 - \$104 for new accounting and utility billing software
 - \$97 for the Middletown Paperboard site clean up
 - \$65 for license plate reader cameras
 - \$49 for an emergency generator at the City Building
 - \$3 for new police cruiser cameras

\$4,577 in governmental activities from construction in progress were placed into service in 2023.

- 2) Governmental activities for depreciable assets:
 - a. Land improvements– there were no addition of land improvements in 2023
 - b. Buildings – a total of \$474 was added for major building upgrades including clean outs of Manchester Inn and the Sonshine building.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023

- c. Equipment – a total of \$1,079 was added in 2023 for equipment with the majority of purchases being \$738 in vehicles and garage equipment, \$229 to traffic control equipment, \$85 in office and computer equipment.
- d. Infrastructure – an additional \$5,114 was added for 2023. This consisted mainly of street improvements and \$242 contributed roadway capital in the Innovation Drive and Waterford Place subdivisions. Several large paving projects were:
 - Central Avenue Improvements
 - University Boulevard Bridge

3) Business-type activities non-depreciable assets:

- a. Land – Total of capital assets at year-end was \$3,898
- b. Construction in progress – Total additions for 2023 is \$8,196. The current largest additions are:
 - \$2,002 for the downtown CSO storage basin (LTCP)
 - \$885 for 2023-2024 Lime Pond Rehabilitation
 - \$681 for Water Treatment Plant and Yankee Road Pump Station Generators
 - \$646 for sewer rehabilitation – CIPP lining
 - \$581 for Water Reclamation Facility secondary electrical improvements
 - \$504 for Water Reclamation Facility boiler replacement
 - \$418 for 2022 Local Street Improvements (storm water)
 - \$280 for 14th Avenue overflow pipe rehab
 - \$277 for Water system reliability improvements
 - \$272 for Airport traffic controllers with compliance software
 - \$111 for portable well 20 pumping system

4) Business type activities depreciable assets:

- a. Land improvements – \$146 for airport sludge pond grading improvements
- b. Buildings – a total of \$608; Overhead doors and other improvements to main building at WRF
- c. Equipment – A total of \$2,799 was added for 2023. The following projects were some of the largest additions:
 - \$1,821 for three new 45' diesel transit buses and equipment
 - \$696 for automated water reading equipment and software
 - \$118 for a backhoe for public works
 - \$77 for asset management software
- d. Infrastructure – In 2023, there was an increase of \$6,874 in infrastructure assets. The following projects were some of the largest additions:
 - \$4,068 for Central Avenue improvements
 - \$1,999 for Valley View and Tarrimore water main replacement
 - \$306 for Waterford Place contributed capital
 - \$248 for Innovation Drive contributed capital
 - \$229 for Heritage Landing contributed capital
 - \$24 for 2022 paving improvements at airport ramp

Capital asset activity for the year is presented in Note 7 on pages 56 through 58.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

B. Debt

There was a new unlimited tax general obligation bonds issued in 2023 (\$10,400) for additional funding needed for the fire station construction project. The City also issued special obligation nontax revenue notes (\$6,600) for the purpose of paying the costs of the acquisition by the City of approximately 30 acres of real property along Union Road and State Route 122 for a multi-use developments, demolition of existing structures and the design, engineering and construction of related and necessary public infrastructure.

Long term obligations are presented on pages 78 through 82 in Note 11.

Short term notes payable are presented on page 89 in Note 24.

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

For 2024, the City will continue the robust plan 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 2024. Street paving projects will continue to be and are still high priority after years of limited funding and neglect.

In 2024, revenue is expected to increase by 5.5% primarily due to charges for service revenue increasing by 4.8% from the 2023 budget of \$47,177. This is due to the utility rate study that was completed in 2023 and resulting rate changes that took place at the beginning of 2024. Expenditures will show a slight increase in 2024 of 1.7% due to the continued increased inflation costs. Capital Outlay sees a decrease of 25.37% from the 2023 budget total of \$49,943 to \$37,275 in the 2024 budget. The 2024 ending fund balance projection of \$92,611, is a 5.7% decrease from the 2023 projected ending balance of \$98,188. This is driven by City Council's goal of spending down excess reserves in the General Fund in 2024.

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 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 but is partial due to a \$2,000 one-time business tax payment made in 2021 for the 2020 fiscal year. 2022's income tax revenue decreased by \$1,410, or 4%. The 2023 income tax revenue increased by 26%. This increase is driven by a \$2,400 one-time business tax payment made in 2023 for the 2022 fiscal year and a \$3,000 one-time business tax payment made in 2023 for the 2023 fiscal year. Given the one-time payments in 2021 and 2023, this shows that tax revenues have not dropped off due to fears of recession.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Significant Statistics/Changes for 2024 Budget:

- Keep public safety, economic development, neighborhood development, sustainable finances, revitalization and street improvement priorities
- A 3% across-the-board wage adjustment for all non-union employees
- Income tax revenue is projected to increase 4.7% over the 2023 budget
- No increase for the City's share of health insurance
- No City funding to Transit Fund – typically \$120
- Restoration of City funding to Municipal Court Fund - \$635 in 2024
- Restoration of City funding to the Health Fund - \$200 in 2024
- Increased funding to Computer Replacement Fund - \$450 in 2024

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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash, deposits and investments	\$ 113,853,229	\$ 42,817,378	\$ 156,670,607
Receivables (net of allowance for uncollectibles):			
Income taxes	6,354,000	-	6,354,000
Property taxes	5,991,645	-	5,991,645
Payments in lieu of taxes	4,357,926	-	4,357,926
Accounts	1,123,760	3,412,446	4,536,206
Loans	675,092	-	675,092
Intergovernmental	3,249,213	1,491,169	4,740,382
Special assessments	578,263	-	578,263
Inventory of supplies	1,177,220	1,269,159	2,446,379
Internal balances	(2,073,857)	2,073,857	-
Capital assets			
Non-depreciable	60,949,818	18,186,183	79,136,001
Depreciable, net	67,935,369	105,369,111	173,304,480
Total assets	264,171,678	174,619,303	438,790,981
Deferred outflows of resources			
Deferred charge on refunding	-	23,217	23,217
Pension related	22,889,857	1,869,333	24,759,190
OPEB related	3,753,821	291,605	4,045,426
Total deferred outflows of resources	26,643,678	2,184,155	28,827,833
Liabilities			
Accounts payable	3,824,768	1,935,388	5,760,156
Accrued wages and benefits	987,195	128,611	1,115,806
Other accrued liabilities	1,459,537	5,114	1,464,651
Accrued interest payable	392,831	18,552	411,383
Due to other governments	613,842	2,225	616,067
Due to other individuals	400,000	974,139	1,374,139
Unearned revenue	17,734,501	-	17,734,501
Notes payable	1,700,000	-	1,700,000
Non current liabilities:			
Due within one year	6,956,737	1,279,060	8,235,797
Due in more than one year:			
Net pension liability	63,943,629	4,510,174	68,453,803
Net OPEB liability	3,772,127	98,425	3,870,552
Other amounts due in more than one year	67,860,549	5,326,203	73,186,752
Total liabilities	169,645,716	14,277,891	183,923,607
Deferred inflows of resources			
Revenues levied for the next year	9,989,687	-	9,989,687
Pension related	2,518,571	40,396	2,558,967
OPEB related	3,696,479	38,757	3,735,236
Total deferred inflows of resources	16,204,737	79,153	16,283,890
Net Position			
Net investment in capital assets	91,270,155	117,802,927	209,073,082
Restricted for capital projects	1,068,350	-	1,068,350
Restricted for debt service	4,359,192	-	4,359,192
Restricted for community development	992,138	-	992,138
Restricted for public safety	6,385,753	-	6,385,753
Restricted for roads	8,932,711	-	8,932,711
Restricted for public health	892,774	-	892,774
Restricted for other purposes	800	-	800
Unrestricted	(8,936,970)	44,643,487	35,706,517
Total net position	\$ 104,964,903	\$ 162,446,414	\$ 267,411,317

See accompanying notes to the basic financial statements.

CITY OF MIDDLETOWN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental activities:							
Public safety	\$ 34,482,180	\$ 7,069,661	\$ 550,435	\$ -	\$ (26,862,084)		\$ (26,862,084)
Public health and welfare	881,929	345,493	592,526	-	56,090		56,090
Leisure time activities	1,368,800	151,544	-	-	(1,217,256)		(1,217,256)
Community environment	3,144,610	582,405	3,709,611	1,018,427	2,165,833		2,165,833
Highways and streets	7,877,258	310,906	-	4,459,250	(3,107,102)		(3,107,102)
General government	13,553,988	4,292,618	-	-	(9,261,370)		(9,261,370)
Interest on long-term debt	2,208,768	-	-	-	(2,208,768)		(2,208,768)
Total governmental activities	<u>\$ 63,517,533</u>	<u>\$ 12,752,627</u>	<u>\$ 4,852,572</u>	<u>\$ 5,477,677</u>	<u>\$ (40,434,657)</u>		<u>\$ (40,434,657)</u>
Business-type activities:							
Water	\$ 9,872,216	\$ 10,330,061	\$ -	\$ 1,749,774	\$ -	\$ 2,207,619	\$ 2,207,619
Sewer	12,279,847	15,622,073	-	2,284,639	-	5,626,865	5,626,865
Solid Waste	3,995,013	4,346,323	-	-	-	351,310	351,310
Airport	933,489	547,822	-	277,613	-	(108,054)	(108,054)
Transit	2,552,507	-	945,779	2,805,318	-	1,198,590	1,198,590
Storm Water	1,783,134	2,424,518	-	400,983	-	1,042,367	1,042,367
Total business-type activities	<u>\$ 31,416,206</u>	<u>\$ 33,270,797</u>	<u>\$ 945,779</u>	<u>\$ 7,518,327</u>	<u>\$ -</u>	<u>\$ 10,318,697</u>	<u>\$ 10,318,697</u>
Total	<u>\$ 94,933,739</u>	<u>\$ 46,023,424</u>	<u>\$ 5,798,351</u>	<u>\$ 12,996,004</u>	<u>\$ (40,434,657)</u>	<u>\$ 10,318,697</u>	<u>\$ (30,115,960)</u>
General revenues:							
Taxes:							
Income taxes				\$ 43,888,678	\$ -	\$ 43,888,678	
Property taxes				5,118,174	-	5,118,174	
Other taxes				3,614,886	-	3,614,886	
Payments in lieu of taxes				5,846,300	-	5,846,300	
Grants and contributions not restricted to specific programs				2,366,417	-	2,366,417	
Investment earnings				4,182,720	1,264,614	5,447,334	
Miscellaneous				358,900	57,806	416,706	
Transfers				(119,591)	119,591	-	
Total general revenues and transfers				<u>\$ 65,256,484</u>	<u>1,442,011</u>	<u>\$ 66,698,495</u>	
Change in net position				24,821,827	11,760,708	36,582,535	
Net position beginning of year				80,143,076	150,685,706	230,828,782	
Net position end of year				<u>\$ 104,964,903</u>	<u>\$ 162,446,414</u>	<u>\$ 267,411,317</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDDLETOWN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Special Assessment		Debt Service	Capital Improvements	Health
Assets:						
Cash and equity in pooled cash, deposits and investments	\$ 25,888,437	\$ 365,712	\$ 6,064,904	\$ 682,463		
Receivables (net of allowance for uncollectibles):						
Income taxes	5,694,000	-	-	-	-	-
Property taxes	3,522,876	-	851,196	-	-	-
Accounts	782,712	-	-	-	4,192	-
Loans	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Special assessments	-	408,263	-	-	-	-
Due from other funds	3,307,523	-	-	-	-	-
Due from other governments	693,104	-	234,204	-	-	-
Inventory of supplies	46,552	-	-	-	-	-
Total assets	\$ 39,935,204	\$ 773,975	\$ 7,150,304	\$ 686,655		
Liabilities:						
Accounts payable	\$ 745,288	\$ -	\$ 230,852	\$ 2,773		
Accrued wages and benefits	899,638	-	-	15,180		
Other accrued liabilities	1,121,010	-	286,515	52,012		
Due to other funds	48,751	-	-	157		
Due to other governments	490,493	-	-	-		
Due to individuals	-	-	-	-		
Unearned revenue	-	-	-	-		
Notes payable	-	-	-	-		
Total liabilities	\$ 3,305,180	-	\$ 517,367	\$ 70,122		
Deferred inflows of resources:						
Revenues levied for the next year and unavailable revenue	7,381,805	408,263	878,236	-		
Total deferred inflows of resources	\$ 7,381,805	408,263	\$ 878,236	-		
Fund balances:						
Nonspendable	3,354,075	-	-	-	-	-
Restricted	-	365,712	854,701	616,533		
Committed	340,943	-	2,900,000	-		
Assigned	1,060,000	-	2,000,000	-		
Unassigned	24,493,201	-	-	-		
Total fund balances	\$ 29,248,219	365,712	\$ 5,754,701	\$ 616,533		
Total liabilities, deferred inflows of resources and fund balances	\$ 39,935,204	\$ 773,975	\$ 7,150,304	\$ 686,655		

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

Street Levy	ARPA	ARPA - Butler County	Fire Station Levy	Non Major Governmental Funds	Total Governmental Funds
\$ 9,298,864	\$ 13,463,689	\$ 4,389,375	\$ 26,532,198	\$ 18,356,633	\$ 105,042,275
660,000	-	-	-	-	6,354,000
-	-	-	959,842	657,731	5,991,645
-	-	-	-	212,498	999,402
-	-	-	-	675,092	675,092
-	-	-	-	4,357,926	4,357,926
-	-	-	-	170,000	578,263
-	-	-	-	-	3,307,523
-	-	-	6,021	2,315,884	3,249,213
-	-	-	-	724,724	771,276
\$ 9,958,864	\$ 13,463,689	\$ 4,389,375	\$ 27,498,061	\$ 27,470,488	\$ 131,326,615
1,336,066	13,463,689	4,389,375	56,134	4,589,506	27,727,439
309,000	-	-	965,863	6,636,828	16,579,995
309,000	-	-	965,863	6,636,828	16,579,995
8,313,798	-	-	-	646,137	4,000,212
-	-	-	26,476,064	14,541,948	51,168,756
-	-	-	-	2,900,603	6,141,546
-	-	-	-	610,384	3,670,384
-	-	-	-	(2,454,918)	22,038,283
8,313,798	-	-	26,476,064	16,244,154	87,019,181
\$ 9,958,864	\$ 13,463,689	\$ 4,389,375	\$ 27,498,061	\$ 27,470,488	\$ 131,326,615

CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances	\$ 87,019,181
<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.	128,885,187
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	3,543,000
Intergovernmental and other receivables	3,047,308
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.	4,884,133
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	(40,737,000)
Revenue bonds	(22,980,000)
Special assessment bonds	(2,522,000)
Compensated absences	(5,801,427)
Pension obligation payable	(990,709)
Accrued interest on long-term debt	(392,831)
Premium on bonds	(1,702,811)
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	22,889,857
Deferred outflows - OPEB	3,753,821
Deferred inflows - pension	(2,518,571)
Deferred inflows - OPEB	(3,696,479)
Net pension liability	(63,943,629)
Net OPEB liability	<u>(3,772,127)</u>
Net position of governmental activities	<u>\$ 104,964,903</u>



CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2023

	General	Special Assessment		
		Debt Service	Capital Improvements	Health
Revenues:				
Property taxes	\$ 3,086,566	\$ -	\$ 686,239	\$ -
Municipal income taxes	33,095,389	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental revenues	2,081,414	-	3,844,084	359,718
Charges for services	5,812,119	-	4,302	345,493
Fees, licenses, and permits	617,847	-	-	-
Fines and forfeits	21,395	-	-	-
Special assessments	42,349	119,324	-	-
Investment income	2,535,071	-	307,029	-
Miscellaneous	3,060,319	-	12,500	-
Total revenues	50,352,469	119,324	4,854,154	705,211
Expenditures:				
Current				
Public safety	24,914,222	-	1,846,500	-
Public health and welfare	1,299	-	-	867,759
Leisure time activities	1,076,876	-	288,824	-
Community environment	1,587,304	-	-	-
Highways and streets	-	-	2,915,472	-
General government	5,925,237	-	-	-
Miscellaneous	2,261,730	-	8,355	-
Debt service				
Principal retirement	121,000	175,000	-	-
Interest and fiscal charges	37,166	24,195	-	-
Total expenditures	35,924,834	199,195	5,059,151	867,759
Excess of revenues over (under) expenditures	14,427,635	(79,871)	(204,997)	(162,548)
Other financing sources (uses):				
Transfers-in	-	-	4,900,000	-
Transfers-out	(5,757,747)	-	-	-
Issuance of debt	-	-	-	-
Proceeds from notes	-	-	-	-
Premium on bonds	-	-	-	-
Total other financing sources (uses)	(5,757,747)	-	4,900,000	-
Net change in fund balances	8,669,888	(79,871)	4,695,003	(162,548)
Fund balance, beginning of year	20,578,331	445,583	1,059,698	779,081
Fund balance, end of year	\$ 29,248,219	\$ 365,712	\$ 5,754,701	\$ 616,533

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

Street Levy	ARPA	ARPA - Butler County	Fire Station Levy	Non Major Governmental Funds	Total Governmental Funds
\$ - \$ 5,265,821	- \$ 3,493,720	- \$ 115,050	- \$ 801,535	- \$ 546,355	- \$ 5,120,695
- -	- -	- -	- -	- 4,283,468	- 42,644,678
- -	- -	- -	- -	- 5,846,300	- 5,846,300
- -	- 3,493,720	- 115,050	- 1,112	- 5,650,431	- 15,545,529
- -	- -	- -	- -	- -	- 6,161,914
- -	- -	- -	- -	- 145,954	- 763,801
- -	- -	- -	- -	- 2,031,990	- 2,053,385
- -	- -	- -	- -	- 448,516	- 610,189
480,594	- -	- -	- 657,876	- 202,150	- 4,182,720
- -	- -	- -	- -	- 1,233,080	- 4,305,899
5,746,415	3,493,720	115,050	1,460,523	20,388,244	87,235,110
- -	- 210,039	- -	- 1,728,717	- 6,337,478	- 35,036,956
- -	- -	- -	- -	- 9,698	- 878,756
- -	- 627,722	- -	- -	- -	- 1,993,422
8,234,764	- 1,800,000	- 4,425	- -	- 7,609,146	- 11,000,875
- -	- -	- -	- -	- 3,986,686	- 15,136,922
- -	- 809,256	- -	- -	- 277,865	- 7,012,358
- -	- 46,703	- 110,625	- 8,827	- 4,237,145	- 6,673,385
2,897,000	- -	- -	- 50,000	- 1,525,000	- 4,768,000
382,980	- -	- -	- 751,720	- 794,716	- 1,990,777
11,514,744	3,493,720	115,050	2,539,264	24,777,734	84,491,451
(5,768,329)	- -	- -	(1,078,741)	(4,389,490)	2,743,659
- -	- -	- -	- -	- 738,156	- 5,638,156
- -	- -	- -	- -	- -	- (5,757,747)
- -	- -	- -	- 10,400,000	- -	- 10,400,000
- -	- -	- -	- -	- 4,900,000	- 4,900,000
- -	- -	- -	- -	- 730,903	- 730,903
- -	- -	- -	10,400,000	6,369,059	15,911,312
(5,768,329)	- -	- -	- 9,321,259	- 1,979,569	- 18,654,971
14,082,127	- -	- -	- 17,154,805	- 14,264,585	- 68,364,210
\$ 8,313,798	\$ -	\$ -	\$ 26,476,064	\$ 16,244,154	\$ 87,019,181

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, 2023**

Net change in fund balances - total governmental funds	\$ 18,654,971
<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 26,071,579 Depreciation expense (6,412,250)	
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds:	
Income taxes 1,244,000 Intergovernmental and other revenues (262,399)	
Governmental Funds report premiums as other financing sources, whereas these amounts are deferred and amortized in the statement of activities:	
Premium on bonds issued (730,903) Amortization of bond premiums 35,701	
Deferred charges on refunding are recorded as deferred outflows of resources and amortized in the statement of activities:	
Amortization of deferred charge on refunding (5,693)	
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:	
Note proceeds (4,900,000) Bond proceeds (10,400,000) Bond principal retirement 4,768,000	
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
(247,999)	
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 437,192 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.	
(32,466)	
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension 4,597,607 OPEB 70,512	
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 (8,498,696) OPEB 334,930	
Change in net position of governmental activities	\$ 24,821,827



CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

Business Type Activities - Enterprise Funds

	Water	Sewer	Storm Water
Assets			
Current assets:			
Equity in pooled cash and investments			
Receivables	\$ 12,444,924	\$ 25,488,904	\$ 2,772,409
Accounts	1,138,676	1,775,329	270,553
Due from other funds	-	-	-
Intergovernmental	496,754	365,371	21,084
Inventory of supplies	1,014,688	232,168	22,303
Total current assets	15,095,042	27,861,772	3,086,349
Noncurrent assets:			
Capital assets:			
Construction in progress	4,484,051	7,738,827	418,062
Land	1,315,164	171,108	504,612
Land improvements	15,200	346,193	36,046
Infrastructure assets	45,787,834	73,029,317	17,682,313
Buildings	16,846,852	16,321,972	69,270
Equipment	8,391,913	16,628,581	527,570
Less: Accumulated depreciation	(39,831,904)	(53,389,056)	(3,393,485)
Total capital assets (net of accumulated depreciation)	37,009,110	60,846,942	15,844,388
Total noncurrent assets	37,009,110	60,846,942	15,844,388
Total assets	52,104,152	88,708,714	18,930,737
Deferred outflows of resources:			
Deferred charge on refunding	-	23,217	-
Pension related	716,794	819,043	154,578
OPEB related	111,816	127,766	24,114
Total deferred outflows of resources	828,610	970,026	178,692
Liabilities			
Current liabilities:			
Accounts payable	230,315	584,357	245,014
Accrued wages and benefits	52,241	61,969	10,116
Other accrued liabilities	-	-	-
Accrued interest payable	5,117	13,435	-
Due to other funds	9,123	4,233	2,522
Due to other governments	2,225	-	-
Due to individuals	974,139	-	-
General obligation bonds payable	230,000	715,000	-
Compensated absences (short term portion)	133,481	159,979	26,738
Total current liabilities	1,636,641	1,538,973	284,390
Long-term liabilities:			
General obligation bonds payable	1,380,737	3,595,384	-
Compensated absences	162,313	152,109	35,141
Net pension liability	1,729,421	1,976,124	372,953
Net OPEB liability	37,741	43,125	8,139
Total long-term liabilities	3,310,212	5,766,742	416,233
Total liabilities	4,946,853	7,305,715	700,623
Deferred inflows of resources:			
Pension related	15,490	17,698	3,341
OPEB related	14,860	16,981	3,205
Total deferred inflows of resources:	30,350	34,679	6,546
Net position			
Net investment in capital assets	35,488,432	56,615,253	15,844,388
Unrestricted	12,467,127	25,723,093	2,557,872
Total net position	\$ 47,955,559	\$ 82,338,346	\$ 18,402,260

