



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

**MIDDLETOWN CITY SCHOOL DISTRICT**  
**BUTLER COUNTY**

SINGLE AUDIT  
YEAR ENDED JUNE 30, 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Education  
Middletown City School District  
1 Donham Plaza, 4th Floor  
Middletown, OH 45042-1932

We have reviewed the *Independent Auditor's Report* of Middletown City School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 14, 2022

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**MIDDLETOWN CITY SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

| <u>Federal Grantor/Program Title</u>   | <u>Pass-Through<br/>Entity<br/>Number</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>Revenues</u> | <u>Federal<br/>Expenditures</u> |
|--|---|------------------------------------|-----------------------------|---------------------------------|
| <u>U.S. Department of Agriculture:</u><br>(Passed through Ohio Department of Education)                  |   |                                    |                             |                                 |
| Child Nutrition Cluster:   |   |                                    |                             |                                 |
| <i>Non-Cash Assistance (Food Distribution)</i>   |   |                                    |                             |                                 |
| National School Lunch Program  | 2021                                      | 10.555                             | \$ 196,571                  | 196,571                         |
| <i>Cash Assistance</i>   |   |                                    |                             |                                 |
| School Breakfast Program   | 2021                                      | 10.553                             | 676,474                     | 676,474                         |
| COVID-19 School Breakfast Program  | 2021                                      | 10.553                             | 258,966                     | 258,966                         |
| National School Lunch Program  | 2021                                      | 10.555                             | 1,170,058                   | 1,170,058                       |
| COVID-19 National School Lunch Program   | 2021                                      | 10.555                             | 390,562                     | 390,562                         |
| <i>Cash Assistance Subtotal</i>  |   |                                    | <u>2,496,060</u>            | <u>2,496,060</u>                |
| Child Nutrition Cluster Total  |   |                                    | <u>2,692,631</u>            | <u>2,692,631</u>                |
| Total U.S. Department of Agriculture   |   |                                    | <u>2,692,631</u>            | <u>2,692,631</u>                |
| <u>U.S. Department of the Treasury</u><br>(Passed through State of Ohio Office of Budget and Management) |   |                                    |                             |                                 |
| COVID-19 BroadbandOhio Connectivity  | NA  | 21.019                             | 151,466                     | 151,466                         |
| COVID-19 Coronavirus Relief Funds  | NA  | 21.019                             | 394,459                     | 394,459                         |
| Total U.S. Department of the Treasury  |   |                                    | <u>545,925</u>              | <u>545,925</u>                  |
| <u>U.S. Department of Education:</u><br>(Passed through Ohio Department of Education)                    |   |                                    |                             |                                 |
| Title I:   |   |                                    |                             |                                 |
| Title I Grants to Local Educational Agencies (2020)  | S010A190035                               | 84.010                             | 991,129                     | 621,321                         |
| Title I Grants to Local Educational Agencies (2021)  | S010A200035                               | 84.010                             | 2,929,368                   | 3,073,595                       |
| Title I School Improvement 1003  | 2021                                      | 84.010                             | -                           | 6,467                           |
| Title I Total  |   |                                    | <u>3,920,497</u>            | <u>3,701,383</u>                |
| Special Education Cluster:   |   |                                    |                             |                                 |
| Special Education - Grants to States (2020)  | H027A190111                               | 84.027                             | 286,813                     | 180,798                         |
| Special Education - Grants to States (2021)  | H027A200111                               | 84.027                             | 1,290,664                   | 1,767,577                       |
| Special Education - Grants to States (2021) (PMPS)   | 2021                                      | 84.173                             | 844                         | 844                             |
| Special Education - Preschool Grants (2021)  | H173A200119                               | 84.173                             | 26,273                      | 32,144                          |
| Special Education - Preschool Grants (Preschool Restoration)   | H173200119                                | 84.173                             | 2,670                       | 2,670                           |
| Special Education Cluster Total  |   |                                    | <u>1,607,264</u>            | <u>1,984,033</u>                |
| English Language Acquisition Grants (2020)   | S365A190035                               | 84.365                             | 10,183                      | 12,728                          |
| English Language Acquisition Grants (2021)   | S365A200035                               | 84.365                             | 57,798                      | 63,014                          |
|  |   |                                    | <u>67,981</u>               | <u>75,742</u>                   |
| COVID-19 Elementary and Secondary School and Emergency Relief  | S425D200035                               | 84.425D                            | 2,280,156                   | 2,541,016                       |
| Supporting Effective Instruction State Grants (2020)   | S367A190034                               | 84.367                             | -                           | 82,218                          |
| Supporting Effective Instruction State Grants (2021)   | S367A200034                               | 84.367                             | 183,510                     | 230,535                         |
|  |   |                                    | <u>183,510</u>              | <u>312,753</u>                  |
| Student Support and Academic Enrichment Program (2020)   | S424A190036                               | 84.424                             | 27,153                      | 16,635                          |
| Student Support and Academic Enrichment Program (2021)   | S424A200036                               | 84.424                             | 103,813                     | 140,599                         |
|  |   |                                    | <u>130,966</u>              | <u>157,234</u>                  |
| Disaster Recovery Assistance for Education   | 2021                                      | 84.938                             | 5,728                       | 1,826                           |
| Total U.S. Department of Education   |   |                                    | <u>8,196,102</u>            | <u>8,773,987</u>                |
| Total Federal Awards   |   |                                    | <u>\$ 11,434,658</u>        | <u>12,012,543</u>               |

**MIDDLETOWN CITY SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards - continued  
Year Ended June 30, 2021

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Middletown City School District (the "School District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed.

**NOTE D - CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Middletown City School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Middletown City School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 28, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we considered to be a significant deficiency.

## **Compliance and Other Matters**

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

## **School District's Response to the Finding**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 28, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE****INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Middletown City School District:

**Report on Compliance for Each Major Federal Program**

We have audited Middletown City School District's ("School District") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated December 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 28, 2021

**MIDDLETOWN CITY SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2021

**Section I – Summary of Auditors’ Results**

**Financial Statements**

|  |            |
|--|------------|
| Type of auditors’ report issued:   | unmodified |
| Internal control over financial reporting:   |            |
| • Material weakness(es) identified?  | no         |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | yes        |
| Noncompliance material to the financial statements noted?                          | no         |

**Federal Awards**

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| • Material weakness(es) identified?  | no            |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | none reported |

|   |            |
|---|------------|
| Type of auditors’ report issued on compliance for major programs: | unmodified |
|---|------------|

|  |    |
|--|----|
| Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | no |
|--|----|

Identification of major programs:

- Special Education Cluster:*
  - ALN 84.027 – Special Education Grants to States*
  - ALN 84.173 – Special Education – Preschool Grants*
- ALN 84.425D – Elementary and Secondary School Emergency Relief Fund*

|   |           |
|---|-----------|
| Dollar threshold to distinguish between Type A and Type B Programs: | \$750,000 |
|---|-----------|

|  |     |
|--|-----|
| Auditee qualified as low-risk auditee? | yes |
|--|-----|

**MIDDLETOWN CITY SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021  
(continued)

**Section II – Financial Statement Findings**

**Finding 2021-001 – Financial Reporting**

*Condition:* We identified misstatements in the financial statements for the year under audit that were not initially identified by the School District's internal control over financial reporting. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the School District's financial statements did not operate as designed and we consider this a significant deficiency.

We proposed audit adjustments to record accounts payable detected in our search for unrecorded liabilities. The School District evaluates accounts payable at year-end as part of their financial reporting process and preparation of financial statements in accordance with generally accepted accounting principles.

*Recommendation:* We recommend the School District enhance its internal controls over financial reporting to ensure the preparation of complete and accurate financial statements in conformity with generally accepted accounting principles.

*Management's Response:* Management concurs with the adjustment which has been posted to the financial statements

**Section III – Federal Award Findings and Questioned Costs**

*None*

**Middletown City School District  
Schedule of Prior Audit Findings  
Year Ended June 30, 2021**

**2020-001      Financial Reporting**

A misstatement in the financial statements was identified that was not initially identified by the School District's internal control over financial reporting.