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	
\$ 833,837	\$ 1,277,304	\$ 42,817,378	\$ 8,810,954	
227,888	-	3,412,446	124,358	
-	-	-	113,837	
-	607,960	1,491,169	-	
-	-	1,269,159	405,944	
1,061,725	1,885,264	48,990,152	9,455,093	
-	1,647,403	14,288,343	474,918	
382,600	1,524,356	3,897,840	195,750	
8,500	727,699	1,133,638	-	
12,300	1,880,468	138,392,232	-	
74,652	3,443,014	36,755,760	1,079,322	
-	9,464,177	35,012,241	16,509,843	
(76,546)	(9,233,769)	(105,924,760)	(14,582,223)	
401,506	9,453,348	123,555,294	3,677,610	
401,506	9,453,348	123,555,294	3,677,610	
1,463,231	11,338,612	172,545,446	13,132,703	
-	-	23,217	-	
15,786	163,132	1,869,333	135,661	
2,462	25,447	291,605	21,164	
18,248	188,579	2,184,155	156,825	
331,128	544,574	1,935,388	1,076,538	
262	4,023	128,611	7,959	
-	5,114	5,114	-	
-	-	18,552	-	
710,000	603,389	1,329,267	-	
-	-	2,225	-	
-	-	974,139	-	
-	-	945,000	-	
-	13,862	334,060	29,665	
1,041,390	1,170,962	5,672,356	1,114,162	
-	-	4,976,121	-	
-	519	350,082	53,674	
38,088	393,588	4,510,174	327,316	
831	8,589	98,425	7,143	
38,919	402,696	9,934,802	388,133	
1,080,309	1,573,658	15,607,158	1,502,295	
342	3,525	40,396	2,933	
330	3,381	38,757	2,814	
672	6,906	79,153	5,747	
401,506	9,453,348	117,802,927	3,677,610	
(1,008)	493,279	41,240,363	8,103,876	
\$ 400,498	\$ 9,946,627	\$ 159,043,290	\$ 11,781,486	
Adjustment to reflect consolidation of internal service fund activities		3,403,124		
Total net position from above		159,043,290		
Net position of business-type activities		\$ 162,446,414		

CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Business Type Activities - Enterprise Funds

	Water	Sewer	Storm Water
Operating revenues:			
Charges for services	\$ 10,330,061	\$ 15,622,073	\$ 2,424,518
Other operating revenue	35,579	10,433	2,672
Total operating revenues	10,365,640	15,632,506	2,427,190
Operating expenses:			
Personal services	2,887,499	3,230,973	681,104
Contractual services	3,032,392	2,950,800	423,266
Commodities	1,564,125	825,733	66,126
Depreciation	1,425,582	2,186,992	450,621
Other operating expenses	828,213	2,952,856	162,017
Total operating expenses	9,737,811	12,147,354	1,783,134
Operating income (loss)	627,829	3,485,152	644,056
Non-operating revenues (expenses):			
Interest revenue	384,452	802,592	77,570
Interest expense and fiscal charges	(54,023)	(132,493)	-
Operating grants	-	-	-
Total non-operating revenues (expenses)	330,429	670,099	77,570
Income (loss) before contributions and transfers	958,258	4,155,251	721,626
Capital contributions	1,749,774	2,284,639	400,983
Transfers-in	-	-	-
Transfers-out	(43,969)	(43,969)	-
Change in net position	2,664,063	6,395,921	1,122,609
Total net position, beginning of year	45,291,496	75,942,425	17,279,651
Total net position, end of year	\$ 47,955,559	\$ 82,338,346	\$ 18,402,260

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	
\$ 4,346,323	\$ 547,822	\$ 33,270,797	\$ 10,127,533		
102	9,020	57,806	230,841		
4,346,425	556,842	33,328,603	10,358,374		
28,583	237,237	7,065,396	645,238		
3,960,575	2,041,487	12,408,520	7,520,804		
-	23,245	2,479,229	1,095,650		
2,357	1,032,372	5,097,924	1,112,633		
3,498	151,655	4,098,239	592,526		
3,995,013	3,485,996	31,149,308	10,966,851		
351,412	(2,929,154)	2,179,295	(608,477)		
-	-	1,264,614	206,568		
-	-	(186,516)	-		
-	945,779	945,779	-		
-	945,779	2,023,877	206,568		
351,412	(1,983,375)	4,203,172	(401,909)		
-	3,082,931	7,518,327	-		
-	207,529	207,529	-		
-	-	(87,938)	-		
351,412	1,307,085	11,841,090	(401,909)		
49,086	8,639,542	147,202,200	12,183,395		
\$ 400,498	\$ 9,946,627	\$ 159,043,290	\$ 11,781,486		

Adjustment to reflect consolidation of Internal Service Fund Activities	\$ (80,382)
Changes in net position of enterprise funds	<u>11,841,090</u>
Changes in net position of business-type activities	\$ 11,760,708

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2023

	Business Type Activities - Enterprise Funds						Governmental Activities -	
			Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Internal Service Funds
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds	
Cash flows from operating activities:								
Cash received from customers	\$ 10,228,058	\$ 15,127,249	\$ 2,228,929	\$ 4,320,800	\$ 556,842	\$ 32,461,878	\$ -	\$ -
Cash payments to suppliers for goods and services	(5,395,933)	(7,111,289)	(154,562)	(3,958,144)	(1,747,012)	(18,366,940)	(8,929,401)	(508,197)
Cash payments to employees for services	(2,406,239)	(2,815,726)	(611,464)	(27,474)	(105,285)	(5,966,188)	(101,536)	(10,463,354)
Miscellaneous revenues	-	-	-	-	(101,536)	(101,536)	(108,422)	-
Cash received from interfund services provided	-	-	-	-	-	-	-	-
Cash payments for interfund services used	(589,854)	(571,234)	(137,240)	-	(288,857)	(1,587,185)	(1,587,185)	-
Net cash provided (used) by operating activities	1,836,032	4,629,000	1,325,663	335,182	(1,685,848)	6,440,029	917,334	
Cash flows from non-capital financing activities:								
Operating grants	-	-	-	-	1,538,321	1,538,321	-	-
Interfund loan receipts/(payments)	-	-	-	-	338,500	338,500	-	-
Transfers-in from other funds	-	-	-	-	207,529	207,529	-	-
Transfers-out to other funds	(43,969)	(43,969)	-	-	-	(87,938)	-	-
Net cash provided (used) by non-capital financing activities	(43,969)	(43,969)	-	-	2,084,350	1,996,412	-	-
Cash flows from capital and related financing activities:								
Purchase of capital assets	(4,603,512)	(5,694,841)	(753,761)	-	(3,466,271)	(14,518,385)	(830,845)	-
Interest expense and fiscal charges	(68,150)	(179,868)	-	-	-	(248,018)	-	-
Repayment of debt principal	(225,000)	(689,000)	-	-	-	(914,000)	-	-
Capital grants	1,253,020	1,919,268	379,899	-	3,082,931	6,635,118	-	-
Net cash used by capital and related financing activities	(3,643,642)	(4,644,441)	(373,862)	-	(383,340)	(9,045,285)	(830,845)	
Cash flows from investing activities:								
Interest income	384,452	802,592	77,570	-	-	1,264,614	206,568	-
Net cash provided by investing activities	384,452	802,592	77,570	-	-	1,264,614	206,568	
Net change in cash and cash equivalents	(1,467,127)	743,182	1,029,371	335,182	15,162	655,770	293,057	-
Cash and pooled investments, beginning of year	13,912,051	24,745,722	1,743,038	498,655	1,262,142	42,161,608	8,517,897	-
Cash and pooled investments, end of year	\$ 12,444,924	\$ 25,488,904	\$ 2,772,409	\$ 833,837	\$ 1,277,304	\$ 42,817,378	\$ 8,810,954	

continued

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2023

	Business Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 627,829	\$ 3,485,152	\$ 644,056	\$ 351,412	\$ (2,929,154)	\$ 2,179,295	\$	\$ (608,477)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	1,425,582	2,186,992	450,621	2,357	1,032,372	5,097,924		1,112,633
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
Decrease (increase) in accounts receivable (net)	(20,124)	(30,451)	(7,771)	(25,625)	-	(83,971)		(36,130)
Decrease (increase) in inventory of supplies	189,521	(13,184)	2,739	-	-	179,076		(11,217)
Decrease (increase) in due from other funds						-		141,110
Decrease (increase) in net OPEB asset	195,784	223,713	42,221	4,312	44,558	510,588		37,055
Decrease (increase) in deferred outflows of resources - pension related	(463,261)	(529,345)	(99,904)	(10,203)	(105,431)	(1,208,144)		(87,676)
Decrease (increase) in deferred outflows of resources - OPEB related	(103,725)	(118,522)	(22,369)	(2,284)	(23,606)	(270,506)		(19,631)
Increase (decrease) in accounts payable	(400,428)	(910,554)	238,255	5,929	197,357	(869,441)		290,796
Increase (decrease) in accrued wages and benefits	1,614	(50,742)	1,543	262	2,574	(44,749)		1,302
Increase (decrease) in due to other funds	(8,427)	(6,765)	(12,625)	-	(7,479)	(35,296)		-
Increase (decrease) in compensated absences payable	(18,367)	(75,345)	561	-	9,739	(83,412)		20,044
Increase (decrease) in due to other governments	93	-	-	-	-	93		-
Increase (decrease) in due to individuals	323	-	-	-	-	323		-
Increase (decrease) in net pension liability	1,199,253	1,370,327	258,622	26,412	272,931	3,127,545		226,974
Increase (decrease) in net OPEB liability	37,741	43,125	8,139	831	8,589	98,425		7,143
Increase (decrease) in deferred inflows of resources - pension related	(636,572)	(727,379)	(137,278)	(14,019)	(144,874)	(1,660,122)		(120,480)
Increase (decrease) in deferred inflows of resources - OPEB related	(190,804)	(218,022)	(41,147)	(4,202)	(43,424)	(497,599)		(36,112)
Total adjustments	1,208,203	1,143,848	681,607	(16,230)	1,243,306	4,260,734		1,525,811
Net cash provided (used) by operating activities	\$ 1,836,032	\$ 4,629,000	\$ 1,325,663	\$ 335,182	\$ (1,685,848)	\$ 6,440,029		\$ 917,334

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, 2023

	Custodial Funds
Assets	
Cash and equity in pooled cash, deposits and investments	\$ 616,725
Cash and cash equivalents in segregated accounts	342,982
Total assets	<u>959,707</u>
Liabilities	
Due to individuals	187,743
Due to other governments	771,964
Total liabilities	<u>959,707</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, 2023

	Custodial Funds
Additions	
Taxes collected for distribution	\$ 3,718,855
Fines, licenses and permits for distribution	2,432,327
Total additions	<u>6,151,182</u>
Deductions	
Distributions to other governments	3,782,629
Distributions on behalf of others	2,368,553
Total deductions	<u>6,151,182</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, 2023

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 are used exclusively for the benefit of the City. The Port is responsible for working with the City and private business sector

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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.

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

Fire Station Levy Fund – To account for all property tax receipts collected from the twenty-five year 1-mill property tax approved by voters May 3, 2022, (beginning January 1, 2023) which replaced an expiring levy of the same millage. The expenses related will be for the construction of four new fire stations within the City and payment debt related to the bond issuance related to the construction beginning in 2022.

Butler County ARPA Fund – To account for revenue and expenses related to the American Rescue Plan Act that Butler County has distributed to the City. These funds will be used in the same manner as the funds received from the ARPA Fund to continue the economic recovery for Middletown.

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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

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

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

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,

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

which is based on quoted market prices. Interest earned on pooled cash, deposits, and investments is distributed to the City's General Fund except as stipulated by ordinance or statute. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For the fiscal year ended December 31, 2023, 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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

H. CAPITAL ASSETS

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

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

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

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

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

resources created by enabling legislation only for the purposes specified by the legislation.

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Pension Fund, the Fire Pension Fund, the Public Safety 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 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	\$5,757,747
Capital Improvement Fund	\$4,900,000	\$0
Non Major Governmental Funds	\$738,156	\$0
Enterprise Funds:		
Water Fund	\$0	\$43,969
Sewer Fund	\$0	\$43,969
Non Major Enterprise Funds	\$207,529	\$0
TOTAL	\$5,845,685	\$5,845,685

A brief description of transfers include:

- \$4,900,000 to the Capital Improvement Fund for capital projects
- \$207,529 to the Airport Fund for general operating expenses
- \$200,000 to the Nuisance Abatement Fund for nuisance and demolition
- \$187,938 to the Computer Replacement Fund for anticipated computer replacements for the General, Water and Sewer Funds
- \$175,000 to the Downtown Improvements Fund for downtown improvements
- \$159,218 to the Economic Development Bond Fund for debt payments
- \$16,000 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, 2023

L. COMPENSATED ABSENCES

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

Accumulated Unpaid Vacation

All Union City employees and City employees hired before January 1, 2018 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 Paid Time Off

City employees hired on or after January 1, 2018 earn paid time off at varying rates based upon length of service and position. Upon separation from the City, the employee (or their estate) is paid for his accumulated unused paid time off balance. The City accrues unused portions of paid time off pay in the period earned.

Accumulated Unpaid Sick Leave

All Union City employees (except tour firefighters) and City employees hired before January 1, 2018, 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, 2023, the total liability of the City for compensated absences was \$6,568,908.

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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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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 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 assets that applies to future periods 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 assets that applies to future periods 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, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the 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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

BUDGETARY PROCEDURES

Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The Budget Commission certifies its action to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the certificate is amended to include any unencumbered balances from the preceding year. The revised 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 2023.

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 2023 increased the original 2023 Appropriation Resolution by \$75,144,960 for all budgeted funds. The majority of these supplemental appropriations are due to the following factors:

- \$22,552,774 for design and construction expense related to four new Fire Station construction project
- \$10,330,000 income tax additional receipts to be transferred to General Fund, Fire & Police Pension Funds, Public Safety Fund and Street Levy Fund
- \$7,116,495 bond anticipation notes issued for the purchase of real property at Union Road and State Route 122
- \$4,900,000 for General Fund reserve to be transferred to Capital Improvement Fund related to park facilities and HVAC improvements
- \$3,750,000 for design and construction expense related to Renaissance Pointe project on Union Road and State Route 122
- \$2,900,000 for capital expense related to the City Building HVAC improvements
- \$2,897,000 for debt service related to the street levy

CITY OF MIDDLETOWN
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- \$2,722,100 for demolition expense related to Middletown Paperboard project
- \$2,557,978 for capital expense related to park facilities
- \$1,813,945 for additional paving expenses for various paving projects
- \$1,800,000 for purchase of Central Connections
- \$1,300,000 Public Safety income tax additional receipts transferred to the General Fund
- \$1,150,000 for additional paving expenses for various paving projects
- \$1,067,863 for design and construction related to the Downtown CSO Storage Basin project
- \$1,960,000 additional TIF revenue for reimbursements
- \$690,000 for the purchase of a new emergency generator for the City Building
- \$500,000 for building expense related to Butler Tech Hangar

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 2023 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 2023, 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, 2022, 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, 2023, are comprised of the following:

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Deposits	
Petty Cash	\$5,375
Certificate of Deposit	\$5,053,666
Demand deposit accounts	<u>\$40,389,317</u>
Subtotal deposits	<u>\$45,448,358</u>

Investments	
Money Market Funds	\$668,279
Commercial Paper	\$2,900,316
U.S. Government and Agency	\$68,385,240
Municipal Bond	\$995,350
STAR Ohio	<u>\$39,232,771</u>
Subtotal investments	<u>\$112,181,956</u>

Total	<u>\$157,630,314</u>
--------------	-----------------------------

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

Deposits

Custodial Credit Risk

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

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

CITY OF MIDDLETOWN
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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.

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, 13.5% (\$6,261,023) of the City's bank balance of \$45,442,983 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining was covered by pooled collateral.

The City's investments at December 31, 2023 are summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity Years</u>
U.S. Government and Agency	\$50,757,479	2.24
Municipal Bond	\$995,350	3.63
US Treasury Notes	\$17,627,761	2.79
STAR Ohio	\$39,232,771	n/a
Commercial Paper	\$2,900,316	0.38
US Money Market Funds	\$668,279	n/a
	<u>\$112,181,956</u>	

CITY OF MIDDLETOWN
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Fair Value Measurement

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

Credit Risk

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

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, 2023 (using the current financial resource measurement focus), the following funds had a deficit fund balance: Central Avenue Sidewalk Curb & Gutter Program (\$42,286), 2018 Sidewalk Curb and Gutter Program (\$4,666), 2019 Sidewalk Curb and Gutter Program (\$211,681), 2020 Sidewalk Curb and Gutter Program (\$617,749), 2021 Sidewalk Curb and Gutter Program (\$138,296), 2022 Sidewalk Curb and Gutter Program (\$410,477), Economic Development Bond Service (\$935,617), Conservancy District (\$57,193), and Neighborhood Stabilization (\$36,953).

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

CITY OF MIDDLETOWN
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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 2023 taxes were collected was \$855,118,050. The full tax rate for all City operations for the fiscal year ended December 31, 2023, 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, 2023. 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 2023 operations. The receivable is therefore offset by a credit to deferred inflow of resources.

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, 2023 was as follows:

CITY OF MIDDLETOWN
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GOVERNMENTAL ACTIVITIES

<i>Capital Asset</i>	<i>Beginning Balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending Balance</i>
Capital assets, not being depreciated:				
Land	\$16,045,404	\$0	\$0	\$16,045,404
Construction in progress	\$25,500,976	\$23,980,912	(\$4,577,474)	\$44,904,414
Total capital assets, not being depreciated	\$41,546,380	\$23,980,912	(\$4,577,474)	\$60,949,818
Capital assets, being depreciated:				
Land improvements	\$845,313	\$0	\$0	\$845,313
Buildings	\$31,475,582	\$474,305	\$0	\$31,949,887
Equipment	\$38,376,309	\$1,079,339	\$0	\$39,455,648
General infrastructure	\$224,052,115	\$5,114,497	\$0	\$229,166,612
Total capital assets, being depreciated	\$294,749,319	\$6,668,141	\$0	\$301,417,460
Totals at Historical Cost	\$336,295,699	\$30,649,053	(\$4,577,474)	\$362,367,278
Less accumulated depreciation:				
Land improvements	\$606,824	\$5,734	\$0	\$612,558
Buildings	\$23,332,057	\$594,479	\$0	\$23,926,536
Equipment	\$27,344,668	\$2,075,611	\$0	\$29,420,279
General infrastructure	\$175,786,292	\$3,736,426	\$0	\$179,522,718
Total depreciation	\$227,069,841	\$6,412,250	\$0	\$233,482,091
Total capital assets, being depreciated, net	\$67,679,478	\$255,891	\$0	\$67,935,369
Capital Assets, Net	\$109,225,858	\$24,236,803	(\$4,577,474)	\$128,885,187

Depreciation was charged to governmental functions as follows:

Community environment	\$128,145
General government	\$1,692,038
Leisure time activities	\$110,469
Public health and welfare	\$14,304
Public safety	\$728,783
Highways and streets	\$3,738,511
Total	\$6,412,250

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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BUSINESS-TYPE ACTIVITIES				
<i>Capital Asset</i>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$3,897,840	\$0	\$0	\$3,897,840
Construction in progress	\$10,197,551	\$8,196,124	(\$4,105,332)	\$14,288,343
Total capital assets, not being depreciated	\$14,095,391	\$8,196,124	(\$4,105,332)	\$18,186,183
Capital assets, being depreciated:				
Land improvements	\$987,491	\$146,147	\$0	\$1,133,638
Buildings	\$36,147,893	\$607,867	\$0	\$36,755,760
Equipment	\$32,213,125	\$2,799,116	\$0	\$35,012,241
General infrastructure	\$131,517,769	\$6,874,463	\$0	\$138,392,232
Total capital assets, being depreciated	\$200,866,278	\$10,427,593	\$0	\$211,293,871
Totals at Historical Cost	\$214,961,669	\$18,623,717	(\$4,105,332)	\$229,480,054
Less accumulated depreciation:				
Land improvements	\$617,861	\$49,680	\$0	\$667,541
Buildings	\$21,678,685	\$772,357	\$0	\$22,451,042
Equipment	\$22,335,601	\$1,516,789	\$0	\$23,852,390
General infrastructure	\$56,194,689	\$2,759,098	\$0	\$58,953,787
Total depreciation	\$100,826,836	\$5,097,924	\$0	\$105,924,760
Total capital assets, being depreciated, net	\$100,039,442	\$5,329,669	\$0	\$105,369,111
Capital Assets, Net	\$114,134,833	\$13,525,793	(\$4,105,332)	\$123,555,294

Depreciation was charged to Enterprise Funds as follows:

Water	\$1,425,582
Sewer	\$2,186,992
Storm Water	\$450,621
Solid Waste	\$2,357
Airport	\$291,602
Transit	\$740,770
Total	\$5,097,924

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

CITY OF MIDDLETOWN
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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 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. Effective January 1, 2022, the combined plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan, and previously could elect the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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.

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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 ACFR referenced above for additional information):

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

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

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

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:

CITY OF MIDDLETOWN
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	State and Local	Public Safety	Law Enforcement
2023 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee	10.00%	*	**
2023 Actual Contribution Rates			
Employer:			
Pension	14.00%	18.10%	18.10%
Post-employment Health Care Benefits	0.00%	0.00%	0.00%
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,031,770 for 2023. Of this amount, \$169,314 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 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.

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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>
2023 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2023 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 \$2,952,172 for 2023. Of this amount, \$246,014 is reported as accrued wages and benefits payable.

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, 2023, the specific liability of the City was \$990,709 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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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

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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	\$ 23,719,385	\$ 44,734,418	\$ 68,453,803
Proportion of the Net Pension Liability:			
Current Measurement Date	0.080296%	0.470937%	
Prior Measurement Date	0.083575%	0.466982%	
Change in Proportionate Share	<u>-0.003279%</u>	<u>0.003955%</u>	
 Pension Expense	 \$ 668,200	 \$ 5,748,970	 \$ 6,417,170

At December 31, 2023, 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			
Net difference between projected and actual earnings on pension plan investments	\$ 6,760,770	\$ 6,589,732	\$ 13,350,502
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	721,041	721,041
Differences between expected and actual experience	787,858	662,763	1,450,621
Change in Assumptions	250,579	4,002,505	4,253,084
Entity contributions subsequent to the measurement date	2,031,770	2,952,172	4,983,942
Total Deferred Outflows of Resources	<u>\$ 9,830,977</u>	<u>\$ 14,928,213</u>	<u>\$ 24,759,190</u>
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 1,002,678	\$ 1,002,678
Change in Assumptions	-	872,309	872,309
Changes in employer proportion and differences between contributions and proportionate share of contributions	212,436	471,544	683,980
	<u>\$ 212,436</u>	<u>\$ 2,346,531</u>	<u>\$ 2,558,967</u>

The City reported \$4,983,942 as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2024	\$ 761,595	\$ 960,130	\$ 1,721,725
2025	1,523,256	2,301,441	3,824,697
2026	1,990,024	2,626,417	4,616,441
2027	3,311,896	3,800,947	7,112,843
2028	-	(59,425)	(59,425)
Total	\$ 7,586,771	\$ 9,629,510	\$ 17,216,281

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 was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	Current Measurement Period	Prior Measurement Period
Measurement and Valuation Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (includes wage inflation at 2.75%)	2.75% to 10.75% (includes wage inflation at 2.75%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2023, then 2.05% simple	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2022, then 2.05% simple

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

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount

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rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolios target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

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

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

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	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Entity's proportionate share of the net pension liability	\$ 35,530,980	\$ 23,719,385	\$ 13,894,450

Actuarial Assumptions – OPF

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

	<u>Current Measurement Date</u>	<u>Prior Measurement Date</u>
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2016
Investment Rate of Return	7.50%	7.50%
Cost of Living Increases	2.20% Per Year Simple	2.20% Per Year Simple
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

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Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	18.60%	4.80%
Non-US Equity	12.40%	5.50%
Private Markets	10.00%	7.90%
Core Fixed Income*	25.00%	2.50%
High Yield Fixed Income	7.00%	4.40%
Private Credit	5.00%	5.90%
U.S Inflation Linked Bonds*	15.00%	2.00%
Midstream Energy Infrastructure	5.00%	5.90%
Real Assets	8.00%	5.90%
Gold	5.00%	3.60%
Private Real Estate	12.00%	5.30%
Commodities	2.00%	3.60%
Total	<u>125.00%</u>	

Note: Assumptions are geometric

* levered 2.5x

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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.