**Status:** Repeated as Finding 2021-001.



**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**June 30, 2021**

| Finding Number | Planned Corrective Action  | Anticipated Completion Date | Responsible Contact Person        |
|----------------|--|-----------------------------|-----------------------------------|
| 2021-001       | We have improved our internal controls over financial reporting with steps including monthly additional management analysis of the financial reports and statements. | 6/30/22                     | Randall Bertram,<br>Treasurer/CFO |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**



**ANNUAL  
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED JUNE 30, 2021**



ANNUAL  
COMPREHENSIVE FINANCIAL REPORT

OF THE

MIDDLETOWN CITY  
SCHOOL DISTRICT

BUTLER COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY  
TREASURER'S OFFICE  
MR. RANDALL BERTRAM, TREASURER

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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## INTRODUCTORY SECTION



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*Middletown City Schools*  
[www.middletowncityschools.com](http://www.middletowncityschools.com)

*Office of the Treasurer*

ONE DONHAM PLAZA  
4<sup>th</sup> FLOOR  
MIDDLETOWN, OHIO 45042

December 28, 2021

To the Citizens and Board of Education of the Middletown City School District:

The Annual Comprehensive Financial Report [ACFR] of the Middletown City School District (the “District”) for the fiscal year ended June 30, 2021, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from our auditor, Clark, Schaefer, Hackett & Co., and conforms to generally accepted accounting principles [GAAP] as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the residents of the Middletown City School District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (the “MD&A”). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The Middletown City School District’s MD&A can be found immediately following the Independent Auditors’ Report.

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community use facilities.

The District receives pass through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund because of the District's administrative involvement in the program. The parochial/private schools served are John XXIII Elementary School and Middletown Christian Schools. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located in southwestern Ohio, midway between the cities of Cincinnati and Dayton, in the northeast corner of Butler County. The eastern boundary of the District is along Interstate 75, which runs from Canada to Florida, making it a desirable location for many businesses that require easy access to the nation's interstate system. Approximately 62.3 percent of the District’s tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and public utility properties. The overall economic outlook for the area remains stable with unemployment rates at 5.9 percent for Butler County.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We are always striving to provide the very best opportunities to every student, while carefully guarding the District's resources.

## DESCRIPTION OF THE DISTRICT

The District serves an area of 25 square miles, encompassing the City of Middletown and a portion of Lemon Township in the northeastern corner of Butler County, midway between Cincinnati and Dayton. It also encompasses a small portion of Franklin Township in Warren County. According to information from the U.S. Census Bureau, the population of the City of Middletown is approximately 48,737 residents. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with 42% of the tax revenue of the District paid by business and industry.

During the 2020-21 school year, the District had 5,970 students enrolled in 7 elementary schools, one sixth grade center, one middle school serving grades 7-8, one comprehensive high school for grades 9-12 including an alternative program and with a virtual learning option. The District also operates a variety of other facilities, including a central administration building, bus garage, and several sports fields. The District has eleven active buildings with the average built year of 2010 but six buildings were new in 2006 or after with two additional buildings remodeled in 2008. The high school has completed a total renovation, and the new Middle School was completed in August 2018. The projected funded enrollment for fiscal year 2022 is 6,144.

The District provides a full range of programs and services for its students. These include elementary and secondary course offerings at the general and college preparatory levels; a broad range of co-curricular and extra-curricular activities to complement the students 11 curricular program. The adult and GED programs are offered and operated by Butler Tech.

## ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the Middletown City School District (Board) is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator for the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The Board members represent a cross section of professions in the community. The Board members on June 30, 2021, were as follows:

| <b>Board Member</b>  | <b>Began Service</b> | <b>Term Expires</b> | <b>Profession</b>                |
|----------------------|----------------------|---------------------|----------------------------------|
| Mrs. Cathie Mulligan | January, 2018        | December, 2025      | Retired Administrator/Educator   |
| Dr. Chris Urso       | January, 2016        | December, 2023      | College Professor                |
| Ms. Michelle Novak   | January, 2016        | December, 2023      | Nonprofit Development Consultant |
| Mrs. Anita Scheibert | January, 2016        | December, 2023      | Educator                         |
| Mr. Todd Moore       | January, 2016        | December, 2025      | Senior Director                  |