Total pension liability was calculated using the discount rate of 7.50%. 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Entity's proportionate share of the net pension liability	\$ 59,013,371	\$ 44,734,418	\$ 32,864,382

NOTE 9 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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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 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 liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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.

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

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

Funding Policy – The Ohio Revised Code provides 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 2023, 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 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. For 2022, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. Effective July 1, 2022, OPERS increased the portion of the 14% employer contribution rate allocated to health care funding from 0.0% to 2.0% for the Combined Plan. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2022 was 4.0%.

The City’s contractually required contribution was \$0 for 2023.

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.

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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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. 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 2023, 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 \$70,512 for 2023. Of this amount, \$5,876 is reported as accrued wages and benefits payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022 and was determined by rolling forward the total OPEB liability as of January 1, 2022 to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	OPERS	OP&F	Total
Proportionate Share of Net OPEB Liability	\$ 517,619	\$ 3,352,933	\$ 3,870,552
Proportion of Net OPEB Liability:			
Current Measurement Date	0.082094%	0.470937%	
Prior Measurement Date	0.085731%	0.466982%	
Change in Proportionate Share	<u>-0.003637%</u>	<u>0.003955%</u>	
 OPEB (Negative) Expense	 \$ (836,676)	 \$ 342,654	 \$ (494,022)

At December 31, 2023, 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			
Net difference between projected and actual earnings on OPEB plan investments	\$ 1,028,009	\$ 292,234	\$ 1,320,243
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	292,136	292,136
Differences between expected and actual experience	-	198,402	198,402
Change in Assumptions	505,570	1,658,563	2,164,133
Entity contributions subsequent to the measurement date	-	70,512	70,512
Total Deferred Outflows of Resources	<u>\$ 1,533,579</u>	<u>\$ 2,511,847</u>	<u>\$ 4,045,426</u>
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 129,114	\$ 647,455	\$ 776,569
Change in Assumptions	41,600	2,747,320	2,788,920
Changes in employer proportion and differences between contributions and proportionate share of contributions	33,114	136,633	169,747
	<u>\$ 203,828</u>	<u>\$ 3,531,408</u>	<u>\$ 3,735,236</u>

\$70,512 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 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$ 143,092	\$ 16,112	\$ 159,204
2025	369,479	24,386	393,865
2026	320,566	(147,229)	173,337
2027	496,614	(71,202)	425,412
2028	-	(262,342)	(262,342)
Thereafter	-	(649,798)	(649,798)
Total	<u><u>\$ 1,329,751</u></u>	<u><u>\$ (1,090,073)</u></u>	<u><u>\$ 239,678</u></u>

Actuarial Assumptions - OPERS

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

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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

	Current Measurement Period	Prior Measurement Period
Actuarial Valuation Date	December 31, 2021	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes Wage Inflation at 2.75%)	2.75% to 10.75% (Includes Wage Inflation at 2.75%)
Health Care Cost Trend Rate	5.50% Initial, 3.50% Ultimate in 2036	5.50% Initial, 3.50% Ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously

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described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

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 real 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 real rates of return by the target asset allocation percentage, adjusted for inflation.

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolios target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average
		Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
Real Estate Investment Trusts	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
Total	<u>100.00%</u>	

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.22%)	(5.22%)	(6.22%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 1,761,737	\$ 517,619	\$ (508,983)

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

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
	(4.50%)	(5.50%)	(6.50%)
Entity's proportionate share of the net OPEB liability	\$ 485,176	\$ 517,619	\$ 554,135

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

Actuarial Assumptions – OP&F

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 retirement plan involve estimates of

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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.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2016
Investment Rate of Return	7.50%	7.50%
Cost of Living Adjustments	2.20% Simple Per Year	2.20% Simple Per Year
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25%	3.25%
Projected Depletion Year of		
OPEB Assets	2036	2037
Single Discount Rate	4.27%	2.84%
Municipal Bond Rate	3.65%	2.05%

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

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Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	18.60%	4.80%
Non-US Equity	12.40%	5.50%
Private Markets	10.00%	7.90%
Core Fixed Income*	25.00%	2.50%
High Yield Fixed Income	7.00%	4.40%
Private Credit	5.00%	5.90%
U.S Inflation Linked Bonds*	15.00%	2.00%
Midstream Energy Infrastructure	5.00%	5.90%
Real Assets	8.00%	5.90%
Gold	5.00%	3.60%
Private Real Estate	12.00%	5.30%
Commodities	2.00%	3.60%
	125.00%	

Note: Assumptions are geometric

* levered 2.5x

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.

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Total OPEB liability was calculated using the discount rate of 4.27 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 7.50 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, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent.

The 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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	Current		
	1% Decrease (3.27%)	Discount Rate (4.27%)	1% Increase (5.27%)
Entity's proportionate share of the net OPEB liability	\$ 4,128,824	\$ 3,352,933	\$ 2,697,885

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, 2023, 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 \$724,316.

Year	Beginning of Fiscal Year Liability	Current Year Claims & Changes In Estimate	Claim Payments	Balance At Fiscal Year End
2021	\$798,398	\$6,185,485	\$6,378,843	\$605,040
2022	\$605,040	\$6,168,651	\$6,127,938	\$645,753
2023	\$645,753	\$6,768,531	\$6,689,968	\$724,316

NOTE 11 – LONG TERM OBLIGATIONS

Long-term obligations of the City as of December 31, 2023 are as follows:

CITY OF MIDDLETOWN
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A. GOVERNMENTAL ACTIVITIES

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2023
2004 Roosevelt Ave. Improvements	\$90,000	\$0	\$45,000	\$45,000	\$45,000	\$4,950
2017 Towne Blvd. Improvements	\$285,000	\$0	\$95,000	\$190,000	\$95,000	\$10,950
2007 Cincinnati Dayton Rd Sewer	\$42,000	\$0	\$10,000	\$32,000	\$10,000	\$1,995
2014 Jefferson Road	\$80,000	\$0	\$5,000	\$75,000	\$5,000	\$4,200
2014 S Main St Lighting	\$40,000	\$0	\$20,000	\$20,000	\$20,000	\$2,100
2021 Made Industrial Drive Improvements	\$2,160,000	\$0	\$0	\$2,160,000	\$0	\$99,360
Total Special Assessment Bonds	\$2,697,000	\$0	\$175,000	\$2,522,000	\$175,000	\$123,555
<i>General Obligation Bonds:</i>						
2017 Towne Blvd/SR 122/I-75	\$150,000	\$0	\$50,000	\$100,000	\$50,000	\$7,095
2017 Refunding Bonds	\$2,775,000	\$0	\$350,000	\$2,425,000	\$360,000	\$117,600
2010 Greentree Health Science Academy	\$2,760,000	\$0	\$270,000	\$2,490,000	\$280,000	\$168,215
2013 Court of Appeals	\$263,970	\$0	\$263,970	\$0	\$0	\$10,451
2013 MRH Land	\$366,030	\$0	\$366,030	\$0	\$0	\$14,749
2015 AK Steel Holding Corp Project	\$1,505,000	\$0	\$90,000	\$1,415,000	\$90,000	\$69,218
2015 Bender Tract	\$1,270,000	\$0	\$135,000	\$1,135,000	\$140,000	\$55,233
2022 Various Purpose Bonds - Ladder Truck	\$1,243,000	\$0	\$121,000	\$1,122,000	\$125,000	\$37,166
2022 Fire Facilities Bonds	\$16,800,000	\$0	\$50,000	\$16,750,000	\$275,000	\$801,720
2023 Fire Facilities Bonds	\$0	\$10,400,000	\$0	\$10,400,000	\$0	\$0
Premiums	\$1,007,609	\$730,903	\$35,701	\$1,702,811	\$0	
Total General Obligation Bonds	\$28,140,609	\$11,130,903	\$1,731,701	\$37,539,811	\$1,320,000	\$1,281,446
<i>General Obligation Notes Payable:</i>						
Various Purpose Notes	\$0	\$4,900,000	\$0	\$4,900,000	\$0	\$0
Total General Obligation Notes Payable	\$0	\$4,900,000	\$0	\$4,900,000	\$0	\$0
<i>Revenue Obligation Bonds (Voted):</i>						
2021 Income Tax Street Improvements	\$25,877,000	\$0	\$2,897,000	\$22,980,000	\$2,989,000	\$382,980
Total Revenue Obligation Bonds (Voted)	\$25,877,000	\$0	\$2,897,000	\$22,980,000	\$2,989,000	\$382,980
Compensated Absences	\$6,301,914	\$2,115,368	\$2,532,516	\$5,884,766	\$2,374,996	\$0
Police & Fire Pension						
Unfunded Accrued Liability	\$1,088,450	\$0	\$97,741	\$990,709	\$97,741	\$0
Total Governmental Activities	\$64,104,973	\$18,146,271	\$7,433,958	\$74,817,286	\$6,956,737	\$1,787,980

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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.

B. BUSINESS TYPE ACTIVITIES

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2023
<i>General Obligation Bonds:</i>						
2017 Sewer	\$2,390,000	\$0	\$440,000	\$1,950,000	\$455,000	\$103,950
2014 Wastewater Energy Improvements	\$480,000	\$0	\$60,000	\$420,000	\$65,000	\$18,600
2014 Water Energy Improvements	\$1,760,000	\$0	\$225,000	\$1,535,000	\$230,000	\$68,150
2022 Various Purpose Bonds - Sewer Plant	\$1,917,000	\$0	\$189,000	\$1,728,000	\$195,000	\$57,318
Premium	\$353,310	\$0	\$65,189	\$288,121		\$0
Total General Obligation Bonds Payable	\$6,900,310	\$0	\$979,189	\$5,921,121	\$945,000	\$248,018
Compensated Absences	\$767,554	\$312,293	\$395,705	\$684,142	\$334,060	\$0
Total Business Type Activities	\$7,667,864	\$312,293	\$1,374,894	\$6,605,263	\$1,279,060	\$248,018

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 \$51,927,018 at December 31, 2023. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2023 are as follows:

GOVERNMENTAL ACTIVITIES			
Police and Fire Pension Debt Schedule 12/31/23			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$52,217	\$45,524	\$97,741
2025	\$52,217	\$45,524	\$97,741
2026	\$52,217	\$45,524	\$97,741
2027	\$52,217	\$45,524	\$97,741
2028	\$52,217	\$45,524	\$97,741
2029-2033	\$261,085	\$227,620	\$488,705
2034	\$7,149	\$6,150	\$13,299
Total	\$529,319	\$461,390	\$990,709

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GOVERNMENTAL ACTIVITIES

General Obligation and Assessment Bonds Schedule 12/31/23

	General Obligation & Special Revenue Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$4,309,000	\$1,986,565	\$6,295,565	\$175,000	\$116,893	\$291,893
2025	\$4,649,000	\$1,913,997	\$6,562,997	\$171,000	\$107,190	\$278,190
2026	\$4,769,000	\$1,800,714	\$6,569,714	\$76,000	\$99,845	\$175,845
2027	\$4,926,000	\$1,674,852	\$6,600,852	\$70,000	\$96,300	\$166,300
2028	\$5,095,000	\$1,544,604	\$6,639,604	\$75,000	\$92,932	\$167,932
2029-2033	\$13,204,000	\$5,978,697	\$19,182,697	\$425,000	\$409,913	\$834,913
2034-2038	\$4,410,000	\$4,581,600	\$8,991,600	\$495,000	\$301,825	\$796,825
2039-2043	\$5,250,000	\$3,429,000	\$8,679,000	\$615,000	\$177,215	\$792,215
2044-2048	\$6,555,000	\$2,125,100	\$8,680,100	\$420,000	\$17,710	\$437,710
2049-2052	\$5,650,000	\$579,598	\$6,229,598	\$0	\$0	\$0
Total	\$58,817,000	\$25,614,727	\$84,431,727	\$2,522,000	\$1,419,823	\$3,941,823

BUSINESS TYPE ACTIVITIES

General Obligation Bonds Schedule - 12/31/23

	Principal	Interest	Total
2024	\$945,000	\$222,617	\$1,167,617
2025	\$980,000	\$182,237	\$1,162,237
2026	\$1,021,000	\$145,057	\$1,166,057
2027	\$1,067,000	\$101,347	\$1,168,347
2028	\$564,000	\$55,559	\$619,559
2029-2031	\$1,056,000	\$56,439	\$1,112,439
Total	\$5,633,000	\$763,256	\$6,396,256

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.

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In July 2023 the City issued Special Obligation Nontax Revenue Notes in the amount of \$6,600,000 at 6.69% interest, with a maturity date of 05/01/2024. The Bond Anticipation Notes were issued for the purpose of paying the costs of the acquisition by the City of approximately 30 acres of real property along Union Road and State Route 122 for a multi-use development, demolition of existing structures and the design, engineering and construction of related and necessary public infrastructure.

In December 2023 the City issued additional long term Fire Facilities Bonds in the amount of \$10,400,000 at 4.64% interest, with a maturity date of 12/01/2051. The Term Bond was issued to provide additional financing for the construction of four new Fire Stations for the City.

NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The City's inter-fund receivables and payables at the end of 2023 were comprised of operating advances from the General Fund to other operating funds (\$3,307,523) and payments to the Municipal Garage Fund by the City operating funds for 2023 services (\$113,837). Inter-fund balances as of December 31, 2023 are as follows:

Fund	Receivables	Payables
Governmental Funds:		
General Fund	\$3,307,523	\$48,751
Health Fund	\$0	\$157
Non major government funds	\$0	\$2,043,185
Total governmental funds	\$3,307,523	\$2,092,093
Enterprise Funds:		
Water	\$0	\$9,123
Sewer	\$0	\$4,233
Storm Water	\$0	\$2,522
Solid Waste	\$0	\$710,000
Non major enterprise funds	\$0	\$603,389
Total enterprise funds	\$0	\$1,329,267
Internal Service Funds		
Internal service funds	\$113,837	\$0
Total internal service funds	\$113,837	\$0
Total all funds	\$3,421,360	\$3,421,360

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, 2023, to December 31, 2023, 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

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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.

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, 2023, 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, 2023:

<u>Casualty & Property Coverage</u>	<u>2023</u>
Assets	\$43,996,442
Liabilities	<u>(\$19,743,401)</u>
Net position - Unrestricted	<u><u>\$24,253,041</u></u>

At December 31, 2023, the liabilities above included incurred claims payable.

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
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Contributions to PEP	
2021	\$694,332
2022	\$785,833
2023	\$754,502

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, 2023, 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
PEPPER CONSTRUCTION CO OF OHIO LLC	FIRE HQ & SATELLITE STATIONS (23-11)	\$16,462,966
JOHN R JURGENSEN COMPANY	2021-2022 STREET LEVY PROJECT (21-03)	\$4,805,712
WARREN COUNTY PORT AUTHORITY	FINAL DEVELOPMENT AGREEMENT ARENA PROJECT FUNDING	\$3,750,000
PEPPER CONSTRUCTION CO OF OHIO LLC	CMaR SERVICES	\$2,939,460
POHLKAT LLC	2023-2024 LIME POND REHABILITATION (23-01)	\$2,549,118
GLENWOOD ELECTRIC INC	WTP & YANKEE RD PUMP STATION GENERATORS	\$2,357,578
RENASCENT INC	DEMO OF MIDDLETOWN PAPERBOARD	\$2,279,600
PEPPER CONSTRUCTION CO OF OHIO LLC	FIRE HQ & SATELLITE STATIONS (23-11)	\$1,824,197
R A MILLER CONSTRUCTION CO INC	MIDDLETOWN ROAD IMPROVEMENTS PY37 (23-14)	\$1,579,034
TRANE US INC	REPLACEMENT OF HVAC SYSTEM AT CITY BUILDING	\$1,053,500
SHOOK CONSTRUCTION CO.	CONTRACT AMENDMENT DOWNTOWN CSO STORAGE BASIN	\$1,037,847
R A MILLER CONSTRUCTION CO INC	2022 LOCAL STREET IMPROVEMENTS (22-16)	\$797,092
APP ARCHITECTURE, INC	A&E SERVICES FOR 4 FIRE STATIONS	\$687,481
GLENWOOD ELECTRIC INC	CITY BUILDING EMERGENCY GENERATOR (23-02)	\$640,695
BARRETT PAVING MATERIALS INC	2021 LOCAL STREET IMPROVEMENTS (21-01)	\$606,873
J SCHMIDT HOMES LLC	PICKLEBALL COURTS LEFFERSON PARK	\$557,978
		<hr/> \$43,929,130

B. Encumbrance Commitments

At December 31, 2023, the City had encumbrance commitments of \$22,203,848 in the Fire Station Levy Fund, \$6,755,176 in the Street Levy Fund, \$6,157,885 in the Water Capital Reserve Fund, \$4,573,434 in the American Rescue Plan Act Fund, \$3,396,410 in the Sewer Capital Reserve Fund, \$2,611,475 in the Butler County American Rescue Plan Act Fund, \$1,770,300 in the General Fund, \$1,515,938 in the Capital Improvements Fund, \$622,990 in the Storm Water Capital Reserve Fund, \$609,148 in the Auto & Gas Fund, \$601,534 in the Community Development Act 1974 Fund, \$34,500 in the Health Fund, and \$3,178,940 for all other Governmental Funds.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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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, 2023 is \$79,515,000 hospital facilities revenue bonds issued on behalf of Atrium Medical Center.

NOTE 18 - JOINT ECONOMIC DEVELOPMENT DISTRICTS

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

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

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.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 19 – FUND BALANCE

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

Fund Balances	General Fund	Special Assessment Debt Service Fund	Capital Improvements Fund	Health Fund	Street Levy Fund	Fire Station Levy Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable								
Inventory of supplies	\$ 46,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 646,137	\$ 692,689
Interfund loans	3,307,523	-	-	-	-	-	-	3,307,523
Total Nonspendable	3,354,075	-	-	-	-	-	646,137	4,000,212
Restricted for								
Capital improvements	-	-	854,701	-	-	26,476,064	134,675	27,465,440
Debt service	-	365,712	-	-	-	-	-	365,712
Purposes allowed by								
TIF agreement	-	-	-	-	-	-	3,585,217	3,585,217
Senior Services	-	-	-	-	-	-	800	800
Community Development	-	-	-	-	-	-	2,982,138	2,982,138
Public health	-	-	-	616,533	-	-	276,241	892,774
Public safety	-	-	-	-	-	-	5,029,121	5,029,121
Roads	-	-	-	-	8,313,798	-	2,533,756	10,847,554
Total Restricted	-	365,712	854,701	616,533	8,313,798	26,476,064	14,541,948	51,168,756
Committed								
Capital improvements	-	-	2,900,000	-	-	-	513,117	3,413,117
Retirement benefits	340,943	-	-	-	-	-	-	340,943
Debt service	-	-	-	-	-	-	942,488	942,488
Recreation	-	-	-	-	-	-	152,901	152,901
Purchase of capital assets	-	-	-	-	-	-	1,292,097	1,292,097
Total Committed	340,943	-	2,900,000	-	-	-	2,900,603	6,141,546
Assigned								
Capital Improvements	-	-	2,000,000	-	-	-	610,384	2,610,384
Purchase commitments	1,060,000	-	-	-	-	-	-	1,060,000
Total Assigned	1,060,000	-	2,000,000	-	-	-	610,384	3,670,384
Unassigned (deficit)	24,493,201	-	-	-	-	-	(2,454,918)	22,038,283
Total Fund Balances	\$ 29,248,219	\$ 365,712	\$ 5,754,701	\$ 616,533	\$ 8,313,798	\$ 26,476,064	\$ 16,244,154	\$ 87,019,181

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 20 – TAX ABATEMENTS

As of December 31, 2023, the City provides tax abatements through two programs – Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements.

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

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

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

The City abated property taxes of approximately \$64,248 from Community Reinvestment Area (CRA) abatement agreements in 2023, and approximately \$5,412,484 under the Enterprise Zone Agreement program during 2023, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

- A 100% property tax abatement to a local automotive company for the redevelopment of a previously vacant business property on Verity Parkway. The abatement amounted to an estimated \$9,084.
- A 100% property tax abatement to a local company for the redevelopment of an underutilized business property on Central Avenue. The abatement amounted to an estimated \$22,531.
- A 100% property tax abatement to an underutilized mixed-use downtown property along Central Avenue. The abatement amounted to an estimated \$24,211.
- 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 \$3,789,850.
- A 100% property tax abatement to a developer for construction of a 612,589 square foot speculative building. The abatement amounted to an estimated \$965,273.

NOTE 21 – SUBSEQUENT EVENTS

The City evaluated the effects subsequent events would have on the financial statements through the date of the auditor's report, which is the date that financial statements were available for issuance. In connection with the City's evaluation, the following subsequent events have taken place:

On June 27, 2024, the City issued \$5,500,000 of general obligation tax exempt bond anticipation notes at 4.625% that are due on June 26, 2025. These tax exempt bond anticipation notes were issued to fund improvements in the Ohio Renaissance Arena District.

On August 13, 2024, the City issued \$7,450,000 of special obligation taxable bond anticipation notes at 6% that are due on August 13, 2025. These taxable bond anticipation notes were issued to fund improvements connected to the Towne Mall Project.

NOTE 22 – 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 23 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2023, the City has implemented the following Governmental Accounting Standards Board (GASB) Statements:

1. *GASB 94, Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. *GASB 96, Subscription-Based Information Technology Arrangements*
3. *GASB 99, Omnibus 2022*

The implementation of these GASB Statements did not have an effect on the City's 2023 financial statements.

NOTE 24 – SHORT-TERM NOTES PAYABLE

A summary of the changes in short-term notes payable during the year ended December 31, 2023, follows:

Governmental Activities:	12/31/2022	Notes Issued	Notes Reported as Long-Term Liabilities		12/31/2023	Due Within One Year
			\$	\$		
Real Estate Acquisition BANS	\$ -	\$ 6,600,000	\$ (4,900,000)	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000

On July 5, 2023, the City issued \$6,600,000 in short-term notes that matured on May 1, 2024, at 6.50% interest. The notes were used to acquire land.

Subsequent to year end, on April 30, 2024, the City issued \$4,900,000 in notes at 6.05% that mature on April 29, 2025. The proceeds from the \$4,900,000 in notes were used (in combination with \$1,700,000 in cash on hand at the City) to retire the \$6,600,000 in notes. As such, at December 31, 2023, the City reported \$1,700,000 of short-term notes outstanding at the fund level and \$4,900,000 of notes outstanding as entity wide long-term liabilities.