The Superintendent is the Chief Executive Officer of the District, responsible directly to the Board for all educational and support operations. Mr. Marlon Styles Jr. was appointed Superintendent in July 2017. Prior to his appointment, Mr. Styles served as Director of Instructional Leadership in Lakota Local Schools, Butler County and was a high school principal in Wyoming City Schools and Mount Healthy City Schools prior to that. Mr. Styles holds a Masters Degree in Educational Administration from the University of Cincinnati and has 20 years of experience in education to which 16 years is in administration.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Randall Bertram became Treasurer August 1, 2014. Mr. Bertram holds a Bachelor's of Science in Business Administration and an Associates in Applied Science in Financial Management. Mr. Bertram has 19 years of educational financial administration experience.

All other District employees, with the exception of the Treasurer's staff, are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

## **EMPLOYEE RELATIONS**

The District employed 707 full and part-time staff members during the 2020-21 school year. This included classified employees who are responsible for the operation of the District's support services and the teaching and administrative staff of the District. Two organizations represent the teaching and classified employees. The District's administrative employees are not currently represented.

The Middletown Teachers Association (MTA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. The MTA and District have negotiated a collective bargaining agreement on language, salary and fringe benefits that began July 1, 2020 and expires June 30, 2023. This contract includes modest increases in wages and maintains benefits on the part of the union members, which the Board applied unilaterally to all District employees.

The Middletown Classified Employees Association (MCEA), also an affiliate of the Ohio Education Association (OEA), represents a majority of the support staff of the District. Classified employees are responsible for providing the necessary support services of the District, including transportation services, clerical support, building maintenance and custodial needs. The current MCEA collective bargaining is effective July 1, 2020 through June 30, 2023, that includes modest increases in wages and maintains benefits on the part of the union members, which the Board applied unilaterally to all District employees.

## **SERVICES PROVIDED**

The District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives.

Services provided by the District include transportation, school lunch support services, guidance, psychological and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

## **MAJOR CURRENT AND FUTURE INITIATIVES**

Middletown City School District has developed a three-year strategic plan beginning in the 2018-2019 school year that has four main pillars: Instructional Excellence, Valuing Diversity, Student and Family Wellness, Communication and Community Engagement. Major action work is unfolding under each of these pillars in year one of the strategic plan.

Under the first pillar Instructional Excellence, the Curriculum and Innovation department is focused on Universal Design for learning to meet the variable needs of all students. We have set aggressive growth measures for every student in order to close the achievement gap. The department also has a Literacy and Math initiative to build the capacity of our teaching staff around best practice in these two content areas. Response to learning is another focus area so the district teachers respond in real time to support student learning using formative instructional practices.

The second pillar, Valuing Diversity is being led through the Human Resources Department with innovative practices around preparing teachers as Urban Educators. This is a unique district and preparing educators that are supported and equipped to meet the needs of diverse high poverty student population is essential. During a whole district in-service, the entire staff participated in a poverty simulation to advance awareness of the challenges our student meet each day.

Student and Family Wellness is our third pillar and focuses on the health of the whole child and their family. Action steps for this pillar is the establishment of a Family wellness center in partnership with Premier Health. This center is being established at our high school and will open this school year. We are also focusing on family wellness due to the level of poverty in our district we are working to support families with healthy foods and lifestyle.

Finally, our fourth pillar is expanding our communication with the school and business community and reaching out to engage our community in two-way partnerships.

The strategic plan is both simple and complex, and expands and layers on additional initiatives each of the three years to reach our goal of "Exceptional Learning Experiences for All Students Every day!"

The Middletown City School District is currently engaged and near completion in a school construction program within Classroom Facilities Assistance Program of the Ohio Facilities Construction Commission. The master plan is for the construction or renovation of all its school buildings at a cost that was estimated in 2002 to be \$150.8 million. This total project was divided into two phases. A \$75.8 million bond issue for construction of the six new and two renovated elementary schools passed in November 2003 and construction began in 2004.

Construction of three of the elementary schools, and the renovation of a fourth, was completed in the summer of 2006. Construction of the fifth elementary school began in the spring of 2005 and was completed in the summer of 2007. Construction of the sixth and seventh elementary buildings began in the spring of 2006 and was completed in early 2008. Finally, the renovation and addition of several classrooms to an existing elementary school began in the summer of 2007 with completion in the summer of 2008.

The second phase of the project consists of the construction of a new middle school and renovation of the current high school. The November 2013 ballot issue was defeated. In May 2014, the District successfully passed the \$55,000,000 bond issue for completing the District -wide construction program, to which only \$45,000,000 was used to complete the phase II projects. The District is currently working with Ohio Facilities Construction Commission, its architects, bond counsel, and bond underwriting and municipal advisors to complete this project by December 2021. This final phase includes the construction of a new middle school and arena next to the high school, renovating the high school and razing of other vacant school buildings. The ground breaking for these projects was in April 2016 and the ribbon cutting to open the new middle school, the renovated high school and the arena was September 1, 2018.

In May of 2010, the District combined and placed two existing emergency operating levies on the ballot as a substitute levy for \$18.3 million. These emergency levies were due to expire December 31, 2010. The substitute levy successfully passed.

Currently, the remaining \$10,000,000 bond passage of 2014 is being used to add classroom space to Rosa Parks Elementary School to relieve space issues from the other 6 elementary buildings. This new facility is planned to educate up to 350 students in approximately 28,000 square feet with creative and innovative instruction design. This project is currently in its closing phase even as students starting using the renovated space in August 2021.

While the District continually strives to control rising costs, and improve financial efficiencies, the District does not foresee the need to ask the voters for increased operating revenue in the 5-year forecasted future.

## **RELEVANT FINANCIAL POLICIES**

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and was eliminated in 2009. The tax on telephone and telecommunication property began being phased out in 2009 and was eliminated in 2011. The tax is being phased out by reducing the assessment rate on the property each year. The District was reimbursed fully for the lost revenue through May 2013; in the following six years, the reimbursements will be phased out according to current state law. Under the new leadership of Ohio Governor DeWine HB166 was passed for the current biennium budget. This budget froze school funding at fiscal year 2019 levels while adopting a student wellness and success funding model. This funding is on a per pupil bases and will generate an additional \$1,400,000 and 2,100,000 for each year of this budget. No guarantees are in the budget to continue this funding beyond these two years. In August 2015, the Middletown City School District's Board of Education worked with the district's treasurer to pass a General Fund Cash Reserve Policy benchmarking a minimum 10% cash reserve, and the District met this policy by June 30, 2017. The forecast continues to see increased carryover while initiating needed textbook adoptions, technology and set-asides for building maintenance and repairs.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates. All funds, except custodial funds, are required to be budgeted each year.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, and any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget accounts for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary. As an additional safeguard, a blanket bond covers all employees involved with receiving and depositing funds and a separate, higher bond covers certain individuals in policy-making roles. The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

## **INDEPENDENT AUDIT**

The State of Ohio requires an annual audit either by the Ohio Auditor of State or by an independent public accounting firm. The Clark, Schaefer, Hackett & Co. performed the audit for the fiscal year ended June 30, 2021. The auditor's unmodified opinion rendered on the District's basic financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

## **AWARDS**

### GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Annual Comprehensive Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2020. The District believes that the Annual Comprehensive Financial Report for fiscal year June 30, 2021, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

**ACKNOWLEDGEMENTS**

The preparation of the 2021 Annual Comprehensive Financial Report of the Middletown City School District was made possible by the combined efforts of the District's Finance Department and Julian & Grube, Inc. The publication of this Annual Comprehensive Financial Report for the District is a major step in the reinforcing of the accountability of the District to the taxpayers of the community. Finally, sincere appreciation is extended to the Board of Education for its interest and support of this project.

Respectfully submitted,

A handwritten signature in cursive script that reads "Randall R. Bertram".