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 3,203,253	\$ 3,203,253	\$ 3,086,566	\$ (116,687)
Municipal income taxes	21,492,088	31,352,088	31,702,583	350,495
Intergovernmental revenue	2,023,460	2,311,460	2,027,973	(283,487)
Charges for services	5,341,442	5,341,442	5,621,516	280,074
Fees, licenses, and permits	613,210	613,210	617,847	4,637
Fines and forfeits	20,911	20,911	19,755	(1,156)
Interest earnings	118,682	118,682	599,870	481,188
Miscellaneous	1,548,626	1,848,773	3,047,077	1,198,304
Total revenues	34,361,672	44,809,819	46,723,187	1,913,368
Expenditures:				
Current				
Community Environment				
Administration				
Other	3,627	-	-	-
Street lighting				
Other	482,575	582,575	565,855	16,720
Total community environment	486,202	582,575	565,855	16,720
Leisure Time Activities				
Community center				
Other	115,000	206,000	199,731	6,269
Parks maintenance				
Personal services	595,553	595,553	563,071	32,482
Other	428,750	422,493	389,155	33,338
Total leisure time activities	1,139,303	1,224,046	1,151,957	72,089

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Public Safety				
Fire administration				
Personal services	388,398	396,398	362,145	34,253
Other	11,406	11,406	9,824	1,582
Fire operations				
Personal services	7,518,588	7,962,588	7,716,297	246,291
Other	1,575,013	1,682,196	1,630,232	51,964
Fire prevention/training				
Personal services	636,038	652,038	566,552	85,486
Other	8,436	8,436	6,514	1,922
Police administration				
Personal services	558,329	588,329	566,631	21,698
Other	284,880	284,880	264,141	20,739
Criminal investigation				
Personal services	1,399,275	1,399,275	1,347,253	52,022
Other	57,000	57,000	53,639	3,361
Narcotics				
Personal services	707,531	532,531	541,058	(8,527)
Other	28,500	28,500	17,537	10,963
Uniform patrol				
Personal services	6,199,040	6,339,040	6,110,575	228,465
Other	1,217,568	1,196,033	1,143,484	52,549
Police services				
Personal services	379,451	409,451	384,108	25,343
Other	19,450	19,450	19,326	124
Police and fire dispatch				
Personal services	1,435,252	1,455,252	1,399,787	55,465
Other	84,000	84,000	77,876	6,124
Jail management				
Personal services	1,075,391	1,075,391	986,645	88,746
Other	426,731	447,467	423,592	23,875
Building inspection and services				
Personal services	537,386	537,386	522,646	14,740
Other	112,863	109,681	92,711	16,970
Building maintenance				
Personal services	332,729	302,729	277,115	25,614
Other	812,779	1,042,788	1,032,566	10,222
Total public safety	25,806,034	26,622,245	25,552,254	1,069,991

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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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
General Government				
City council				
Personal services	137,036	137,036	134,920	2,116
Other	33,685	33,685	20,541	13,144
City manager				
Personal services	532,292	567,292	548,564	18,728
Other	153,363	91,928	82,369	9,559
Finance administration				
Personal services	255,269	255,269	243,200	12,069
Other	63,270	63,270	52,867	10,403
Treasury				
Personal services	244,864	244,864	193,044	51,820
Other	18,345	18,328	16,865	1,463
Information systems				
Personal services	658,614	658,614	586,519	72,095
Other	108,100	108,100	103,176	4,924
Personnel				
Personal services	286,989	286,989	241,122	45,867
Other	245,993	222,065	213,954	8,111
Law				
Personal services	415,178	425,178	411,178	14,000
Other	906,594	886,768	875,276	11,492
Purchasing				
Personal services	101,955	106,955	102,702	4,253
Other	10,449	10,262	9,141	1,121
Planning				
Personal services	856,666	856,666	823,639	33,027
Other	440,650	426,521	423,180	3,341
Economic development				
Personal services	331,550	331,550	304,303	27,247
Other	777,784	983,495	973,286	10,209
Communications				
Personal services	91,216	91,216	66,739	24,477
Other	125,483	103,674	91,123	12,551
Engineering				
Personal services	184,152	184,152	173,610	10,542
Other	171,725	128,971	123,912	5,059
Total general government	7,151,222	7,222,848	6,815,230	407,618

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Miscellaneous				
Non-departmental				
Personal services	35,700	35,700	32,940	2,760
Other	2,575,928	2,823,633	2,525,663	297,970
Debt Service	158,166	158,166	158,166	-
Total miscellaneous	2,769,794	3,017,499	2,716,769	300,730
Total expenditures	37,352,555	38,669,213	36,802,065	1,867,148
Excess of revenues over (under) expenditures	(2,990,883)	6,140,606	9,921,122	3,780,516
Other financing sources (uses)				
Advances Out	-	(567,534)	(267,387)	300,147
Transfers-out	(770,218)	(5,757,746)	(5,757,746)	-
Total other financing sources (uses)	(770,218)	(6,325,280)	(6,025,133)	300,147
Net change in fund balance	(3,761,101)	(184,674)	3,895,989	4,080,663
Fund balance, beginning of year	17,875,739	17,875,739	17,875,739	-
Appropriation for prior year encumbrances	2,230,346	2,230,346	2,230,346	-
Fund balance, end of the year	\$16,344,984	\$ 19,921,411	\$ 24,002,074	\$4,080,663

See notes to the required supplementary information.

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HEALTH FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	167,698	167,698	271,148	103,450
Charges for services	277,431	277,431	323,998	46,567
Miscellaneous	15,002	15,002	105,871	90,869
Total revenues	460,131	460,131	701,017	240,886
Expenditures:				
Current				
Health/Environment Admin.				
Personal services	780,034	805,034	770,787	34,247
Other	299,904	240,462	131,930	108,532
Total expenditures	1,079,938	1,045,496	902,717	142,779
Excess of expenditures over/under revenues	<u>(619,807)</u>	<u>(585,365)</u>	<u>(201,700)</u>	<u>383,665</u>
Net change in fund balance	(619,807)	(585,365)	(201,700)	383,665
Fund balance, beginning of the year	792,510	792,510	792,510	-
Appropriation for prior year encumbrances	57,154	57,154	57,154	-
Fund balance, end of the year	\$ 229,857	\$ 264,299	\$ 647,964	\$ 383,665

See notes to the required supplementary information.

CITY OF MIDDLETON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
STREET LEVY FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 3,950,000	\$ 5,350,000	\$ 5,237,821	\$ (112,179)
Interest earnings	10,000	10,000	480,594	470,594
Total revenues	3,960,000	5,360,000	5,718,415	358,415
Expenditures:				
Current				
Highways and streets:				
Other	13,668,832	14,918,832	14,918,495	337
Debt Service	-	3,279,980	3,279,980	-
Total expenditures	13,668,832	18,198,812	18,198,475	337
Excess of revenues over (under) expenditures	(9,708,832)	(12,838,812)	(12,480,060)	358,752
Net change in fund balance	(9,708,832)	(12,838,812)	(12,480,060)	358,752
Fund balance, beginning of the year	1,354,916	1,354,916	1,354,916	-
Appropriation for prior year encumbrances	13,668,832	13,668,832	13,668,832	-
Fund balance, end of the year	\$ 5,314,916	\$ 2,184,936	\$ 2,543,688	\$ 358,752

See notes to the required supplementary information.

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current				
Public safety				
Personal Services	-	137,982	84,480	53,502
Other	118,559	125,559	125,559	-
Highways and streets				
Other	5,313	5,313	5,313	-
General Government				
Personal Services	-	47,354	26,425	20,929
Other	469,739	4,883,484	4,883,481	3
Airport				
Other	-	500,000	-	500,000
Community environment				
Other	-	1,800,000	1,800,000	-
Leisure Time Activities				
Other	559,400	953,433	821,730	131,703
Miscellaneous				
Other	-	250,000	206,028	43,972
Total expenditures	1,153,012	8,703,125	7,953,016	750,109
Excess of revenues over (under) expenditures	(1,153,012)	(8,703,125)	(7,953,016)	750,109
Net change in fund balance	(1,153,012)	(8,703,125)	(7,953,016)	750,109
Fund balance, beginning of the year	15,690,259	15,690,259	15,690,259	-
Appropriation for prior year encumbrances	1,153,012	1,153,012	1,153,012	-
Fund balance, end of the year	\$ 15,690,260	\$ 8,140,146	\$ 8,890,255	\$ 750,109

See notes to the required supplementary information.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE STATION LEVY FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 372,203	\$ -	\$ 801,535	\$ 801,535
Intergovernmental revenue	-	-	1,112	1,112
Interest earnings	-	-	657,876	657,876
Total revenues	372,203	-	1,460,523	1,460,523
Expenditures:				
Current				
Public Safety	1,174,089	23,927,863	23,926,691	1,172
Other	801,720	801,720	801,720	-
Total expenditures	1,975,809	24,729,583	24,728,411	1,172
Excess of revenues over (under) expenditures	(1,603,606)	(24,729,583)	(23,267,888)	1,461,695
Other financing sources (uses):				
Proceeds from bonds	-	10,400,000	10,400,000	-
Total other financing sources (uses)	-	10,400,000	10,400,000	-
Net change in fund balance	(1,603,606)	(14,329,583)	(12,867,888)	1,461,695
Fund balance, beginning of the year	16,022,148	16,022,148	16,022,148	-
Appropriation for prior year encumbrances	1,174,089	1,174,089	1,174,089	-
Fund balance, end of the year	\$ 15,592,631	\$ 2,866,654	\$ 4,328,349	\$ 1,461,695

See notes to the required supplementary information.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
BUTLER COUNTY ARPA FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Expenditures:				
Current				
Miscellaneous				
Other	-	2,722,100	2,722,100	-
Total expenditures	-	2,722,100	2,722,100	-
Excess of revenues over (under) expenditures	-	(2,722,100)	(2,722,100)	-
Net change in fund balance	-	(2,722,100)	(2,722,100)	-
Fund balance, beginning of the year	4,500,000	4,500,000	4,500,000	-
Fund balance, end of the year	\$ 4,500,000	\$ 1,777,900	\$ 1,777,900	\$ -

See notes to the required supplementary information.

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 Ten Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net Pension Liability	0.080296%	0.083575%	0.085785%	0.080918%	0.081502%
Entity's Proportionate Share of the Net Pension Liability	\$ 23,719,385	\$ 7,271,367	\$ 12,702,835	\$ 15,994,021	\$ 22,321,871
Entity's Covered Payroll	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.54%	55.05%	97.08%	122.28%	180.10%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%
	2018	2017	2016	2015	2014
Entity's Proportion of the Net Pension Liability	0.08075%	0.0835383%	0.0809491%	0.08166428%	0.08166428%
Entity's Proportionate Share of the Net Pension Liability	\$ 12,668,078	\$ 18,970,130	\$ 14,021,397	\$ 9,849,625	\$ 9,627,155
Entity's Covered Payroll	\$ 12,122,858	\$ 11,644,126	\$ 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	104.50%	162.92%	127.04%	90.50%	81.28%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.66%	77.25%	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%.

Change in Assumptions - In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from the RP-2014 mortality tables to the MP-2020 mortality tables.

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 Ten Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net Pension Liability	0.470937%	0.466982%	0.456035%	0.459636%	0.476649%
Entity's Proportionate Share of the Net Pension Liability	\$ 44,734,418	\$ 29,174,346	\$ 31,088,329	\$ 30,963,551	\$ 38,907,174
Entity's Covered Payroll	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823	\$ 10,754,471
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	349.64%	247.82%	281.94%	276.05%	361.78%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%
	2018	2017	2016	2015	2014
Entity's Proportion of the Net Pension Liability	0.479188%	0.464288%	0.46728149%	0.54326535%	0.54326535%
Entity's Proportionate Share of the Net Pension Liability	\$ 29,409,924	\$ 29,407,539	\$ 30,060,543	\$ 28,143,411	\$ 26,458,727
Entity's Covered Payroll	\$ 10,409,924	\$ 9,631,388	\$ 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	282.52%	305.33%	309.12%	264.33%	239.45%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	70.91%	68.36%	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.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 2,031,770	\$ 1,935,811	\$ 1,868,736	\$ 1,877,821	\$ 1,852,126
Contributions in Relation to the Contractually Required Contribution	<u>(2,031,770)</u>	<u>(1,935,811)</u>	<u>(1,868,736)</u>	<u>(1,877,821)</u>	<u>(1,852,126)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365
Contributions as a Percentage of Covered Payroll	14%	14%	14%	14%	14%
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,743,281	\$ 1,569,931	\$ 1,413,090	\$ 1,545,150	\$ 1,205,425
Contributions in Relation to the Contractually Required Contribution	<u>(1,743,281)</u>	<u>(1,569,931)</u>	<u>(1,413,090)</u>	<u>(1,545,150)</u>	<u>(1,205,425)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126	\$ 11,036,783	\$ 10,884,143
Contributions as a Percentage of Covered Payroll	14%	13%	12%	14%	11%

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 2,952,172	\$ 2,719,559	\$ 2,473,475	\$ 2,380,338	\$ 2,459,236
Contributions in Relation to the Contractually Required Contribution	<u>(2,952,172)</u>	<u>(2,719,559)</u>	<u>(2,473,475)</u>	<u>(2,380,338)</u>	<u>(2,459,236)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823
Contributions as a Percentage of Covered Payroll	21.17%	21.26%	21.01%	21.59%	21.92%
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 2,256,918	\$ 2,188,619	\$ 2,019,817	\$ 2,108,003	\$ 2,273,530
Contributions in Relation to the Contractually Required Contribution	<u>(2,256,918)</u>	<u>(2,188,619)</u>	<u>(2,019,817)</u>	<u>(2,108,003)</u>	<u>(2,273,530)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388	\$ 9,724,488	\$ 10,647,153
Contributions as a Percentage of Covered Payroll	20.99%	21.02%	20.97%	21.68%	21.35%

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 Seven Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net OPEB Liability/(Asset)	0.082094%	0.085731%	0.087715%	0.084171%	0.085428%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 517,619	\$ (2,685,234)	\$ (1,562,720)	\$ 11,626,265	\$ 11,137,784
Entity's Covered Payroll	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365	\$ 12,394,111
Entity's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	3.74%	-20.33%	-11.94%	88.88%	89.86%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	94.79%	128.23%	115.57%	47.80%	46.33%
	2018	2017			
Entity's Proportion of the Net OPEB Liability/(Asset)	0.084702%	0.086891%			
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 9,198,025	\$ 8,776,325			
Entity's Covered Payroll	\$ 12,122,858	\$ 11,644,126			
Entity's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	75.87%	75.37%			
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	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.

In 2022, The municipal bond rate changed from 2.00% to 1.84%, and the health care cost trend rate changed from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034.

In 2023, the single discount rate changed from 6.00% to 5.22% and the municipal bond rate changed from 1.84% to 4.05%, and the health care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

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 Seven Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net OPEB Liability	0.470937%	0.466982%	0.456035%	0.459636%	0.476649%
Entity's Proportionate Share of the Net OPEB Liability	\$ 3,352,933	\$ 5,118,527	\$ 4,831,767	\$ 4,540,163	\$ 4,340,623
Entity's Covered Payroll	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823	\$ 10,754,471
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.21%	43.48%	43.82%	40.48%	40.36%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	52.59%	46.86%	45.42%	47.08%	46.57%
	2018	2017			
Entity's Proportion of the Net OPEB Liability	0.479188%	0.464288%			
Entity's Proportionate Share of the Net OPEB Liability	\$ 27,150,114	\$ 22,038,709			
Entity's Covered Payroll	\$ 10,409,924	\$ 9,631,388			
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	260.81%	228.82%			
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	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%.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

Change in Assumptions - In 2023, significant changes included an increase in the single discount rate to 4.27% from 2.84%, and an increase in the municipal bond rate to 3.65% from 2.05%.

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365
Contributions as a Percentage of Covered Payroll	0%	0%	0%	0%	0%
	2018	2017	2016		
Contractually Required Contribution	\$ -	\$ 106,137	\$ 231,052		
Contributions in Relation to the Contractually Required Contribution	-	(106,137)	(231,052)		
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Entity Covered Payroll	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126		
Contributions as a Percentage of Covered Payroll	0%	1%	2%		

* Information prior to 2016 is not available.

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 70,512	\$ 64,675	\$ 59,526	\$ 57,284	\$ 59,183
Contributions in Relation to the Contractually Required Contribution	<u>(70,512)</u>	<u>(64,675)</u>	<u>(59,526)</u>	<u>(57,284)</u>	<u>(59,183)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 54,314	\$ 52,670	\$ 48,194	\$ 59,155	\$ 54,120
Contributions in Relation to the Contractually Required Contribution	<u>(54,314)</u>	<u>(52,670)</u>	<u>(48,194)</u>	<u>(59,155)</u>	<u>(54,120)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388	\$ 9,724,488	\$ 10,647,153
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF MIDDLETOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

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, ARPA, Fire Station Levy and Butler County 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, ARPA, Fire Station Levy and Butler County 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	Fire Station Levy Fund	Butler County ARPA Fund
GAAP basis (as reported)	\$8,339,082	(\$162,548)	(\$5,768,329)	\$0	\$9,321,259	\$0
Adjustments: revenue and other sources	(2,434,476)	(4,194)	(27,999)	(3,493,720)	-	(115,050)
Expenditures and other uses	29,070	(458)	71,444	114,138	14,701	4,425
Advances In	300,147	-	-	-	-	-
Advances Out	(567,534)	-	-	-	-	-
Encumbrances	(1,770,300)	(34,500)	(6,755,176)	(4,573,434)	(22,203,848)	(2,611,475)
Budget basis	\$3,895,989	(\$201,700)	(\$12,480,060)	(\$7,953,016)	(\$12,867,888)	(\$2,722,100)

** The General Fund on a Modified Accrual Basis of Accounting includes the General Fund, the Income Tax Fund & the Termination Pay Fund. However these funds are budgeted separately. Comparative schedules for the Income Tax Fund and the Termination Pay Fund are included in the supplementary schedules.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

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 *No adopted budget for 2023

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 *No adopted budget for 2023

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.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

Non Major Special Revenue Funds continued:

ENFORCEMENT/EDUCATION FUND *No adopted budget for 2023

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

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, 2023**

Non Major Special Revenue Funds continued:

NEIGHBORHOOD STABILIZATION PROGRAM FUND *No adopted budget for 2023

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.

ONE OHIO OPIOID SETTLEMENT FUND *No adopted budget for 2023

To account for receipts from the legal settlement related the opioid crisis.

HUD SECTION 108 FUND *No adopted budget for 2023

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 2023

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 2023

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, 2023**

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.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

Non Major Debt Service Funds continued:

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.

MANCHESTER ROAD TAX INCREMENT FINANCING DISTRICT FUND *No adopted budget for 2023

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 2023

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.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

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.

2011 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2023

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 2023

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 *No adopted budget for 2023

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 *No adopted budget for 2023

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 *No adopted budget for 2023

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.

2022 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2022 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

2023 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2023 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, 2023

	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	\$ 10,123,970	\$ 4,524,096	\$ 3,708,567	\$ 18,356,633
Receivables (net of allowance for uncollectibles):				
Property taxes	657,731	-	-	657,731
Accounts	166,124	3,609	42,765	212,498
Loans	675,092	-	-	675,092
Special assessments	170,000	-	-	170,000
Payment in lieu of taxes	-	4,357,926	-	4,357,926
Due from other governments	2,310,484	5,400	-	2,315,884
Inventory of supplies	724,724	-	-	724,724
Total assets	\$ 14,828,125	\$ 8,891,031	\$ 3,751,332	\$ 27,470,488
Liabilities:				
Accounts payable	\$ 147,746	\$ -	\$ 110,808	\$ 258,554
Accrued wages and benefits	64,418	-	-	64,418
Due to other funds	292,162	-	1,751,023	2,043,185
Due to other governments	123,349	-	-	123,349
Due to individuals	400,000	-	-	400,000
Notes payable	-	-	1,700,000	1,700,000
Total liabilities	1,027,675	-	3,561,831	4,589,506
Deferred inflows:				
Revenues levied for the next year and unavailable revenue	2,273,502	4,363,326	-	6,636,828
Total deferred inflows	2,273,502	4,363,326	-	6,636,828
Fund balances:				
Nonspendable	646,137	-	-	646,137
Restricted	10,822,056	3,585,217	134,675	14,541,948
Committed	152,901	942,488	1,805,214	2,900,603
Assigned	-	-	610,384	610,384
Unassigned	(94,146)	-	(2,360,772)	(2,454,918)
Total fund balances	11,526,948	4,527,705	189,501	16,244,154
Total liabilities, deferred inflows and fund balances	\$ 14,828,125	\$ 8,891,031	\$ 3,751,332	\$ 27,470,488

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Project Funds	Total Non Major Governmental Funds
Revenues:				
Property taxes	\$ 546,355	\$ -	\$ -	\$ 546,355
Municipal income taxes	3,725,468	550,000	8,000	4,283,468
Payment in lieu of taxes	-	5,846,300	-	5,846,300
Intergovernmental revenues	4,940,163	438,215	272,053	5,650,431
Fees, licenses, and permits	145,954	-	-	145,954
Fines and forfeits	2,031,990	-	-	2,031,990
Special assessments	148,062	-	300,454	448,516
Investment income	136,600	-	65,550	202,150
Miscellaneous	523,679	281,956	427,445	1,233,080
Total revenues	12,198,271	7,116,471	1,073,502	20,388,244
Expenditures:				
Current				
Public safety	6,337,478	-	-	6,337,478
Public health and welfare	9,698	-	-	9,698
Community environment	1,777,298	-	5,831,848	7,609,146
Highways and streets	3,576,209	-	410,477	3,986,686
General government	-	-	277,865	277,865
Miscellaneous	150,139	4,087,006	-	4,237,145
Debt service				
Principal retirement	-	1,300,000	225,000	1,525,000
Interest and fiscal charges	99,360	537,400	157,956	794,716
Total expenditures	11,950,182	5,924,406	6,903,146	24,777,734
Excess of revenues over (under) expenditures	248,089	1,192,065	(5,829,644)	(4,389,490)
Other financing sources (uses):				
Transfers-in	216,000	-	522,156	738,156
Proceeds of notes	-	-	4,900,000	4,900,000
Premium on bonds	-	730,903	-	730,903
Total other financing sources (uses)	216,000	730,903	5,422,156	6,369,059
Net change in fund balances	464,089	1,922,968	(407,488)	1,979,569
Fund balance, beginning of year	11,062,859	2,604,737	596,989	14,264,585
Fund balance, end of the year	\$ 11,526,948	\$ 4,527,705	\$ 189,501	\$ 16,244,154

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Auto & Gas Tax	Acquisition for Parks	Emergency Medical Services	Urban Development Action Grant	Court Computerization	Law Enforcement Trust
Assets:						
Cash and equity in pooled cash, deposits and investments	\$ 2,116,149	\$ 152,901	\$ 45,701	\$ 10,000	\$ 60,788	\$ 351,983
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	-	-
Accounts	300	-	-	-	1,909	-
Loans	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	1,850,625	-	-	-	-	-
Inventory of supplies	646,137	-	-	-	-	-
Total assets	\$ 4,613,211	\$ 152,901	\$ 45,701	\$ 10,000	\$ 62,697	\$ 351,983
Liabilities:						
Accounts payable	\$ 43,092	\$ -	\$ -	\$ -	\$ 2,809	\$ -
Accrued wages and benefits	24,439	-	-	-	-	-
Due to other funds	24,929	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	92,460	-	-	-	2,809	-
Deferred inflows:						
Revenues levied for the next year and unavailable revenue	1,340,858	-	-	-	-	-
Total deferred inflows	1,340,858	-	-	-	-	-
Fund balances:						
Nonspendable	646,137	-	-	-	-	-
Restricted	2,533,756	-	45,701	10,000	59,888	351,983
Committed	-	152,901	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	3,179,893	152,901	45,701	10,000	59,888	351,983
Total liabilities, deferred inflows and fund balances	\$ 4,613,211	\$ 152,901	\$ 45,701	\$ 10,000	\$ 62,697	\$ 351,983