Randall R. Bertram, Treasurer/CFO



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2021**

**BOARD OF EDUCATION**

|                |                      |
|----------------|----------------------|
| President      | Dr. Chris Urso       |
| Vice President | Mrs. Cathie Mulligan |
| Board Member   | Mrs. Anita Scheibert |
| Board Member   | Ms. Michelle Novak   |
| Board Member   | Mr. Todd Moore       |

**ADMINISTRATIVE OFFICIALS**

|  |  |
|--|--|
| Superintendent   | Mr. Marlon Styles  |
| Treasurer  | Mr. Randall Bertram  |
| Director of Human Resources & Instructional Leadership | Ms. Deborah Houser   |
| Director of Curriculum & Instruction                   | Mrs. Frances Morrison                                      |
| Director of Special Education                          | Mrs. Dana Miller   |
| Curriculum Coordinator - Special Ed.                   | Mrs. Keri Hensley  |
| Curriculum Coordinator - Special Ed.                   |  |
| Curriculum Coordinator K-5                             |  |
| Curriculum Coordinator 6-12                            | Mr. Adam Mowery  |
| Director of Athletics                                  | Mr. Justin Foust   |
| Legal Counsel  | Don Crain, Esq. - Frost, Brown & Todd,<br>Attorneys at Law |



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Middletown City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Middletown City School District

for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

# FINANCIAL SECTION



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Middletown City School District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Middletown City School District (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Middletown City School District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of the School District'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 School District'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 School District's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 28, 2021

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

The management discussion and analysis of the Middletown City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position of governmental activities decreased \$378,819 which represents a 1.86% decrease from June 30, 2020's net position.
- General revenues accounted for \$76,080,954 in revenue or 75.18% all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$25,114,279 or 24.82%.
- The District had \$101,574,052 in expenses related to governmental activities; \$25,114,279 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$76,080,954 were not adequate to provide for these programs.
- The District has two major funds which include the general fund and the bond retirement fund. The general fund had \$77,254,032 in revenues and other financing sources and \$75,479,422 in expenditures and other financing uses. The general fund's fund balance increased \$1,774,610 from \$17,337,343 to \$19,111,953.
- The bond retirement fund had \$8,137,299 in revenues and \$7,128,744 in expenditures. The bond retirement fund's fund balance increased \$1,008,555 from \$6,293,734 to \$7,302,289.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The District has two major funds: the general fund and the bond retirement fund.

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The statement of net position and the statement of activities answer this question. These statements include *all assets, all deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

These two statements report the District's *net position* and changes in that net position. This change in net position is important because it tells the reader that, for the District as a whole, whether the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 17-18 of this report.

### **Reporting the District's Most Significant Funds**

#### ***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the bond retirement fund.

#### ***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-22 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 23-60 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's general fund budgetary information, net pension liability, net OPEB liability/asset and contributions. The required supplementary information can be found on pages 62-82 of this report.

### **The District as a Whole**

The statement of net position provides the perspective of the District as a whole.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

The table below provides a summary of the District's net position at June 30, 2021 and June 30, 2020.