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforcement Education	Civic Development	Municipal Court	Police Grant	Court IDIAM
\$ 317,325	\$ 215,045	\$ 14,488	\$ 63,929	\$ 365,364	\$ 141,237	\$ 174,343	\$ 73,064
- 1,050	- 6,228	- 352	-	- 59,683	- 88,555	-	- 75
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	65,080	-
-	-	-	-	-	-	-	-
\$ 318,375	\$ 221,273	\$ 14,840	\$ 63,929	\$ 425,047	\$ 229,792	\$ 239,423	\$ 73,139
\$ 6,365	\$ 1,635	\$ 1,376	\$ -	\$ 25,140	\$ 5,985	\$ 7,745	\$ -
-	825	-	-	-	38,547	-	-
309	-	-	-	-	924	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,674	2,460	1,376	-	25,140	45,456	7,745	-
-	-	-	-	-	-	65,080	-
-	-	-	-	-	-	65,080	-
311,701	218,813	13,464	63,929	399,907	184,336	166,598	73,139
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
311,701	218,813	13,464	63,929	399,907	184,336	166,598	73,139
\$ 318,375	\$ 221,273	\$ 14,840	\$ 63,929	\$ 425,047	\$ 229,792	\$ 239,423	\$ 73,139

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	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	\$ 326,332	\$ 101,461	\$ 94,942	\$ 25,769	\$ 1,590,390	\$ 1,615,578
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	265,472	265,472
Accounts	7,972	-	-	-	-	-
Loans	-	-	-	620,720	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	-	238	354,708	-	15,523	20,325
Inventory of supplies	-	-	-	-	-	-
Total assets	\$ 334,304	\$ 101,699	\$ 449,650	\$ 646,489	\$ 1,871,385	\$ 1,901,375
Liabilities:						
Accounts payable	\$ 96	\$ 7,869	\$ 35,870	\$ -	\$ -	\$ -
Accrued wages and benefits	607	-	-	-	-	-
Due to other funds	-	50,000	100,000	-	-	-
Due to other governments	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	703	57,869	135,870	-	-	-
Deferred inflows:						
Revenues levied for the next year and unavailable revenue					280,995	285,797
Total deferred inflows	-	-	-	-	280,995	285,797
Fund balances:						
Nonspendable						
Restricted	333,601	43,830	313,780	646,489	1,590,390	1,615,578
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	333,601	43,830	313,780	646,489	1,590,390	1,615,578
Total liabilities, deferred inflows and fund balances	\$ 334,304	\$ 101,699	\$ 449,650	\$ 646,489	\$ 1,871,385	\$ 1,901,375

Fiscal Year 2023 - 2024 Budget Summary																	
Neighborhood Stabilization Program		Conservancy District		Nuisance Abatement		Senior Services		HUD Section 108 Loan		Housing Assistance		One Ohio Opioid Fund		Middletown Port Authority		Totals	
\$	460	\$	66,156	\$	390,625	\$	800	\$	1,765	\$	-	\$	276,241	\$	1,531,134	\$	10,123,970
-		126,787		-		-	-		-		-		-				657,731
-		-		-		-	-		-		-		-				166,124
-		-		-		-	-		-		-		-				54,372
-		170,000		-		-	-		-		-		-				675,092
-		3,985		-		-	-		-		-		-				170,000
78,587		-		-		-	-		-		-		-				2,310,484
																	724,724
\$	79,047	\$	196,928	\$	560,625	\$	800	\$	1,765	\$	-	\$	276,241	\$	1,585,506	\$	14,828,125
<hr/>																	
\$	-	\$	-	\$	9,764	\$	-	\$	-	\$	-	\$	-	\$	-	\$	147,746
-		-		-	-	-	-		-	-	-	-	-				64,418
116,000		-		-	-	-	-		-	-	-	-	-				292,162
-		123,349		-	-	-	-		-	-	-	-	-				123,349
-		-		-	-	-	-		-	-	-	-	-				400,000
																	400,000
116,000	123,349				9,764		-		-		-		-		400,000	1,027,675	
<hr/>																	
-		130,772		170,000		-	-	-	-	-	-	-	-	-			2,273,502
-		130,772		170,000		-	-	-	-	-	-	-	-	-			2,273,502
-		-		380,861		800		1,765		-		276,241		1,185,506			646,137
-		-		-		-		-		-		-					10,822,056
(36,953)		(57,193)		-		-		-		-		-		-			152,901
																	(94,146)
(36,953)	(57,193)			380,861		800		1,765		-		276,241		1,185,506		11,526,948	
<hr/>																	
\$	79,047	\$	196,928	\$	560,625	\$	800	\$	1,765	\$	-	\$	276,241	\$	1,585,506	\$	14,828,125

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, 2023

	Auto & Gas Tax	Acquisition for Parks	Emergency Medical Services	Urban Development Action Grant	Court Computerization	Law Enforcement Trust
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	192,784	-	-	-	-	-
Intergovernmental revenues	3,866,160	-	-	-	-	-
Fees, licenses, and permits	-	145,954	-	-	-	-
Fines and forfeits	-	-	-	-	33,623	214,402
Special assessments	-	-	-	-	-	-
Investment income	89,366	-	-	-	-	-
Miscellaneous	-	-	8,000	-	-	83,114
Total revenues	4,148,310	145,954	8,000	-	33,623	297,516
Expenditures:						
Current						
Public safety	674,522	-	-	-	27,753	288,519
Public health and welfare	-	-	9,698	-	-	-
Community environment	-	-	-	-	-	-
Highways and streets	3,576,209	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	4,250,731	-	9,698	-	27,753	288,519
Excess of revenues over (under) expenditures	(102,421)	145,954	(1,698)	-	5,870	8,997
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(102,421)	145,954	(1,698)	-	5,870	8,997
Fund balance, beginning of year	3,282,314	6,947	47,399	10,000	54,018	342,986
Fund balance, end of the year	\$ 3,179,893	\$ 152,901	\$ 45,701	\$ 10,000	\$ 59,888	\$ 351,983

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforcement Education	Civic Development	Municipal Court	Police Grant	Court IDIAM
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
195,055	131,160	12,391	4,806	-	1,314,209	-	5,769
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,826	-
18,307	-	-	-	386,573	15,320	11,546	-
213,362	131,160	12,391	4,806	386,573	1,839,529	17,372	5,769
<hr/>							
255,573	128,158	18,180	-	-	1,769,602	26,226	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	144,578	-	-	-
<hr/>							
255,573	128,158	18,180	-	144,578	1,769,602	26,226	-
<hr/>							
(42,211)	3,002	(5,789)	4,806	241,995	69,927	(8,854)	5,769
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(42,211)	3,002	(5,789)	4,806	241,995	69,927	(8,854)	5,769
353,912	215,811	19,253	59,123	157,912	114,409	175,452	67,370
\$ 311,701	\$ 218,813	\$ 13,464	\$ 63,929	\$ 399,907	\$ 184,336	\$ 166,598	\$ 73,139

(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, 2023

	Court Special Projects	Home Program	Community Development	Community Development Escrow	Police Pension	Fire Pension
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 222,269	\$ 222,271
Municipal income taxes	-	-	-	-	1,407,224	1,615,460
Intergovernmental revenues	-	157,798	609,999	-	26,872	47,290
Fees, licenses, and permits	-	-	-	-	-	-
Fines and forfeits	116,760	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	13,379	180	-	-
Miscellaneous	837	-	(18)	-	-	-
Total revenues	117,597	157,798	623,360	180	1,656,365	1,885,021
Expenditures:						
Current						
Public safety	126,261	-	-	-	1,407,224	1,615,460
Public health and welfare	-	-	-	-	-	-
Community environment	-	141,802	1,005,370	12,779	-	-
Highways and streets	-	-	-	-	-	-
Miscellaneous	-	-	-	-	2,765	2,796
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	126,261	141,802	1,005,370	12,779	1,409,989	1,618,256
Excess of revenues over (under) expenditures	(8,664)	15,996	(382,010)	(12,599)	246,376	266,765
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(8,664)	15,996	(382,010)	(12,599)	246,376	266,765
Fund balance, beginning of year	342,265	27,834	695,790	659,088	1,344,014	1,348,813
Fund balance, end of the year	\$ 333,601	\$ 43,830	\$ 313,780	\$ 646,489	\$ 1,590,390	\$ 1,615,578

Neighborhood Stabilization Program	Conservancy District	Nuisance Abatement	Senior Services	HUD Section 108 Loan	Housing Assistance	One Ohio Opioid Fund	Middletown Port Authority	Totals
\$ - \$ 101,286	\$ -	\$ 529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 546,355
- -	- -	- -	- -	- -	- -	- -	- -	3,725,468
- 6,046	- -	113	- -	- -	- -	225,885	- -	4,940,163
- -	- -	- -	- -	- -	- -	- -	- -	145,954
- - 3,815	- -	- -	- -	- -	- -	- -	- -	2,031,990
- - 148,062	- -	- -	- -	- -	- -	- -	- -	148,062
- - -	- -	- -	- -	- -	- -	27,849	- -	136,600
- - -	- -	- -	- -	- -	- -	- -	- -	523,679
- 107,332	151,877	642	-	-	225,885	27,849	12,198,271	
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	6,337,478
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	9,698
- 124,597	482,146	64	- -	- -	- -	- -	10,540	1,777,298
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- -	3,576,209
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- -	150,139
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- -	99,360
- 124,597	482,146	64	-	-	-	-	109,900	11,950,182
- - (17,265)	(330,269)	578	- -	- -	225,885	(82,051)	248,089	
- - 16,000	200,000	- -	- -	- -	- -	- -	- -	216,000
- 16,000	200,000	-	-	-	-	-	-	216,000
- - (1,265)	(130,269)	578	- -	- -	225,885	(82,051)	464,089	
(36,953)	(55,928)	511,130	222	1,765	- -	50,356	1,267,557	11,062,859
\$ (36,953)	\$ (57,193)	\$ 380,861	\$ 800	\$ 1,765	\$ -	\$ 276,241	\$ 1,185,506	\$ 11,526,948

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 192,784	\$ 192,784	\$ 192,784	\$ -
Intergovernmental revenue	3,255,380	3,255,380	3,318,501	63,121
Interest earnings	5,786	5,786	89,367	83,581
Rentals and leases	-	-	(600)	(600)
Miscellaneous	97,615	97,615	289,096	191,481
Total revenues	3,551,565	3,551,565	3,889,148	337,583
Expenditures:				
Current				
Public safety:				
Electronic Maintenance				
Personal Services	383,116	383,116	369,625	13,491
Other	450,383	450,383	423,866	26,517
Total public safety	833,499	833,499	793,491	40,008
Highways and streets:				
Street Maintenance				
Personal Services	1,301,603	1,301,603	1,160,210	141,393
Other	3,388,824	3,039,379	2,737,250	302,129
Grounds Maintenance				
Personal Services	103,696	103,696	59,915	43,781
Other	203,963	183,953	183,940	13
Total highways and streets	4,998,086	4,628,631	4,141,315	487,316
Total expenditures	5,831,585	5,462,130	4,934,806	527,324
Net change in fund balance	(2,280,020)	(1,910,565)	(1,045,658)	864,907
Fund balance, beginning of the year	447,575	447,575	447,575	-
Appropriation for prior year encumbrances	2,105,084	2,105,084	2,105,084	-
Fund balance, end of the year	\$ 272,639	\$ 642,094	\$ 1,507,001	\$ 864,907

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Charges for services	\$ -	\$ -	\$ 145,954	\$ 145,954
Total revenues	<u>-</u>	<u>-</u>	<u>145,954</u>	<u>145,954</u>
Fund balance, beginning of the year	6,947	6,947	6,947	-
Fund balance, end of the year	<u>\$ 6,947</u>	<u>\$ 6,947</u>	<u>\$ 152,901</u>	<u>\$ 145,954</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ 2,850	\$ 2,850	\$ 8,000	\$ 5,150
Total revenues	2,850	2,850	8,000	5,150
Expenditures:				
Current				
Public health and welfare				
Other	17,585	17,585	9,698	7,887
Total expenditures	17,585	17,585	9,698	7,887
Net change in fund balance	(14,735)	(14,735)	(1,698)	13,037
Fund balance, beginning of the year	38,664	38,664	38,664	-
Fund balance, end of the year	\$ 23,929	\$ 23,929	\$ 36,966	\$ 13,037

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Fund balance, beginning of the year	10,000	10,000	10,000	-
Fund balance, end of the year	\$ 10,000	\$ 10,000	\$ 10,000	\$ -

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeitures	\$ 65,500	\$ 65,500	\$ 33,744	\$ (31,756)
Total revenues	65,500	65,500	33,744	(31,756)
Expenditures:				
Current				
Public safety				
Other	60,000	60,000	24,944	35,056
Total expenditures	60,000	60,000	24,944	35,056
Net change in fund balance	5,500	5,500	8,800	3,300
Fund balance, beginning of the year	51,988	51,988	51,988	-
Fund balance, end of the year	\$ 57,488	\$ 57,488	\$ 60,788	\$ 3,300

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 34,000	\$ 288,600	\$ 214,402	\$ (74,198)
Miscellaneous	-	-	83,113	83,113
Total revenues	34,000	288,600	297,515	8,915
Expenditures:				
Current				
Public safety	-	250,000	250,000	-
Personal Services	75,000	75,000	58,694	16,306
Total expenditures	75,000	325,000	308,694	16,306
Net change in fund balance	(41,000)	(36,400)	(11,179)	25,221
Fund balance, beginning of the year	342,986	342,986	342,986	-
Fund balance, end of the year	\$ 301,986	\$ 306,586	\$ 331,807	\$ 25,221

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 98,000	\$ 236,600	\$ 194,185	\$ (42,415)
Miscellaneous	12,000	12,000	18,307	6,307
Total revenues	110,000	248,600	212,492	(36,109)
Expenditures:				
Current				
Public safety				
Personal Services	81,218	181,218	100,000	81,218
Other	204,408	203,573	156,971	46,602
Total expenditures	285,626	384,791	256,971	127,820
Net change in fund balance	(175,626)	(136,191)	(44,480)	91,712
Fund balance, beginning of the year	353,396	353,396	353,396	-
Appropriation for prior year encumbrances	8,408	8,408	8,408	-
Fund balance, end of the year	\$ 186,178	\$ 225,613	\$ 317,325	\$ 91,712

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 122,412	\$ 122,412	\$ 132,919	\$ 10,507
Total revenues	122,412	122,412	132,919	10,507
Expenditures:				
Current				
Public safety				
Personal Services	109,463	109,463	107,844	1,619
Other	36,000	36,000	18,663	17,337
Total expenditures	145,463	145,463	126,507	18,956
Net change in fund balance	(23,051)	(23,051)	6,412	29,463
Fund balance, beginning of the year	208,633	208,633	208,633	-
Fund balance, end of the year	\$ 185,582	\$ 185,582	\$ 215,045	\$ 29,463

CITY OF MIDDLETON, 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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 22,285	\$ 22,285	\$ 12,330	\$ (9,955)
Total revenues	22,285	22,285	12,330	(9,955)
Expenditures:				
Current				
Public safety				
Other	25,000	25,000	16,804	8,196
Total expenditures	25,000	25,000	16,804	8,196
Excess of revenues under				
expenditures	(2,715)	(2,715)	(4,474)	(1,759)
Net change in fund balance	(2,715)	(2,715)	(4,474)	(1,759)
Fund balance, beginning of the year	18,962	18,962	18,962	-
Fund balance, end of the year	\$ 16,247	\$ 16,247	\$ 14,488	\$ (1,759)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 3,550	\$ 3,550	\$ 628	\$ (2,922)
Miscellaneous	- -	- -	4,178	4,178
Total revenues	3,550	3,550	4,806	1,256
Net change in fund balance	3,550	3,550	4,806	1,256
Fund balance, beginning of year	59,123	59,123	59,123	-
Fund balance, end of the year	\$ 62,673	\$ 62,673	\$ 63,929	\$ 1,256

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ 300,000	\$ 300,000	\$ 334,335	\$ 34,335
Total revenues	300,000	300,000	334,335	34,335
Expenditures:				
Current				
Miscellaneous	288,940	288,940	166,496	122,444
Total expenditures	288,940	288,940	166,496	122,444
Net change in fund balance	11,060	11,060	167,839	156,779
Fund balance, beginning of the year	92,290	92,290	92,290	-
Appropriation for prior year encumbrances	63,940	63,940	63,940	-
Fund balance, end of the year	\$ 167,290	\$ 167,290	\$ 324,069	\$ 156,779

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 450,000	\$ 510,000	\$ 510,000	\$ -
Fines and forfeits	1,145,102	1,145,102	1,309,987	164,885
Miscellaneous	45,000	45,000	15,319	(29,681)
Total revenues	1,640,102	1,700,102	1,835,306	135,204
Expenditures:				
Current				
Public safety				
Personal Services	1,689,316	1,689,316	1,649,460	39,856
Other	156,426	156,426	120,961	35,465
Total expenditures	1,845,742	1,845,742	1,770,421	75,321
Net change in fund balance	(205,640)	(145,640)	64,885	210,525
Fund balance, beginning of the year	76,352	76,352	76,352	-
Fund balance, end of the year	\$ (129,288)	\$ (69,288)	\$ 141,237	\$ 210,525

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 173,589	\$ 173,589	\$ 11,546	\$ (162,043)
Interest earnings	-	-	5,825	5,825
Total revenues	173,589	173,589	17,371	(156,218)
Expenditures:				
Current				
Public safety:				
Step Grant				
Personal Services	25,060	25,060	3,805	21,255
Step Grant II				
Personal Services	23,561	23,561	5,826	17,735
COPS Grant				
Capital Outlay	12,181	12,181	12,181	-
2023 Local JAG Grant				
Contractual Services	7,325	7,325	7,273	52
Capital Outlay	5,863	5,863	-	5,863
2023 Railroad Grant				
Personal Services	80,000	80,000	-	80,000
Total expenditures	153,990	153,990	29,085	124,905
Net change in fund balance	19,599	19,599	(11,714)	(31,313)
Fund balance, beginning of the year	179,393	179,393	179,393	-
Appropriation for prior year encumbrances	3,332	3,332	3,332	-
Fund balance, end of the year	\$ 202,324	\$ 202,324	\$ 171,011	\$ (31,313)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 7,384	\$ 7,384	\$ 5,466	\$ (1,918)
Total revenues	7,384	7,384	5,466	(1,918)
Expenditures:				
Current				
Miscellaneous				
Other	20,000	20,000	(233)	20,233
Total expenditures	20,000	20,000	(233)	20,233
Net change in fund balance	(12,616)	(12,616)	5,699	18,315
Fund balance, beginning of the year	67,365	67,365	67,365	-
Fund balance, end of the year	\$ 54,749	\$ 54,749	\$ 73,064	\$ 18,315

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 114,400	\$ 114,400	\$ 116,726	\$ 2,326
Miscellaneous	-	-	836	836
Total revenues	<u>114,400</u>	<u>114,400</u>	<u>117,562</u>	<u>3,162</u>
Expenditures:				
Current				
Public safety				
Personal Services	85,279	85,279	83,489	1,790
Other	87,771	87,771	46,904	40,867
Total expenditures	<u>173,050</u>	<u>173,050</u>	<u>130,393</u>	<u>42,657</u>
Net change in fund balance	(58,650)	(58,650)	(12,831)	45,819
Fund balance, beginning of the year	336,392	336,392	336,392	-
Appropriation for prior year encumbrances	2,771	2,771	2,771	-
Fund balance, end of the year	<u>\$ 280,513</u>	<u>\$ 280,513</u>	<u>\$ 326,332</u>	<u>\$ 45,819</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 355,200	\$ 355,200	\$ 157,560	\$ (197,640)
Total revenues	355,200	355,200	157,560	(197,640)
Expenditures:				
Current				
Community environment				
Other	416,136	416,136	144,976	271,160
Total expenditures	416,136	416,136	144,976	271,160
Net change in fund balance	(60,936)	(60,936)	12,584	73,520
Fund balance, beginning of the year	88,877	88,877	88,877	-
Fund balance, end of the year	\$ 27,941	\$ 27,941	\$ 101,461	\$ 73,520

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 885,000	\$ 982,000	\$ 1,018,427	\$ 36,427
Interest earnings	-	-	13,379	13,379
Total revenues	885,000	982,000	1,031,806	49,806
Expenditures:				
Current				
Community environment				
Other	928,445	2,574,688	1,620,673	954,015
Total expenditures	928,445	2,574,688	1,620,673	954,015
Net change in fund balance	(43,445)	(1,592,688)	(588,867)	1,003,821
Fund balance, beginning of the year	44,649	44,649	44,649	-
Appropriation for prior year encumbrances	37,626	37,626	37,626	-
Fund balance, end of the year	\$ 38,830	\$ (1,510,413)	\$ (506,592)	\$ 1,003,821

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 179	\$ 179
Miscellaneous	60,245	60,245	17,661	(42,584)
Total revenues	60,245	60,245	17,840	(42,405)
Expenditures:				
Current				
Community Environment	25,550	25,550	2,966	22,584
Other	25,550	25,550	2,966	22,584
Total expenditures	25,550	25,550	2,966	22,584
Net change in fund balance	34,695	34,695	14,874	(19,821)
Fund balance, beginning of the year	10,894	10,894	10,894	-
Fund balance, end of the year	\$ 45,589	\$ 45,589	\$ 25,768	\$ (19,821)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 230,000	\$ 230,000	\$ 222,269	\$ (7,731)
Intergovernmental revenue	26,400	26,400	26,872	472
Municipal income taxes	1,180,000	1,500,000	1,407,224	(92,776)
Total revenues	1,436,400	1,756,400	1,656,365	(100,035)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,682	4,682	2,765	1,917
Personal Services	1,399,506	1,499,506	1,407,224	92,282
Total expenditures	1,404,188	1,504,188	1,409,989	94,199
Net change in fund balance	32,212	252,212	246,376	(5,836)
Fund balance, beginning of the year	1,344,014	1,344,014	1,344,014	-
Fund balance, end of the year	\$ 1,376,226	\$ 1,596,226	\$ 1,590,390	\$ (5,836)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 230,000	\$ 230,000	\$ 222,271	\$ (7,729)
Intergovernmental revenue	26,400	26,400	47,290	20,890
Municipal income taxes	1,401,000	1,761,000	1,615,460	(145,540)
Total revenues	1,657,400	2,017,400	1,885,021	(132,379)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,682	4,682	2,797	1,885
Personal Services	1,547,445	1,757,445	1,615,459	141,986
Total expenditures	1,552,127	1,762,127	1,618,256	143,871
Net change in fund balance	105,273	255,273	266,765	11,492
Fund balance, beginning of the year	1,348,813	1,348,813	1,348,813	-
Fund balance, end of the year	\$ 1,454,086	\$ 1,604,086	\$ 1,615,578	\$ 11,492