|  | <b>Net Position</b>        |                            | <b>Percent<br/>Change</b> |
|--|----------------------------|----------------------------|---------------------------|
|  | Governmental<br>Activities | Governmental<br>Activities |                           |
|  | <u>2021</u>                | <u>2020</u>                |                           |
| <b><u>Assets</u></b>                           |                            |                            |                           |
| Current and other assets                       | \$ 88,313,230              | \$ 91,948,879              | (3.95) %                  |
| Net OPEB asset                                 | 4,563,391                  | 4,300,816                  | 6.11 %                    |
| Capital assets, net                            | <u>154,469,850</u>         | <u>147,712,323</u>         | 4.57 %                    |
| Total assets                                   | <u>247,346,471</u>         | <u>243,962,018</u>         | 1.39 %                    |
| <b><u>Deferred Outflows of Resources</u></b>   |                            |                            |                           |
| Unamortized deferred loss on debt refunding    | 2,179,502                  | 2,259,960                  | (3.56) %                  |
| Pension  | 15,833,646                 | 16,506,883                 | (4.08) %                  |
| OPEB   | <u>2,991,766</u>           | <u>2,483,712</u>           | 20.46 %                   |
| Total deferred outflows of resources           | <u>21,004,914</u>          | <u>21,250,555</u>          | (1.16) %                  |
| <b><u>Liabilities</u></b>                      |                            |                            |                           |
| Current liabilities                            | 10,934,466                 | 9,962,140                  | 9.76 %                    |
| Long-term liabilities:                         |                            |                            |                           |
| Due within one year                            | 3,755,235                  | 3,531,650                  | 6.33 %                    |
| Due in more than one year:                     |                            |                            |                           |
| Net pension liability                          | 80,663,180                 | 73,308,114                 | 10.03 %                   |
| Net OPEB liability                             | 6,062,257                  | 6,827,843                  | (11.21) %                 |
| Other amounts                                  | <u>102,577,767</u>         | <u>106,608,362</u>         | (3.78) %                  |
| Total liabilities                              | <u>203,992,905</u>         | <u>200,238,109</u>         | 1.88 %                    |
| <b><u>Deferred Inflows of Resources</u></b>    |                            |                            |                           |
| Property taxes and PILOTs levied for next year | 34,947,680                 | 32,647,214                 | 7.05 %                    |
| Unamortized deferred gain on debt refunding    | 299,452                    | 354,736                    | (15.58) %                 |
| Pension  | 616,147                    | 4,386,913                  | (85.95) %                 |
| OPEB   | <u>8,534,041</u>           | <u>7,245,622</u>           | 17.78 %                   |
| Total deferred inflows of resources            | <u>44,397,320</u>          | <u>44,634,485</u>          | (0.53) %                  |
| <b><u>Net Position</u></b>                     |                            |                            |                           |
| Net investment in capital assets               | 60,516,500                 | 57,022,601                 | 6.13 %                    |
| Restricted                                     | 12,117,010                 | 12,042,868                 | 0.62 %                    |
| Unrestricted (deficit)                         | <u>(52,672,350)</u>        | <u>(48,725,490)</u>        | (8.10) %                  |
| Total net position                             | <u>\$ 19,961,160</u>       | <u>\$ 20,339,979</u>       | (1.86) %                  |

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
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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 not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability/asset*. 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 and the net OPEB liability/asset to equal the District'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 District 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. Due to the unique nature of how the net pension liability and the net OPEB liability/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District'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 and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$19,961,160. Net position decreased \$378,819 from June 30, 2020's net position.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)**

Assets of the District increased \$3,384,453 or 1.39%. Current assets decreased \$3,635,649 or 3.95%. The most significant decrease was in the area of restricted cash and investments. This decrease was the result of spending down of funds that were restricted for construction purposes. At year-end, capital assets represented 62.45% of total assets. Capital assets include land, buildings and improvements, equipment and construction in progress. Net investment in capital assets at June 30, 2021 and June 30, 2020, were \$60,516,500 and \$57,022,601, respectively. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

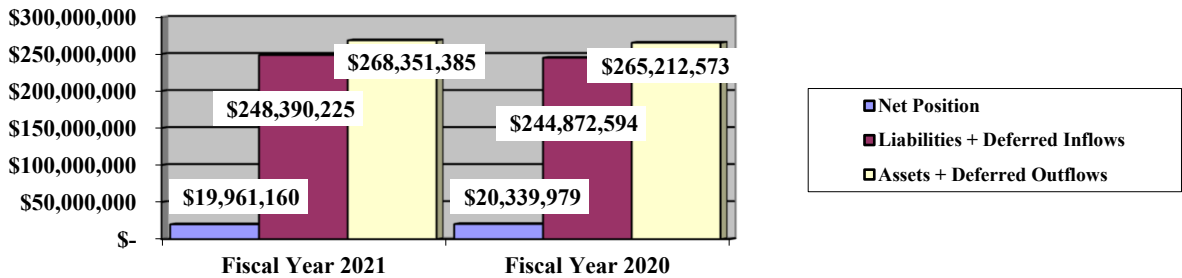
The capital assets increased due to current year additions of \$10,696,086 exceeding current year depreciation of \$3,938,559. The District major capital asset addition was construction in progress related to the District’s building project.

Liabilities of the District increased \$3,754,796 or 1.88%. Current liabilities increased \$972,326 or 9.76% due to an increase in accounts payable. Long-term liabilities increased \$2,782,470. This increase is mainly due to the increase in net pension liability.