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 104,168	\$ 104,168	\$ 101,286	\$ (2,882)
Intergovernmental revenue	15,559	15,559	6,046	(9,513)
Total revenues	<u>119,727</u>	<u>119,727</u>	<u>107,332</u>	<u>(12,395)</u>
Expenditures:				
Current				
Community environment				
Other	125,449	125,449	124,597	852
Total expenditures	<u>125,449</u>	<u>125,449</u>	<u>124,597</u>	<u>852</u>
Excess of revenues over (under) expenditures	(5,722)	(5,722)	(17,265)	(11,543)
Other financing sources (uses):				
Transfers-in	16,000	16,000	16,000	-
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Net change in fund balance	10,278	10,278	(1,265)	(11,543)
Fund balance, beginning of the year	67,421	67,421	67,421	-
Fund balance, end of the year	<u>\$ 77,699</u>	<u>\$ 77,699</u>	<u>\$ 66,156</u>	<u>\$ (11,543)</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 210,000	\$ 210,000	\$ 148,062	\$ (61,938)
Fines and forfeitures	15,000	15,000	3,815	(11,185)
Total revenues	225,000	225,000	151,877	(73,123)
Expenditures:				
Current				
Community environment				
Other	658,426	658,426	648,690	9,736
Total expenditures	658,426	658,426	648,690	9,736
Excess of revenues over (under) expenditures	(433,426)	(433,426)	(496,813)	(63,387)
Other financing sources (uses):				
Transfers-in	200,000	200,000	200,000	-
Total other financing sources (uses)	200,000	200,000	200,000	-
Net change in fund balance	(233,426)	(233,426)	(296,813)	(63,387)
Fund balance, beginning of the year	338,737	338,737	338,737	-
Appropriation for prior year encumbrances	177,426	177,426	177,426	-
Fund balance, end of the year	\$ 282,737	\$ 282,737	\$ 219,350	\$ (63,387)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 186,101	\$ 186,101	\$ 529	\$ (185,573)
Intergovernmental revenue	- -	- -	113	113
Total revenues	186,101	186,101	642	(185,459)
Expenditures:				
Current				
Community environment				
Other	186,101	186,101	64	186,037
Total expenditures	186,101	186,101	64	186,037
Net change in fund balance	- -	- -	578	578
Fund balance, beginning of the year	222	222	222	- -
Fund balance, end of the year	\$ 222	\$ 222	\$ 800	\$ 578

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ONE OHIO OPIOID SETTLEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 225,885	\$ 225,885
Total revenues	-	-	225,885	225,885
Net change in fund balance		-	225,885	225,885
Fund balance, beginning of the year	50,356	50,356	50,356	-
Fund balance, end of the year	\$ 50,356	\$ 50,356	\$ 276,241	\$ 225,885

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
CITY INCOME TAX	\$ 32,114,509	\$ 42,444,509	\$ 42,418,678	\$ (25,831)
less transfers out				
TO GENERAL FUND	(18,920,105)	(26,020,105)	(26,391,032)	370,927
TO AUTO & GAS TAX FUND	(192,784)	(192,784)	(192,784)	-
TO FIRE PENSION FUND	(1,401,000)	(1,761,000)	(1,615,460)	(145,540)
TO POLICE PENSION FUND	(1,180,000)	(1,500,000)	(1,407,224)	(92,776)
TO GENERAL BOND RETIREMENT	(550,000)	(550,000)	(550,000)	-
TO COMPUTER REPLACE FUND	(8,000)	(8,000)	(8,000)	-
TO TERMINATION PAY	(500,000)	(500,000)	(500,000)	-
TO PUBLIC SAFETY FUND	(4,181,983)	(5,331,983)	(5,311,551)	(20,432)
TO STREET LEVY FUND	(3,950,000)	(5,350,000)	(5,237,821)	(112,179)
TO MUNICIPAL COURT	(450,000)	(510,000)	(510,000)	-
Total revenues	780,637	720,637	694,806	(25,831)
Expenditures:				
Current				
General government				
Personal services	675,645	675,645	511,873	163,772
Other	156,195	133,999	69,525	64,474
Total expenditures	831,840	809,644	581,398	228,246
Net change in fund balance	(51,203)	(89,007)	113,408	202,415
Fund balance, beginning of the year	25,000	25,000	25,000	-
Appropriation for prior year encumbrances	51,203	51,203	51,203	-
Fund balance, end of the year	\$ 25,000	\$ (12,804)	\$ 189,611	\$ 202,415

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Total revenues	500,000	500,000	500,000	-
Expenditures:				
Current				
Personal services:				
Public safety	596,029	596,029	463,740	132,289
General government	71,441	71,441	55,585	15,857
Highways & streets	-	-	-	-
Miscellaneous	7,528	7,528	5,857	1,671
Total expenditures	674,999	674,999	525,182	149,817
Net change in fund balance	(174,999)	(174,999)	(25,182)	149,817
Fund balance, beginning of the year	401,213	401,213	401,213	-
Fund balance, end of the year	\$ 226,214	\$ 226,214	\$ 376,031	\$ 149,817

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2023

	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	Towne Mall Hospital Tax Increment Financing District
Assets:							
Cash and equity in pooled cash, deposits and investments	\$ 938,879	\$ 914,089	\$ 58,705	\$ 8,105	\$ 12,930	\$ 165,760	\$ 554,163
Receivables (net of allowance for uncollectibles):							
Accounts	3,609	-	-	-	-	-	-
Payments in lieu of taxes	-	347,550	20,552	683	15,084	19,132	2,415,581
Due from other governments	5,400	-	-	-	-	-	-
Total assets	\$ 947,888	\$ 1,261,639	\$ 79,257	\$ 8,788	\$ 28,014	\$ 184,892	\$ 2,969,744
Liabilities:							
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows:							
Revenues levied for the next year and unavailable revenue	\$ 5,400	\$ 347,550	\$ 20,552	\$ 683	\$ 15,084	\$ 19,132	\$ 2,415,581
Total deferred inflows	5,400	347,550	20,552	683	15,084	19,132	2,415,581
Fund balances:							
Restricted	-	914,089	58,705	8,105	12,930	165,760	554,163
Committed	942,488	-	-	-	-	-	-
Total fund balance	942,488	914,089	58,705	8,105	12,930	165,760	554,163
Total liabilities, deferred inflows and fund balances	\$ 947,888	\$ 1,261,639	\$ 79,257	\$ 8,788	\$ 28,014	\$ 184,892	\$ 2,969,744

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	Sawyer Mill Tax Increment Financing	Totals
\$ 434,461	\$ 894,579	\$ 378	\$ 340,816	\$ 22,014	\$ 26,014	\$ 11,154	\$ 142,049	\$ 4,524,096
-	-	-	-	-	-	-	-	3,609
293,381	465,075	-	104,151	4,448	1,734	68,489	602,066	4,357,926
-	-	-	-	-	-	-	-	5,400
\$ 727,842	\$ 1,359,654	\$ 378	\$ 444,967	\$ 26,462	\$ 27,748	\$ 79,643	\$ 744,115	\$ 8,891,031
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 293,381	\$ 465,075	-	\$ 104,151	\$ 4,448	\$ 1,734	\$ 68,489	\$ 602,066	\$ 4,363,326
293,381	465,075	-	104,151	4,448	1,734	68,489	602,066	4,363,326
434,461	894,579	378	340,816	22,014	26,014	11,154	142,049	3,585,217
-	-	-	-	-	-	-	-	942,488
434,461	894,579	378	340,816	22,014	26,014	11,154	142,049	4,527,705
\$ 727,842	\$ 1,359,654	\$ 378	\$ 444,967	\$ 26,462	\$ 27,748	\$ 79,643	\$ 744,115	\$ 8,891,031

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2023

	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	Towne Mall Hospital Tax Increment Financing District
Revenues							
Municipal income taxes	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	386,886	19,132	-	542	16,289	2,181,854
Intergovernmental	438,215	-	-	-	-	-	-
Miscellaneous revenues	281,956	-	-	-	-	-	-
Total revenues	1,270,171	386,886	19,132	-	542	16,289	2,181,854
Expenditures							
Debt service							
Principal retirement	970,342	56,258	-	-	-	-	140,000
Interest and fiscal charges	340,645	2,900	-	-	-	-	-
Miscellaneous	-	95,786	-	-	-	-	1,630,384
Total expenditures	1,310,987	154,944	-	-	-	-	1,770,384
Excess of revenues over (under) expenditures	(40,816)	231,942	19,132	-	542	16,289	411,470
Other financing sources (uses):							
Premium on bonds	730,903	-	-	-	-	-	-
Total other financing sources (uses)	730,903	-	-	-	-	-	-
Net change in fund balance	690,087	231,942	19,132	-	542	16,289	411,470
Fund balance, beginning of the year	252,401	682,147	39,573	8,105	12,388	149,471	142,693
Fund balance, end of the year	\$ 942,488	\$ 914,089	\$ 58,705	\$ 8,105	\$ 12,930	\$ 165,760	\$ 554,163

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	Sawyer Mill Tax Increment Financing	Totals
\$ -	\$ -	\$ -	\$ 123,955	\$ 999	\$ 713	\$ 91,744	\$ 1,009,384	\$ 550,000
651,318	1,363,484	-	-	-	-	-	-	5,846,300
-	-	-	-	-	-	-	-	438,215
-	-	-	-	-	-	-	-	281,956
651,318	1,363,484	-	123,955	999	713	91,744	1,009,384	7,116,471
<hr/>								
50,000	83,400	-	-	-	-	-	-	1,300,000
76,255	117,600	-	-	-	-	-	-	537,400
462,650	950,261	-	-	-	-	80,590	867,335	4,087,006
588,905	1,151,261	-	-	-	-	80,590	867,335	5,924,406
<hr/>								
62,413	212,223	-	123,955	999	713	11,154	142,049	1,192,065
-	-	-	-	-	-	-	-	730,903
-	-	-	-	-	-	-	-	730,903
<hr/>								
62,413	212,223	-	123,955	999	713	11,154	142,049	1,922,968
372,048	682,356	378	216,861	21,015	25,301	-	-	2,604,737
\$ 434,461	\$ 894,579	\$ 378	\$ 340,816	\$ 22,014	\$ 26,014	\$ 11,154	\$ 142,049	\$ 4,527,705

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 260,516	\$ 260,516	\$ 119,324	\$ (141,192)
Total revenues	260,516	260,516	119,324	(141,192)
Expenditures:				
Debt service	209,599	209,599	199,194	10,405
Total expenditures	209,599	209,599	199,194	10,405
Net change in fund balance	50,917	50,917	(79,870)	(130,787)
Fund balance, beginning of the year	445,582	445,582	445,582	-
Fund balance, end of the year	\$ 496,499	\$ 496,499	\$ 365,712	\$ (130,787)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Intergovernmental	950	950	270,000	269,050
Miscellaneous	404,809	404,809	446,562	41,753
Total revenues	955,759	955,759	1,266,562	310,803
Expenditures:				
Current				
Miscellaneous				
Other	1,500	1,500	-	1,500
Debt service	1,090,402	1,090,402	1,310,987	(220,585)
Total expenditures	1,091,902	1,091,902	1,310,987	(219,085)
Excess of revenues under expenditures	(136,143)	(136,143)	(44,425)	91,718
Other financing sources:				
Premium on Bonds	-	510,318	730,903	220,585
Total other financing sources	-	510,318	730,903	220,585
Net change in fund balance	(136,143)	374,175	686,478	312,303
Fund balance, beginning of the year	252,401	252,401	252,401	-
Fund balance, end of the year	\$ 116,258	\$ 626,576	\$ 938,879	\$ 312,303

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 170,000	\$ 170,000	\$ 386,886	\$ 216,886
Total revenues	<u>170,000</u>	<u>170,000</u>	<u>386,886</u>	<u>216,886</u>
Expenditures:				
Current				
Miscellaneous				
Other	114,206	114,206	95,786	18,420
Debt service	59,158	59,158	59,158	-
Total expenditures	<u>173,364</u>	<u>173,364</u>	<u>154,944</u>	<u>18,420</u>
Net change in fund balance	(3,364)	(3,364)	231,942	235,306
Fund balance, beginning of the year	682,147	682,147	682,147	-
Fund balance, end of the year	<u>\$ 678,783</u>	<u>\$ 678,783</u>	<u>\$ 914,089</u>	<u>\$ 235,306</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 8,155	\$ 8,155	\$ 19,132	\$ 10,977
Total revenues	<u>8,155</u>	<u>8,155</u>	<u>19,132</u>	<u>10,977</u>
Expenditures:				
Current				
Miscellaneous				
Other	100	100	-	100
Total expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Net change in fund balance	8,055	8,055	19,132	11,077
Fund balance, beginning of the year	39,573	39,573	39,573	-
Fund balance, end of the year	<u>\$ 47,628</u>	<u>\$ 47,628</u>	<u>\$ 58,705</u>	<u>\$ 11,077</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Expenditures:				
Current				
Miscellaneous				
Other	50	50	-	50
Total expenditures	50	50	-	50
Net change in fund balance	(50)	(50)	-	50
Fund balance, beginning of the year	8,105	8,105	8,105	-
Fund balance, end of the year	\$ 8,055	\$ 8,055	\$ 8,105	\$ 50

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 974	\$ 974	\$ 542	\$ (432)
Total revenues	974	974	542	(432)
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	939	939	542	(397)
Fund balance, beginning of the year	12,388	12,388	12,388	-
Fund balance, end of the year	\$ 13,327	\$ 13,327	\$ 12,930	\$ (397)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 14,800	\$ 14,800	\$ 16,289	\$ 1,489
Total revenues	<u>14,800</u>	<u>14,800</u>	<u>16,289</u>	<u>1,489</u>
Expenditures:				
Current				
Miscellaneous				
Other	300	300	-	300
Total expenditures	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Net change in fund balance	14,500	14,500	16,289	1,789
Fund balance, beginning of the year	149,471	149,471	149,471	-
Fund balance, end of the year	<u>\$ 163,971</u>	<u>\$ 163,971</u>	<u>\$ 165,760</u>	<u>\$ 1,789</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 685,000	\$ 1,785,000	\$ 2,181,854	\$ 396,854
Total revenues	685,000	1,785,000	2,181,854	396,854
Expenditures:				
Current				
Miscellaneous				
Other	571,100	1,631,100	1,630,384	716
Debt service	140,000	140,000	140,000	-
Total expenditures	711,100	1,771,100	1,770,384	716
Net change in fund balance	(26,100)	13,900	411,470	397,570
Fund balance, beginning of the year	142,693	142,693	142,693	-
Fund balance, end of the year	\$ 116,593	\$ 156,593	\$ 554,163	\$ 397,570

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 595,000	\$ 598,000	\$ 651,318	\$ 53,318
Total revenues	595,000	598,000	651,318	53,318
Expenditures:				
Current				
Miscellaneous				
Other	459,800	462,800	462,650	150
Debt service	126,600	126,600	126,255	345
Total expenditures	586,400	589,400	588,905	495
Net change in fund balance	8,600	8,600	62,413	53,813
Fund balance, beginning of the year	372,048	372,048	372,048	-
Fund balance, end of the year	\$ 380,648	\$ 380,648	\$ 434,461	\$ 53,813

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 910,000	\$ 1,151,300	\$ 1,363,484	\$ 212,184
Total revenues	910,000	1,151,300	1,363,484	212,184
Expenditures:				
Current				
Miscellaneous				
Other	711,950	951,950	950,261	1,689
Debt service	201,000	201,000	201,000	-
Total expenditures	912,950	1,152,950	1,151,261	1,689
Net change in fund balance	(2,950)	(1,650)	212,223	213,873
Fund balance, beginning of the year	682,356	682,356	682,356	-
Fund balance, end of the year	\$ 679,406	\$ 680,706	\$ 894,579	\$ 213,873

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 135,000	\$ 135,000	\$ 123,955	\$ (11,045)
Total revenues	135,000	135,000	123,955	(11,045)
Expenditures:				
Current				
Miscellaneous				
Other	20,020	20,020	-	20,020
Capital Outlay	55,000	55,000	-	55,000
Total expenditures	75,020	75,020	-	75,020
Net change in fund balance	59,980	59,980	123,955	63,975
Fund balance, beginning of the year	216,861	216,861	216,861	-
Fund balance, end of the year	\$ 276,841	\$ 276,841	\$ 340,816	\$ 63,975

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 7,800	\$ 7,800	\$ 999	\$ (6,801)
Total revenues	7,800	7,800	999	(6,801)
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	7,765	7,765	999	(6,766)
Fund balance, beginning of the year	21,015	21,015	21,015	-
Fund balance, end of the year	\$ 28,780	\$ 28,780	\$ 22,014	\$ (6,766)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 790	\$ 790	\$ 713	\$ (77)
Total revenues	790	790	713	(77)
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	755	755	713	(42)
Fund balance, beginning of the year	25,301	25,301	25,301	-
Fund balance, end of the year	\$ 26,056	\$ 26,056	\$ 26,014	\$ (42)

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 196,000	\$ 286,773	\$ 91,745	\$ (195,028)
Total revenues	196,000	286,773	91,745	(195,028)
Expenditures:				
Current				
Miscellaneous				
Other	192,505	283,278	140,515	142,763
Total expenditures	192,505	283,278	140,515	142,763
Net change in fund balance	3,495	3,495	(48,770)	(52,265)
Fund balance, beginning of the year	59,924	59,924	59,924	-
Fund balance, end of the year	\$ 63,419	\$ 63,419	\$ 11,154	\$ (52,265)

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter	Central Avenue Sidewalk Curb and Gutter
Assets						
Cash and equity in pooled cash, deposits and investments	\$ 134,675	\$ 594,000	\$ 1,338,072	\$ 470,352	\$ 16,384	\$ 1
Receivables (net of allowance for uncollectibles):						
Accounts	-	-	-	-	42,765	-
Total assets	\$ 134,675	\$ 594,000	\$ 1,338,072	\$ 513,117	\$ 16,384	\$ 1
Liabilities						
Accounts payable	\$ -	\$ -	\$ 45,975	\$ -	\$ -	\$ -
Notes payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	42,287
Total liabilities	-	-	45,975	-	-	42,287
Fund balances:						
Restricted	134,675	-	-	-	-	-
Committed	-	-	1,292,097	513,117	-	-
Assigned	-	594,000	-	-	16,384	-
Unassigned	-	-	-	-	-	(42,286)
Total fund balances	134,675	594,000	1,292,097	513,117	16,384	(42,286)
Total liabilities and fund balances	\$ 134,675	\$ 594,000	\$ 1,338,072	\$ 513,117	\$ 16,384	\$ 1

2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	2022 Sidewalk Curb and Gutter Program	2023 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ 1 \$	1 \$	1 \$	7,307 \$	89,523 \$	229,034 \$	829,216 \$	3,708,567
-	-	-	-	-	-	-	42,765
\$ 1 \$	1 \$	1 \$	7,307 \$	89,523 \$	229,034 \$	829,216 \$	3,751,332
 \$ - \$	 - \$	 - \$	 - \$	 - \$	 - \$	 - \$	 110,808
4,667	211,682	617,750	145,603	500,000	229,034	1,700,000	1,700,000
4,667	211,682	617,750	145,603	500,000	229,034	1,764,833	3,561,831
 - -	 - -	 134,675					
 - -	 - -	 1,805,214					
 - -	 - -	 610,384					
(4,666)	(211,681)	(617,749)	(138,296)	(410,477)	-	(935,617)	(2,360,772)
(4,666)	(211,681)	(617,749)	(138,296)	(410,477)	-	(935,617)	189,501
 \$ 1 \$	 1 \$	 1 \$	 7,307 \$	 89,523 \$	 229,034 \$	 829,216 \$	 3,751,332

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR CAPITAL PROJECT FUNDS
FOR YEAR ENDED DECEMBER 31, 2023

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter	Central Avenue Sidewalk Curb and Gutter
Revenues						
Municipal income taxes	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	272,053	-	-
Special Assessments	-	-	-	-	307	865
Investment income	4,327	17,768	43,455	-	-	-
Miscellaneous	-	427,445	-	-	-	-
Total revenues	4,327	445,213	51,455	272,053	307	865
Expenditures						
Current						
Community environment	-	17,865	-	74,437	-	-
Highways and streets	-	-	-	-	-	-
General government	-	-	213,032	-	-	-
Debt service						
Principal retirement	-	135,000	-	-	-	-
Interest and fiscal charges	-	55,233	-	-	-	-
Total expenditures	-	208,098	213,032	74,437	-	-
Excess of revenues over (under) expenditures	4,327	237,115	(161,577)	197,616	307	865
Other financing sources (uses)						
Transfers-in	-	175,000	187,938	-	-	-
Proceeds of notes	-	-	-	-	-	-
Total other financing sources (uses)	-	175,000	187,938	-	-	-
Net change in fund balances	4,327	412,115	26,361	197,616	307	865
Fund balance, beginning of year	130,348	181,885	1,265,736	315,501	16,077	(43,151)
Fund balance, end of the year	\$ 134,675	\$ 594,000	\$ 1,292,097	\$ 513,117	\$ 16,384	\$ (42,286)

2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	2022 Sidewalk Curb and Gutter Program	2023 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000
-	-	-	-	-	-	-	272,053
51,209	72,711	118,278	57,084	-	-	-	300,454
-	-	-	-	-	-	-	65,550
-	-	-	-	-	-	-	427,445
51,209	72,711	118,278	57,084	-	-	-	1,073,502
-	-	-	-	-	-	5,739,546	5,831,848
-	-	-	-	410,477	-	-	410,477
-	-	-	-	-	-	64,833	277,865
-	-	-	-	-	-	90,000	225,000
-	-	-	-	-	-	102,723	157,956
-	-	-	-	410,477	-	5,997,102	6,903,146
51,209	72,711	118,278	57,084	(410,477)	-	(5,997,102)	(5,829,644)
-	-	-	-	-	-	159,218	522,156
-	-	-	-	-	-	4,900,000	4,900,000
-	-	-	-	-	-	5,059,218	5,422,156
51,209	72,711	118,278	57,084	(410,477)	-	(937,884)	(407,488)
(55,875)	(284,392)	(736,027)	(195,380)	-	-	2,267	596,989
\$ (4,666)	\$ (211,681)	\$ (617,749)	\$ (138,296)	\$ (410,477)	-	\$ (935,617)	\$ 189,501

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 697,200	\$ 697,200	\$ 686,239	\$ (10,961)
Intergovernmental revenue	884,236	884,236	2,636,732	1,752,496
Charges for services	5,000	5,000	4,302	(698)
Interest earnings	10,000	10,000	307,030	297,030
Miscellaneous	895,000	895,000	1,012,687	117,687
Total revenues	2,491,436	2,491,436	4,646,990	2,155,554
Expenditures:				
Current				
Public safety				
Other	287,782	3,172,237	3,109,571	62,666
Leisure time activities				
Other	1,725,831	3,725,831	2,039,427	1,686,404
Highways and streets				
Other	1,565,829	1,458,913	1,230,176	228,737
Miscellaneous				
Other	13,500	13,500	8,355	5,145
Total expenditures	3,592,942	8,370,481	6,387,529	1,982,952
Excess of revenues over (under) expenditures	(1,101,506)	(5,879,045)	(1,740,539)	4,138,506
Other financing sources (uses):				
Transfer-in	-	4,900,000	4,900,000	-
Total other financing sources (uses)	-	4,900,000	4,900,000	-
Net change in fund balance	(1,101,506)	(979,045)	3,159,461	4,138,506
Fund balance, beginning of the year	(600,053)	(600,053)	(600,053)	-
Appropriation for prior year encumbrances	1,959,442	1,959,442	1,959,442	-
Fund balance, end of the year	\$ 257,883	\$ 380,344	\$ 4,518,850	\$ 4,138,506

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 4,327	\$ 4,327
Total revenues	-	-	4,327	4,327
Net change in fund balance	- -	- -	4,327	4,327
Fund balance, beginning of the year	130,348	130,348	130,348	-
Fund balance, end of the year	\$ 130,348	\$ 130,348	\$ 134,675	\$ 4,327

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ 2,667	\$ 2,667	\$ 17,768	\$ 15,101
Miscellaneous	71,171	71,171	427,445	356,275
Total revenues	73,838	73,838	445,213	371,376
Expenditures:				
Current				
Community environment				
Other	128,250	99,000	42,865	56,135
Debt Service				
Principal retirement	135,000	135,000	135,000	-
Interest & fiscal charges	55,233	55,233	55,233	-
Total expenditures	318,483	289,233	233,098	56,135
Excess of revenues under expenditures	(244,645)	(215,395)	212,115	427,511
Other financing sources (uses):				
Transfers-in	175,000	175,000	175,000	-
Total other financing sources (uses)	175,000	175,000	175,000	-
Net change in fund balance	(69,645)	(40,395)	387,115	427,511
Fund balance, beginning of the year	177,635	177,635	177,635	-
Appropriation for prior year encumbrances	29,250	29,250	29,250	-
Fund balance, end of the year	\$ 137,240	\$ 166,490	\$ 594,000	\$ 427,511

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Interest earnings	51,325	51,325	43,455	(7,870)
Miscellaneous	55,120	55,120	-	(55,120)
Total revenues	114,445	114,445	51,455	(62,990)
Expenditures:				
Current				
General government				
Other	1,043,235	1,033,177	548,927	484,250
Total expenditures	1,043,235	1,033,177	548,927	484,250
Excess of revenues under expenditures	(928,790)	(918,732)	(497,472)	421,260
Other financing sources:				
Transfers-in	187,938	187,938	187,938	-
Total other financing sources	187,938	187,938	187,938	-
Net change in fund balance	(740,852)	(730,794)	(309,534)	421,260
Fund balance, beginning of the year	950,303	950,303	950,303	-
Appropriation for prior year encumbrances	343,235	343,235	343,235	-
Fund balance, end of the year	\$ 552,686	\$ 562,744	\$ 984,004	\$ 421,260

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 189,363	\$ 189,363	\$ 246,640	\$ 57,277
Total revenues	189,363	189,363	246,640	57,277
Expenditures:				
Current				
Community environment				
Other	265,047	215,047	85,438	129,609
Total expenditures	265,047	215,047	85,438	129,609
Net change in fund balance	(75,684)	(25,684)	161,202	186,886
Fund balance, beginning of the year	235,350	235,350	235,350	-
Appropriation for prior year encumbrances	62,800	62,800	62,800	-
Fund balance, end of the year	\$ 222,466	\$ 272,466	\$ 459,352	\$ 186,886

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 307	\$ 307
Total revenues	-	-	307	307
Net change in fund balance	- -	- -	307	307
Fund balance, beginning of the year	16,077	16,077	16,077	-
Fund balance, end of the year	\$ 16,077	\$ 16,077	\$ 16,384	\$ 307

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special Assessments	\$ -	\$ -	\$ 865	\$ 865
Total revenues	-	-	865	865
Excess of revenues over/under expenditures	- -	- -	865	865
Other financing sources/uses:				
Advance out	- -	- -	(865)	(865)
Total other financing sources/(uses)	- -	- -	(865)	(865)
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)
2018 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$	-	\$ 51,209	\$ 51,209
Total revenues	-	-	51,209	51,209
Excess of revenues over expenditures	-	-	51,209	51,209
Other financing uses:				
Advance out	-	-	(51,209)	(51,209)
Total other financing uses	-	-	(51,209)	(51,209)
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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 72,711	\$ 72,711
Total revenues	-	-	72,711	72,711
Excess of revenues over expenditures	- -	- -	72,711	72,711
Other financing uses:				
Advance out	- -	- -	(72,711)	(72,711)
Total other financing uses	- -	- -	(72,711)	(72,711)
Net change in fund balance	- -	- -	- -	- -
Fund balance, beginning of the year	1 1	1 1	1 1	- -
Fund balance, end of the year	\$ 1 \$ 1	\$ 1 \$ 1	\$ 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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 118,278	\$ 118,278
Total revenues	-	-	118,278	118,278
Excess of revenues under expenditures	- -	- -	118,278	118,278
Other financing uses:				
Advance out	- -	- -	(118,278)	(118,278)
Total other financing uses	- -	- -	(118,278)	(118,278)
Net change in fund balance	- -	- -	- -	- -
Fund balance, beginning of the year	1 1	1 1	1 1	- -
Fund balance, end of the year	\$ 1 \$ 1	\$ 1 \$ 1	\$ 1 \$ 1	- -

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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 57,084	\$ 57,084
Total revenues	-	-	57,084	57,084
Expenditures:				
Current				
Highways and streets	7,306	7,306	7,307	(1)
Other	7,306	7,306	7,307	(1)
Total expenditures	7,306	7,306	7,307	(1)
Excess of revenues under expenditures	(7,306)	(7,306)	49,777	57,083
Other financing sources:				
Advance in	- -	- -	(57,084)	(57,084)
Total other financing sources	- -	- -	(57,084)	(57,084)
Net change in fund balance	(7,306)	(7,306)	(7,307)	(1)
Fund balance, beginning of the year	1	1	1	-
Appropriation for prior year encumbrances	7,306	7,306	7,306	-
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)
2022 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Expenditures:				
Current				
Highways and streets				
Other	500,000	500,000	410,477	89,523
Total expenditures	500,000	500,000	410,477	89,523
Excess of revenues under expenditures	(500,000)	(500,000)	(410,477)	89,523
Net change in fund balance	(500,000)	(500,000)	(410,477)	89,523
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ (500,000)	\$ (500,000)	\$ (410,477)	\$ 89,523

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2023 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Total revenues	500,000	500,000	-	(500,000)
Expenditures:				
Current				
Highways and streets	500,000	500,000	229,034	270,966
Other	500,000	500,000	229,034	270,966
Total expenditures	500,000	500,000	229,034	270,966
Excess of revenues under expenditures	-	-	(229,034)	(229,034)
Other financing sources:				
Advance in	-	-	229,034	229,034
Total other financing sources	-	-	229,034	229,034
Net change in fund balance	-	-	-	-
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, 2023

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Sale of Notes	\$ -	\$ 6,566,495	\$ 6,566,495	\$ -
Total revenues	-	6,566,495	6,566,495	-
Expenditures:				
Current				
Community environment				
Other	- -	6,566,495	6,022,442	(544,053)
Debt Service				
Principal retirement	85,000	85,000	90,000	5,000
Interest expense	69,218	69,218	69,218	-
Total expenditures	154,218	6,720,713	6,181,660	(539,053)
Excess of revenues over/under expenditures	(154,218)	(154,218)	384,835	(539,053)
Other financing sources:				
Other sources				
Transfer in	159,218	159,218	159,218	-
Total other financing sources	159,218	159,218	159,218	-
Net change in fund balance	5,000	5,000	544,053	(539,053)
Fund balance, beginning of the year	2,267	2,267	2,267	-
Fund balance, end of the year	\$ 7,267	\$ 7,267	\$ 546,320	\$ (539,053)

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

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, 2023

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Assets:			
Current assets:			
Equity in pooled cash, deposits and investments	\$ 1,024,873	\$ 252,431	\$ 1,277,304
Receivables (net of allowance for uncollectibles):			
Intergovernmental	-	607,960	607,960
Total current assets	1,024,873	860,391	1,885,264
Noncurrent assets:			
Capital assets:			
Construction in progress	399,286	1,248,117	1,647,403
Land	1,524,356	-	1,524,356
Land improvements	720,617	7,082	727,699
Infrastructure assets	1,755,336	125,132	1,880,468
Buildings	2,072,312	1,370,702	3,443,014
Equipment	1,888,550	7,575,627	9,464,177
Less: Accumulated depreciation	(3,854,915)	(5,378,854)	(9,233,769)
Total capital assets (net of accumulated depreciation)	4,505,542	4,947,806	9,453,348
Total noncurrent assets	4,505,542	4,947,806	9,453,348
Total assets	5,530,415	5,808,197	11,338,612
Deferred outflows of resources:			
Pension related	-	163,132	163,132
OPEB related	-	25,447	25,447
Total deferred outflows of resources:	-	188,579	188,579
Liabilities:			
Current liabilities:			
Accounts payable	29,268	515,306	544,574
Accrued wages and benefits	2,457	1,566	4,023
Other accrued liabilities	5,114	-	5,114
Due to other funds	580,837	22,552	603,389
Compensated absences (short-term)	7,087	6,775	13,862
Total current liabilities	624,763	546,199	1,170,962
Long-term liabilities:			
Compensated absences payable	-	519	519
Net pension liability	-	393,588	393,588
Net OPEB liability	-	8,589	8,589
Total long-term liabilities	-	402,696	402,696
Total liabilities	624,763	948,895	1,573,658
Deferred inflows of resources:			
Pension related	-	3,525	3,525
OPEB related	-	3,381	3,381
Total deferred inflows of resources:	-	6,906	6,906
Net position:			
Investment in capital assets	4,505,542	4,947,806	9,453,348
Unrestricted	400,110	93,169	493,279
Total net position	\$ 4,905,652	\$ 5,040,975	\$ 9,946,627

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, 2023

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Operating revenues:			
Charges for services	\$ 547,822	\$ -	\$ 547,822
Other operating revenue	9,020	-	9,020
Total operating revenues	556,842	-	556,842
Operating expenses:			
Personal services	111,496	125,741	237,237
Contractual services	516,483	1,525,004	2,041,487
Commodities	13,908	9,337	23,245
Depreciation	291,602	740,770	1,032,372
Other operating expenses	-	151,655	151,655
Total operating expenses	933,489	2,552,507	3,485,996
Operating income (loss)	(376,647)	(2,552,507)	(2,929,154)
Non-operating revenues (expenses):			
Operating grants	-	945,779	945,779
Total non-operating revenues (expenses)	-	945,779	945,779
Income (loss) before capital contributions and transfers	(376,647)	(1,606,728)	(1,983,375)
Capital contributions	277,613	2,805,318	3,082,931
Transfers in	207,529	-	207,529
Change in net position	108,495	1,198,590	1,307,085
Total net position, beginning of year	4,797,157	3,842,385	8,639,542
Total net position, end of year	\$ 4,905,652	\$ 5,040,975	\$ 9,946,627

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 556,842	\$ -	\$ 556,842
Cash payments to suppliers for goods and services	(553,166)	(1,193,846)	(1,747,012)
Cash payments to employees for services	-	(105,285)	(105,285)
Miscellaneous revenues	(101,536)	-	(101,536)
Cash payments for interfund services used	(21,817)	(267,040)	(288,857)
Net cash provided (used) by operating activities	(119,677)	(1,566,171)	(1,685,848)
Cash flows from non-capital financing activities:			
Operating grants	-	1,538,321	1,538,321
Interfund loan receipts/payments	338,500	-	338,500
Transfers in	207,529	-	207,529
Net cash provided (used) by non-capital financing activities	546,029	1,538,321	2,084,350
Cash flows from capital and related financing activities:			
Purchase of capital assets	(396,619)	(3,069,652)	(3,466,271)
Capital grants	277,613	2,805,318	3,082,931
Net cash provided (used) by capital and related financing activities	(119,006)	(264,334)	(383,340)
Net increase (decrease) in cash and cash equivalents	307,346	(292,184)	15,162
Cash and cash equivalents, beginning of year	717,527	544,615	1,262,142
Cash and cash equivalents, end of year	\$ 1,024,873	\$ 252,431	\$ 1,277,304

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Airport	Transit	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (376,647)	\$ (2,552,507)	\$ (2,929,154)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	291,602	740,770	1,032,372
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in net OPEB asset	-	44,558	44,558
Decrease (increase) in deferred outflows of resources - pension related	-	(105,431)	(105,431)
Decrease (increase) in deferred outflows of resources - OPEB related	-	(23,606)	(23,606)
Increase (decrease) in accounts payable	(43,579)	240,936	197,357
Increase (decrease) in accrued wages and benefits	2,457	117	2,574
Increase (decrease) in due to other funds	(597)	(6,882)	(7,479)
Increase (decrease) in compensated absences payable	7,087	2,652	9,739
Increase (decrease) in net pension liability	-	272,931	272,931
Increase (decrease) in net OPEB liability	-	8,589	8,589
Increase (decrease) in deferred inflows of resources - pension related	-	(144,874)	(144,874)
Increase (decrease) in deferred inflows of resources - OPEB related	-	(43,424)	(43,424)
Total adjustments	256,970	986,336	1,243,306
Net cash provided (used) by operating activities	\$ (119,677)	\$ (1,566,171)	\$ (1,685,848)

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2023**

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, 2023

	Municipal Garage	Employee Benefits Fund	Totals
Assets:			
Current assets:			
Equity in pooled cash, deposits and investments	\$ 6,336,244	\$ 2,474,710	\$ 8,810,954
Receivables (net of allowance for uncollectibles):			
Accounts	5,727	118,631	124,358
Due from other funds	113,837	-	113,837
Inventory of supplies	405,944	-	405,944
Total current assets	6,861,752	2,593,341	9,455,093
Noncurrent assets:			
Capital assets:			
Construction in progress	474,918	-	474,918
Land	195,750	-	195,750
Buildings	1,079,322	-	1,079,322
Equipment	16,509,843	-	16,509,843
Less: Accumulated depreciation	(14,582,223)	-	(14,582,223)
Total capital assets (net of accumulated depreciation)	3,677,610	-	3,677,610
Total noncurrent assets	3,677,610	-	3,677,610
Total assets	10,539,362	2,593,341	13,132,703
Deferred outflows of resources:			
Pension related	135,661	-	135,661
OPEB related	21,164	-	21,164
Total deferred outflows of resources:	156,825	-	156,825
Liabilities:			
Current liabilities:			
Accounts payable	258,750	817,788	1,076,538
Accrued wages and benefits	7,959	-	7,959
Compensated absences payable	29,665	-	29,665
Total current liabilities	296,374	817,788	1,114,162
Long-term liabilities:			
Compensated absences payable	53,674	-	53,674
Net pension liabilities	327,316	-	327,316
Net OPEB liabilities	7,143	-	7,143
Total long-term liabilities	388,133	-	388,133
Total liabilities	684,507	817,788	1,502,295
Deferred inflows of resources:			
Pension related	2,933	-	2,933
OPEB related	2,814	-	2,814
Total deferred inflows of resources:	5,747	-	5,747
Net position:			
Investment in capital assets	3,677,610	-	3,677,610
Unrestricted	6,328,323	1,775,553	8,103,876
Total net position	\$ 10,005,933	\$ 1,775,553	\$ 11,781,486

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Municipal Garage	Employee Benefits Fund	Totals
Operating revenues:			
Charges for services	\$ 3,088,778	\$ 7,038,755	\$ 10,127,533
Other operating revenues	230,841	-	230,841
Total operating revenues	3,319,619	7,038,755	10,358,374
Operating expenses:			
Personal services	645,238	-	645,238
Contractual services	661,587	6,859,217	7,520,804
Commodities	1,095,650	-	1,095,650
Depreciation	1,112,633	-	1,112,633
Other operating expenses	592,526	-	592,526
Total operating expenses	4,107,634	6,859,217	10,966,851
Operating income (loss)	(788,015)	179,538	(608,477)
Non-operating revenues (expenses):			
Interest revenue	206,568	-	206,568
Total non-operating revenues (expenses)	206,568	-	206,568
Change in net position	(581,447)	179,538	(401,909)
Total net position, beginning of the year	10,587,380	1,596,015	12,183,395
Total net position, end of the year	\$ 10,005,933	\$ 1,775,553	\$ 11,781,486

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Municipal Garage	Employee Benefits Fund	Totals
Cash flows from operating activities:			
Cash payments to suppliers for goods and services	\$ (2,239,432)	\$ (6,689,969)	\$ (8,929,401)
Cash payments to employees for services	(508,197)	-	(508,197)
Cash received from interfund services provided	3,455,002	7,008,352	10,463,354
Cash payments for interfund services used	(108,422)	-	(108,422)
Net cash provided by operating activities	598,951	318,383	917,334
Cash flows from capital and related financing activities:			
Purchase of capital assets	(830,845)	-	(830,845)
Net cash used by capital and related financing activities	(830,845)	-	(830,845)
Cash flows from investing activities:			
Interest income	206,568	-	206,568
Net cash provided by investing activities	206,568	-	206,568
Net increase (decrease) in cash and cash equivalents	(25,326)	318,383	293,057
Cash and cash equivalents, beginning of year	6,361,570	2,156,327	8,517,897
Cash and cash equivalents, end of year	\$ 6,336,244	\$ 2,474,710	\$ 8,810,954

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>(continued)</u>	Municipal Garage	Employee Benefits Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (788,015)	\$ 179,538	\$ (608,477)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,112,633	-	1,112,633
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in accounts receivable	(5,727)	(30,403)	(36,130)
Decrease (increase) in due from other funds	141,110	-	141,110
Decrease (increase) in supplies inventory	(11,217)	-	(11,217)
Decrease (increase) in net OPEB asset	37,055	-	37,055
Decrease (increase) in deferred outflows of resources - pension related	(87,676)	-	(87,676)
Decrease (increase) in deferred outflows of resources - OPEB related	(19,631)	-	(19,631)
Increase (decrease) in accounts payable	121,548	169,248	290,796
Increase (decrease) in accrued wages	1,302	-	1,302
Increase (decrease) in compensated absences	20,044	-	20,044
Increase (decrease) in net pension liability	226,974	-	226,974
Increase (decrease) in net OPEB liability	7,143	-	7,143
Increase (decrease) in deferred inflows of resources - pension related	(120,480)	-	(120,480)
Increase (decrease) in deferred inflows of resources - OPEB related	(36,112)	-	(36,112)
Total adjustments	1,386,966	138,845	1,525,811
Net cash provided by operating activities	\$ 598,951	\$ 318,383	\$ 917,334

**CITY OF MIDDLETOWN
CUSTODIAL FUNDS
DECEMBER 31, 2023**

CUSTODIAL FUNDS:

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

MUNICIPAL COURT

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

JOINT ECONOMIC DEVELOPMENT DISTRICT I

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

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Custodial Funds		
	Municipal Court	Joint Economic Development District I	Totals
Assets			
Cash and equity in pooled cash, deposits and investments	\$ -	\$ 616,725	\$ 616,725
Cash and cash equivalents in segregated accounts	342,982	-	342,982
Total assets	342,982	616,725	959,707
Liabilities			
Due to individuals	187,743	-	187,743
Due to other governments	155,239	616,725	771,964
Total liabilities	342,982	616,725	959,707
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, 2023

Custodial Funds			
	Municipal Court	Joint Economic Development District I	Totals
Additions			
Taxes collected for distribution	\$ -	\$ 3,718,855	\$ 3,718,855
Fines, licenses and permits for distribution	2,432,327	-	2,432,327
Total additions	<u>2,432,327</u>	<u>3,718,855</u>	<u>6,151,182</u>
Deductions			
Distributions to other governments	482,320	3,300,309	3,782,629
Distributions on behalf of others	1,950,007	418,546	2,368,553
Total deductions	<u>2,432,327</u>	<u>3,718,855</u>	<u>6,151,182</u>
Net change in Fiduciary net position	-	-	-
Net Position - beginning of the year	-	-	-
Net Position - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	200
Revenue Capacity <i>(Table 7 to Table 11)</i> These schedules contain information to help the reader assess one of the government's most significant local revenue sources, income tax and property taxes.	207
Debt Capacity <i>(Table 12 to Table 16)</i> 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.	212
Demographic and Economic Information <i>(Table 17 and Table 18)</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	217
Operating Information <i>(Table 19 to Table 21)</i> 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.	219

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

Table 1

	2023	2022	2021	2020	2019	Restated 2018	2017	2016	Restated 2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 91,270	82,887	75,330	68,760	63,745	59,480	57,656	56,377	53,363	54,102
Restricted	22,632	18,607	15,785	15,035	14,352	11,995	13,426	12,164	12,843	12,896
Unrestricted	<u>(8,937)</u>	<u>(21,351)</u>	<u>(27,337)</u>	<u>(40,086)</u>	<u>(39,336)</u>	<u>(53,909)</u>	<u>(52,457)</u>	<u>(22,837)</u>	<u>(19,834)</u>	<u>(19,142)</u>
Total Governmental Activities Net Position	\$ 104,965	80,143	63,778	43,709	38,761	17,566	18,625	45,704	46,372	90,598
Business-Type Activities:										
Net Investment in Capital Assets	\$ 117,803	107,409	93,049	80,406	73,092	68,619	66,917	61,159	54,257	51,744
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>44,644</u>	<u>43,277</u>	<u>41,154</u>	<u>41,687</u>	<u>35,633</u>	<u>27,821</u>	<u>18,493</u>	<u>18,502</u>	<u>17,976</u>	<u>17,251</u>
Total Business-Type Activities Net Position	\$ 162,447	150,686	134,203	122,094	108,725	96,440	85,410	79,661	72,233	72,148
Primary Government:										
Net Investment in Capital Assets	\$ 209,073	190,296	168,379	149,166	136,837	128,099	124,573	117,536	107,619	105,846
Restricted	22,632	18,607	15,785	15,035	14,352	11,995	13,426	12,164	12,843	12,896
Unrestricted	<u>35,707</u>	<u>21,926</u>	<u>13,816</u>	<u>1,601</u>	<u>(3,703)</u>	<u>(26,088)</u>	<u>(33,964)</u>	<u>(4,335)</u>	<u>(1,858)</u>	<u>(1,891)</u>
Total Primary Government Net Position	\$ 267,412	230,829	197,980	165,803	147,486	114,006	104,035	125,365	118,604	116,851

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

Table 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Community environment	\$ 3,145	4,491	5,172	4,048	2,367	5,753	3,930	4,320	5,970	11,557
General government	13,554	10,830	8,441	9,169	6,535	6,943	7,464	8,610	5,212	6,190
Leisure	1,369	206	1,128	1,213	746	1,223	1,191	1,072	1,032	1,698
Public health	882	771	835	861	373	644	538	530	421	405
Public safety	34,482	26,956	21,393	29,685	14,327	28,187	26,315	24,990	22,846	23,586
Highways and streets	7,877	4,216	6,616	5,489	7,080	6,704	7,393	7,272	8,417	8,171
Interest on long-term debt	2,209	1,601	1,336	572	746	839	1,085	1,074	1,262	1,078
Total governmental activities expenses	<u>63,518</u>	<u>49,071</u>	<u>44,920</u>	<u>51,037</u>	<u>32,175</u>	<u>50,294</u>	<u>47,916</u>	<u>47,868</u>	<u>45,160</u>	<u>52,685</u>
Business-type activities:										
Water	9,872	6,816	7,332	7,748	7,602	6,873	7,257	7,040	6,807	7,326
Sanitary Sewer	12,280	8,838	9,640	7,943	8,568	8,402	7,711	7,545	7,859	8,892
Golf	-	-	-	-	-	-	-	-	-	352
Solid Waste	3,995	3,916	3,763	3,681	3,498	3,511	3,075	3,281	3,092	2,933
Storm Water	1,783	1,532	1,753	1,353	1,560	1,450	1,299	1,236	1,168	-
Non major enterprise funds	3,487	1,968	4,693	3,647	3,085	2,930	2,422	2,410	1,815	3,232
Total business-type activities expenses	<u>31,417</u>	<u>23,070</u>	<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>
Total primary government expenses	<u>\$ 94,935</u>	<u>72,141</u>	<u>72,100</u>	<u>75,408</u>	<u>56,488</u>	<u>73,460</u>	<u>69,680</u>	<u>69,380</u>	<u>65,901</u>	<u>75,420</u>
Program Revenue										
Governmental activities:										
Charges for services:										
Community environment	\$ 582	225	266	176	314	888	307	682	543	688
General government	4,293	3,804	3,250	3,544	3,217	3,088	3,088	2,839	2,856	2,861
Highways and streets	311	606	128	181	151	119	279	532	312	219
Leisure	152	2	2	1	3	-	-	-	78	-
Public health	345	314	343	281	278	341	322	335	263	209
Public safety	7,070	5,486	4,753	4,428	4,653	4,903	4,768	4,439	4,245	4,850
Operating grants & contributions	4,853	3,768	2,556	5,476	1,591	1,738	2,366	1,202	553	922
Capital grants & contributions	5,478	6,216	5,712	2,870	5,605	4,032	5,181	5,391	3,410	3,079
Total governmental activities program revenue	<u>\$ 23,084</u>	<u>20,421</u>	<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>

continued on next page

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

Table 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Charges for services:										
Water	\$ 10,330	10,293	9,909	10,152	10,096	10,141	9,008	8,703	7,869	7,780
Sanitary Sewer	15,622	16,098	16,680	15,702	14,656	14,017	11,545	10,015	8,961	9,157
Golf course *closed /sold in 2014	-	-	-	-	-	-	-	-	-	27
Solid Waste	4,346	3,879	3,836	3,541	3,411	3,424	3,183	3,142	2,996	2,989
Storm Water	2,425	2,433	2,449	2,003	2,065	2,052	1,958	1,997	1,821	
Other business-type activities	548	665	1,158	912	433	374	397	417	421	2,192
Operating grants & contributions	946	2,506	2,769	2,283	1,218	1,542	1,052	1,727	1,226	1,509
Capital grants & contributions	7,518	3,159	1,349	1,843	3,291	1,944	862	2,559	180	129
Total business-type activities program revenue	<u>41,735</u>	<u>39,033</u>	<u>38,150</u>	<u>36,437</u>	<u>35,170</u>	<u>33,494</u>	<u>28,005</u>	<u>28,560</u>	<u>23,474</u>	<u>23,783</u>
Total primary government program revenue	<u>\$ 64,819</u>	<u>59,454</u>	<u>55,158</u>	<u>53,395</u>	<u>50,982</u>	<u>48,603</u>	<u>44,316</u>	<u>43,980</u>	<u>35,734</u>	<u>36,611</u>
Net (Expense)/Revenue										
Governmental activities	\$ (40,434)	(28,650)	(27,911)	(34,079)	(16,363)	(35,185)	(31,605)	(32,448)	(32,900)	(39,857)
Business-type activities	10,318	15,963	10,970	12,066	10,857	10,328	6,241	7,048	2,733	1,048
Total primary government net expense	<u>(30,116)</u>	<u>(12,687)</u>	<u>(16,942)</u>	<u>(22,013)</u>	<u>(5,506)</u>	<u>(24,857)</u>	<u>(25,364)</u>	<u>(25,400)</u>	<u>(30,167)</u>	<u>(38,809)</u>
General Revenues and Other Changes in Net										
Governmental activities:										
Income taxes	\$ 43,889	33,804	35,985	24,483	26,010	23,541	23,663	22,181	21,346	20,560
Property taxes	5,118	5,122	5,075	4,465	4,296	4,215	3,988	4,073	4,154	4,331
Other taxes	3,615	3,403	3,604	3,247	3,078	2,554	2,507	2,487	2,606	2,575
Grants/contributions not restricted	2,366	1,760	2,068	3,647	1,521	1,806	1,612	1,414	1,375	1,317
Investment earnings	4,183	(2,473)	(641)	881	867	269	11	(90)	115	96
Miscellaneous	6,205	3,363	2,769	2,544	2,296	1,826	1,753	1,645	1,751	1,161
Transfers	(120)	37	(880)	(240)	(511)	(84)	(1)	71	69	(1,942)
Total governmental activities general revenues	<u>65,256</u>	<u>45,016</u>	<u>47,980</u>	<u>39,027</u>	<u>37,557</u>	<u>34,127</u>	<u>33,533</u>	<u>31,781</u>	<u>31,416</u>	<u>28,098</u>
Business-type activities:										
Income taxes	\$ -	-	-	-	-	-	175	205	186	137
Investment earnings	1,265	527	220	465	636	344	226	153	133	28
Transfers	120	(37)	880	240	511	84	1	(72)	254	1,942
Miscellaneous	58	30	39	598	281	273	165	93	(69)	106
Total business type activities general revenues	<u>1,443</u>	<u>520</u>	<u>1,139</u>	<u>1,303</u>	<u>1,428</u>	<u>701</u>	<u>567</u>	<u>379</u>	<u>504</u>	<u>2,213</u>
Total primary government general revenues	<u>\$ 66,699</u>	<u>45,536</u>	<u>49,119</u>	<u>40,330</u>	<u>38,985</u>	<u>34,828</u>	<u>34,100</u>	<u>32,160</u>	<u>31,920</u>	<u>30,311</u>
Special item	\$ -	-	-	-	-	-	-	-	-	(3,345)
Changes in Net Position										
Governmental activities	\$ 24,822	16,366	20,069	4,948	21,195	(1,058)	1,928	(667)	(1,484)	(11,759)
Business-type activities	11,761	16,483	12,109	13,369	12,285	11,029	6,808	7,427	3,237	(84)
Total primary government	<u>\$ 36,583</u>	<u>32,849</u>	<u>32,177</u>	<u>18,317</u>	<u>33,480</u>	<u>9,971</u>	<u>8,736</u>	<u>6,760</u>	<u>1,753</u>	<u>(11,843)</u>

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

Table 3

Fiscal Year	Income Tax	Property Tax	Other Taxes	Total
2023	\$ 43,889	\$ 5,118	\$ 3,615	\$ 52,622
2022	\$ 33,804	\$ 5,122	\$ 3,403	\$ 42,329
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

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

Table 4

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable, restricted, committed and assigned	\$ 4,755	4,709	3,570	6,306	7,522	7,570	6,602	4,829	4,278	1,213
Unreserved, unassigned	24,493	15,869	17,633	10,430	6,884	7,189	6,730	5,625	5,181	7,751
Total General Fund	\$ 29,248	20,578	21,203	16,736	14,406	14,759	13,332	10,454	9,459	8,964
All Other Governmental Funds										
Nonspendable, restricted or committed	\$ 60,226	49,194	41,034	14,711	13,854	11,674	12,107	11,264	11,600	10,803
Unassigned reported in:										
Capital project funds	-	-	-	-	-	(360)	(91)	(514)	(342)	(82)
Debt service funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	(2,455)	(1,408)	(1,655)	(1,881)	(965)	(581)	(571)	(283)	(149)	(72)
Total All Other Governmental Funds	57,771	47,786	39,379	12,830	12,888	10,732	11,445	10,467	11,110	10,650
Total Governmental Funds	\$ 87,019	68,364	60,582	29,566	27,294	25,491	24,777	20,921	20,569	19,614

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 5,121	5,121	5,082	4,530	4,340	4,198	4,009	4,086	4,258	4,311
Municipal income taxes	42,645	33,606	35,693	24,073	26,410	23,441	24,593	22,180	21,768	20,576
Intergovernmental revenues	15,546	13,419	12,121	13,396	8,955	9,700	10,275	9,978	7,608	16,035
Charges for services	6,162	5,473	5,195	4,633	4,646	4,987	4,663	4,706	4,549	4,593
Fees, licenses, and permits	764	656	607	518	396	453	388	496	403	295
Fines and forfeits	2,053	1,822	1,463	1,379	1,555	1,623	1,660	1,542	1,718	1,883
Special assessments	610	834	814	667	622	532	541	650	819	746
Investment earnings	4,183	(2,473)	(641)	881	867	269	11	(90)	115	96
Miscellaneous	10,152	5,690	4,550	4,811	4,752	4,635	3,917	3,791	3,463	3,255
Total revenues	87,236	64,148	64,883	54,888	52,543	49,838	50,057	47,339	44,701	51,747
Expenditures										
Current:										
General Government	7,012	6,350	5,815	5,452	5,533	5,103	4,881	4,596	3,952	3,695
Public safety	35,037	29,874	30,261	27,761	26,104	25,352	24,176	23,129	22,396	23,851
Public health and welfare	879	818	933	786	587	563	440	480	405	389
Leisure time activities	1,993	1,148	1,123	993	993	1,003	917	832	902	887
Community environment	11,001	4,698	4,872	3,704	4,031	5,338	3,473	3,902	5,590	11,633
Highways and streets	15,137	19,965	15,518	6,668	6,084	5,687	6,210	8,207	6,761	4,582
Miscellaneous	6,673	5,066	3,354	3,830	3,494	2,551	2,641	2,143	2,202	1,954
Debt Service										
Principal retirement	4,768	5,959	4,759	1,833	2,639	2,566	2,518	2,709	4,538	3,329
Interest and fiscal charges	1,991	1,632	1,357	665	764	878	1,056	1,061	1,229	1,065
Total expenditures	84,491	75,510	67,992	51,692	50,229	49,041	46,313	47,059	47,975	59,769
Excess (deficiency) of revenues over expenditures	\$ 2,745	(11,362)	(3,109)	3,196	2,314	797	3,744	280	(3,274)	(8,022)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Continued										
Other Financing Sources (Uses)										
Transfers in	\$ 5,638	781	1,273	1,175	2,803	987	437	230	1,069	67
Transfers out	(5,758)	(743)	(2,154)	(2,099)	(3,315)	(1,071)	(439)	(158)	(1,000)	(2,009)
Issuance of bonds	10,400	18,100	33,705	-	-	-	5,830	-	4,160	446
Issuance of notes	4,900	1,006	1,300	-	-	-	584	-	-	-
Other uses	-	-	-	-	-	-	(6,300)	-	-	-
Other sources	731	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	15,911	19,144	34,125	(923)	(512)	(84)	112	72	4,229	5,966
Net change in Fund Balances	18,656	7,782	31,016	2,273	1,802	713	3,856	352	955	(2,056)
Asset Additions	\$ 26,072	23,970	16,878	9,233	8,103	6,074	6,121	7,626	5,875	2,832
Non capital expenditures	\$ 58,419	51,540	51,113	42,459	42,126	42,967	40,192	39,433	42,100	56,937
Debt service as a % of noncapital expenditures	11.57%	14.73%	11.97%	5.88%	8.08%	8.02%	8.89%	9.56%	13.70%	12.14%

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

Table 6

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Property taxes	\$ 5,121	5,121	5,082	4,530	4,340	4,198	4,009	4,086	4,258	4,281
Municipal income taxes	\$ 42,645	33,606	35,693	24,073	26,410	23,441	24,593	22,180	21,768	19,617

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

Table 7

Tax Levy/ Collection Year	Real Property		Personal Property (1)		Public Utility (2)		Totals		Assessed Value as a Percent of Estimated Actual Value	
	Assessed	Actual	Assessed	Estimated Actual	Assessed	Actual	Assessed	Estimated Actual	Direct Tax Rate	
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
2021/2022	\$779,848	\$2,228,137	\$0	\$0	\$86,858	\$248,166	\$866,706	\$2,476,303	6.90	35.00
2022/2023	\$769,606	\$2,198,875	\$0	\$0	\$85,512	\$244,319	\$855,118	\$2,443,194	6.90	35.00

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

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

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

(1) Other than public utility.

(2) Real and tangible personal property

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

CITY OF MIDDLETOWN, OHIO
Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Last ten years (1)
Table 8

Collection Year	City of Middletown										
	Operating	Police and Fire Pension	Senior Citizen Levy	Fire Station Levy	City of Middletown Total	Butler County	Middletown City School District	Parks	Library	JVSD	Total
2014	5.30	0.60	1.00	0.00	6.90	9.72	49.08	0.5	0.75	1.93	68.88
2015	5.30	0.60	1.00	0.00	6.90	9.72	54.51	0.5	0.75	1.93	74.31
2016	5.30	0.60	1.00	0.00	6.90	9.72	55.39	0.7	0.75	1.93	75.39
2017	5.30	0.60	1.00	0.00	6.90	9.72	54.15	0.7	0.75	1.93	74.15
2018	5.30	0.60	1.00	0.00	6.90	9.72	54.08	0.7	0.75	1.93	74.08
2019	5.30	0.60	1.00	0.00	6.90	9.72	52.48	0.7	0.75	1.93	72.48
2020	5.30	0.60	1.00	0.00	6.90	9.22	50.14	0.7	0.75	1.93	69.64
2021	5.30	0.60	1.00	0.00	6.90	7.30	49.41	0.7	0.75	1.93	66.99
2022	5.30	0.60	0.00	1.00	6.90	9.72	49.41	0.7	0.75	1.93	69.41
2023	5.03	0.60	0.00	1.00	6.63	9.28	44.36	0.7	0.75	1.93	63.65

(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, 2022 and Nine Years Ago
(in thousands)
Table 9

Top Ten Property Taxpayers (real property)

2014 Calendar year/ 2013 Tax Year			2023 Calendar year/ 2022 Tax Year		
	<u>Assessed</u> <u>Valuation</u>	<u>% of Total</u>		<u>Assessed</u> <u>Valuation</u>	<u>% of Total</u>
AK Steel	\$ 10,331	1.46%	Duke Energy Ohio Inc	\$ 64,975	7.60%
Compartir	\$ 4,458	0.63%	NTE Ohio LLC	\$ 17,028	1.99%
Boymel Family LLC	\$ 3,500	0.49%	AK Steel Corp	\$ 11,128	1.30%
Precision Strip Inc	\$ 3,364	0.47%	Dynegy Dicks Creek LLC	\$ 4,785	0.56%
Liberty Retirement Properties	\$ 3,263	0.46%	Bavarian Woods Apartments	\$ 4,780	0.56%
Middletown Coke	\$ 2,919	0.41%	6898 Hamilton Middletown Road	\$ 4,602	0.54%
Chaka-Chak LLC	\$ 2,063	0.29%	Texas Eastern Transmission	\$ 4,551	0.53%
Bavarian Woods	\$ 1,925	0.27%	Precision Strip Inc	\$ 4,388	0.51%
CMC Old Towne LLC	\$ 1,595	0.22%	Olde Towne Properties II LLC	\$ 3,826	0.45%
Bay West Paper Co	\$ 1,442	0.20%	AJB Realty LLC	\$ 3,500	0.41%
TOTAL TOP TEN	\$ 34,860	4.92%	TOTAL TOP TEN	\$ 123,563	14.45%
TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	\$709,019		TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	\$855,118	

Source: Butler County Auditor's Office

CITY OF MIDDLETOWN, OHIO
Property Tax Levies and Collections - Cash Basis
Last Ten Years
(amounts expressed in thousands)
Table 10

Fiscal Year Ended December 31	Collected within the Fiscal Year of the Levy						Percent of Total Tax Collection to Current Tax Levy
	Total Tax Levy for Fiscal Year (Millage)	Amount Levied	Amount Collected	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collected	
2023	6.63	\$5,110	\$4,217	82.52%	\$211	\$4,428	86.65%
2022	6.90	\$5,102	\$4,382	85.89%	\$229	\$4,611	90.38%
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%

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
2023	2.00%	\$3,444,178	\$11,629,318	\$27,345,182	\$42,418,678
2022	2.00%	\$3,288,143	\$4,629,218	\$25,807,945	\$33,725,306
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

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				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	Total			
2023	\$ 37,540	\$ 22,980	\$ 2,522	\$ 4,900	\$ 5,921	\$ -	\$ -	\$ 73,863	3.96%	\$ 1,434	
2022	\$ 28,141	\$ 25,877	\$ 2,697	\$ -	\$ 6,900	\$ -	\$ -	\$ 63,615	3.94%	\$ 1,242	
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	

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	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2023	\$43,461	\$939	\$42,522	5.82%	\$844
2022	\$35,041	\$255	\$34,786	4.04%	\$684
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

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, 2023
(amounts expressed in thousands)
Table 14

Political Subdivision	General Bonded Debt	Percent Applicable to	
		City	City's Share
Butler County	18,682	7.54%	\$1,408
Warren County	0	1.01%	\$0
Subtotal, overlapping debt			<u>\$1,408</u>
General Obligation Bond			43,461
Special Assessment debt			<u>2,522</u>
Subtotal, direct debt			45,983
Total direct and overlapping debt			<u><u>\$47,391</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 74,447	69,321	69,321	69,524	73,811	74,205	78,440	89,052	91,004	89,787
Total net debt applicable to limit	\$ 19,484	19,565	19,565	19,808	17,285	14,707	12,858	10,950	27,957	37,860
Legal debt margin	\$ 54,963	49,929	52,118	53,583	59,220	60,874	66,409	75,074	63,047	51,927
Total net debt applicable to the limit as a percentage of debt limit	26.17%	28.22%	28.22%	28.49%	23.42%	19.82%	16.39%	12.30%	30.72%	42.17%
Assessed value										\$855,118
Add back: exempt real property										-
Total assessed value										\$855,118
Debt limit (10.5%) of total asses value										89,787
Debt applicable to limit:										
General obligation bond										37,860
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										37,860
Legal debt margin										51,927

Note: Under state finance law, the City of Middletown's outstanding general obligation debt should not exceed ten and one-half percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MIDDLETOWN, OHIO
Pledged-Revenue Coverage
Last Ten Years
Table 16

Collection Year	Tax Year	Debt Service			Coverage
		Special Assessment Collections	Principal	Interest & Fiscal Charges	
2023	2022	\$119,324	\$175,000	\$24,195	0.60
2022	2021	\$131,035	\$90,000	\$28,482	1.11
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

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)
2014	48,766	\$983,754 estimate	\$20,229 estimate	37.3	12 yrs - 78.6% 16 yrs - 16.0% 12 yrs - 83.1%	11,051	5.4
2015	48,760	\$985,476 estimate	\$20,345 estimate	37.3	16 yrs - 16.0% 12 yrs - 83.1%	11,528	4.3
2016	48,760	\$988,365 estimate	\$20,270 estimate	37.6	16 yrs - 15.7% 12 yrs - 82.5%	11,414	4.0
2017	48,813	\$1,014,627 estimate	\$20,786 estimate	37.8	16 yrs - 16.8% 12 yrs - 83.8%	11,390	3.7
2018	48,861	\$1,053,473 estimate	\$21,622 estimate	37.3	16 yrs - 17.1% 12 yrs - 83.9%	11,446	4.0
2019	48,807	\$1,078,147 estimate	\$22,090 estimate	37.7	16 yrs - 16.4% 12 yrs - 84.6%	11,274	4.5
2020	48,807	\$1,112,458 estimate	\$22,793 estimate	37.6	16 yrs - 15.8% 12 yrs - 85.5%	11,014	4.6
2021	50,987	\$1,233,070 estimate	\$24,184 estimate	38.4	16 yrs - 15.6% 12 yrs - 85.4%	11,146	3.1
2022	51,229	\$1,299,885 estimate	\$25,374 estimate	38.7	16 yrs - 15.8% 12 yrs - 85.4%	11,168	3.4
2023	51,500	\$1,299,268 estimate	\$25,229 estimate	38.6	16 yrs - 16.1% 12 yrs - 83.9%	10,918	3.2

Data Sources:

(1) US Census Bureau

(2) US Department of Labor

CITY OF MIDDLETOWN, OHIO
Principal Employers by Employee Count
Current Year and Nine Years Ago
Table 18

Employer	Employees	2023		Percentage of Total City Employment
		Rank		
Cleveland Cliffs Steel Co (formerly AK Steel)	2,806	1		13.7%
Atrium Medical Center	1,600	2		7.8%
Middletown City Schools	971	3		4.7%
Intelycare Inc	683	4		3.3%
Lowe's Home Centers LLC	609	5		3.0%
Wal-Mart Associates Inc	569	6		2.8%
Staffmark Investment LLC	554	7		2.7%
PAC Worldwide Corp	507	8		2.5%
City of Middletown	452	9		2.2%
Onesource Employee Management	451	10		2.2%
TOTAL ESTIMATED CITY EMPLOYMENT	20,545			
<hr/>				
Employer	Employees	2014		Percentage of Total City Employment
		Rank		
AK Steel	2,277	1		11.4%
Atrium Medical Center	1,807	2		9.1%
CM Temporary Services Inc	1,328	3		6.7%
Crown Services 36 LLC	1,116	4		5.6%
CBS Personnel Services, LLC	925	5		4.6%
Middletown City School District	842	6		4.2%
Onesource Employee Management LLC	833	7		4.2%
Miami University	620	8		3.1%
Kroger Limited Partnership	619	9		3.1%
Belcan Services Group II	563	10		2.8%
TOTAL ESTIMATED CITY EMPLOYMENT	19,960			

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	30.5	34.5	36.5	36.5	37.5	36.5	37.5	36.5	37.5	38.5
Public safety										
Police										
Officers	72	68	69	71	72	69	70	72	72	77
Civilians	31	31	35	33	33	41.5	41.5	41.5	36.5	36.5
Fire										
Firefighters & officers	66	64	67	67	67	79	81	81	84	84
Civilians	1	1	1	1	1	1	1	1	1	1
Other	28	30	32	32	31	32	32	31	34	35
Highways and streets										
Maintenance	14	14	14.5	14.5	14.5	14.5	14.5	14	14	16
Leisure Time Activities	6	6	6	6	6	6	6	6	6	6
Community Environment	3	2	4.5	4.5	4.5	5	6	6	10	11
Public health & welfare	3	3	5	5	5	5	7	7	7	8
Water	31	31	31	31	31	31	32	32	33	33
Sewer	35	35	36	36	35	36	37	38	39	39.5
Storm Water	7.5	7.5	9	9	9	9	9	9.5	9.5	9
Airport	0	0	0	0	0	0	2	0	0	1
Golf Course	5	0	0	0	0	0	0	0	0	0
Solid Waste	1	1	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Transit	4	4	4	4	4	2	1	1	1	1
Internal Services	7	7	7	7	7	7	7	7	7	7
Total	345	339	358	358	358	375	385	384	392	404

Source: City of Middletown Finance Administration

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Number of fire responses	4,809	2,159	2,116	1,997	2,734	2,901	2,042	2,771	2,712	2,872
Average response time (minutes)	5.5	6.0	5.6	6.1	5.3	5.3	5.5	5.4	6.0	5.3
Emergency medical calls	8,484	8,633	9,268	9,834	9,520	9,540	8,904	10,131	10,397	10,224
Police										
Calls for service	52,925	44,353	40,337	40,602	40,597	36,730	33,114	34,862	48,288	45,172
Number of arrests	6,481	5,861	6,239	6,150	4,773	4,022	3,308	3,909	4,653	2,966
Response time for priority calls (minutes)	5.7	5.8	6.1	6.1	4.4	6.3	6.1	5.6	5.6	6.5
Traffic accidents	1,196	1,212	1,387	1,094	1,032	1,058	841	1,016	939	908
Average daily jail population	58	57	103	62	54	41	28	33	40	41
Transit										
Unlinked passenger trips	168,753	167,837	147,614	136,787	146,186	145,176	120,388	111,712	175,612	125,240
Water										
Average daily water pumpage (million gallons per day)	8.80	8.30	8.93	9.00	10.36	10.78	10.24	10.41	11.26	10.43
Number of water accounts	19,097	19,006	19,094	19,017	19,144	19,029	19,307	20,311	24,937	21,000
Sewer										
Average daily flow (million gallons per day)	16.4	17.0	18.4	15.6	20.2	20.2	17.2	17.6	16.9	15.9
Sewer mains cleaned (linear feet)	59,892	15,040	46,748	11,869	16,655	31,102	10,414	10,850	18,443	25,001

Source: City of Middletown Departmental Data

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Fire stations	4	4	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	109	109	109	109	109	109	109	109
Water:										
Water mains (miles)	343	343	343	290	290	290	290	290	290	290
Sewer:										
Sanitary & storm (miles)	320	320	320	394	394	394	394	394	394	394
Leisure & recreation:										
Parks	35	35	35	34	34	34	34	34	34	34
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Courses (public)	0	0	0	0	0	0	0	0	0	0

Source: City of Middletown