A portion of the District’s net position, \$12,117,010, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, \$4,495,252 is restricted for capital projects. This amount is related to the District’s State share of its Ohio Facilities Construction Commission (OFCC) project that has been unspent thus far. The remaining balance of unrestricted net position is (\$52,672,350).

The graph below shows the District’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2021 and June 30, 2020.

**Governmental Activities**





**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

The table below shows the change in net position for fiscal years 2021 and 2020.

|   | <b>Change in Net Position</b>             |   |                             |
|---|---|---|-----------------------------|
|   | Governmental<br>Activities<br><u>2021</u> | Governmental<br>Activities<br><u>2020</u> | Percentage<br><u>Change</u> |
| <b><u>Revenues</u></b>  |   |   |                             |
| Program revenues:   |   |   |                             |
| Charges for services and sales  | \$ 1,312,395                              | \$ 1,596,177                              | (17.78) %                   |
| Operating grants and contributions  | 23,801,884                                | 21,488,087                                | 10.77 %                     |
| Capital grants and contributions  | -   | 10,000                                    | 100.00 %                    |
| General revenues:   |   |   |                             |
| Taxes   | 34,931,014                                | 36,551,182                                | (4.43) %                    |
| Payment in lieu of taxes  | 546,981                                   | 780,361                                   | (29.91) %                   |
| Grants and entitlements not restricted  | 39,493,556                                | 39,726,233                                | (0.59) %                    |
| Investment earnings   | 74,388                                    | 937,211                                   | (92.06) %                   |
| Other   | <u>1,035,015</u>                          | <u>330,614</u>                            | 213.06 %                    |
| Total revenues  | <u>101,195,233</u>                        | <u>101,419,865</u>                        | (0.22) %                    |
| <b><u>Expenses</u></b>  |   |   |                             |
| Program expenses:   |   |   |                             |
| Instruction:  |   |   |                             |
| Regular   | 30,993,332                                | 28,073,282                                | 10.40 %                     |
| Special   | 13,773,692                                | 12,728,447                                | 8.21 %                      |
| Vocational  | 143,685                                   | 135,768                                   | 5.83 %                      |
| Other   | 19,706,254                                | 18,432,548                                | 6.91 %                      |
| Support services:   |   |   |                             |
| Pupil   | 5,943,414                                 | 5,425,627                                 | 9.54 %                      |
| Instructional staff   | 2,522,848                                 | 2,634,221                                 | (4.23) %                    |
| Board of education  | 61,889                                    | 43,169                                    | 43.36 %                     |
| Administration  | 5,204,900                                 | 5,381,088                                 | (3.27) %                    |
| Fiscal  | 1,284,759                                 | 1,911,623                                 | (32.79) %                   |
| Business  | 246,955                                   | 250,953                                   | (1.59) %                    |
| Operations and maintenance  | 7,954,735                                 | 8,728,034                                 | (8.86) %                    |
| Pupil transportation  | 4,104,448                                 | 5,262,950                                 | (22.01) %                   |
| Central   | 1,408,366                                 | 1,820,549                                 | (22.64) %                   |
| Operations of non-instructional services                                      | 3,900,154                                 | 4,754,355                                 | (17.97) %                   |
| Extracurricular activities  | 1,016,725                                 | 1,071,053                                 | (5.07) %                    |
| Interest and fiscal charges   | <u>3,307,896</u>                          | <u>3,581,396</u>                          | (7.64) %                    |
| Total expenses  | <u>101,574,052</u>                        | <u>100,235,063</u>                        | 1.34 %                      |
| Excess (deficiency) of revenues<br>over (under) expenses before special items | (378,819)                                 | 1,184,802                                 | (131.97) %                  |
| Special item - gain on sale of land   | <u>-</u>                                  | <u>495,313</u>                            | (100.00) %                  |
| Change in net position  | (378,819)                                 | 1,680,115                                 | (122.55) %                  |
| Net position, beginning of year   | <u>20,339,979</u>                         | <u>18,659,864</u>                         | (9.00) %                    |
| Net position, end of year   | <u>\$ 19,961,160</u>                      | <u>\$ 20,339,979</u>                      | (1.86) %                    |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

**Governmental Activities**

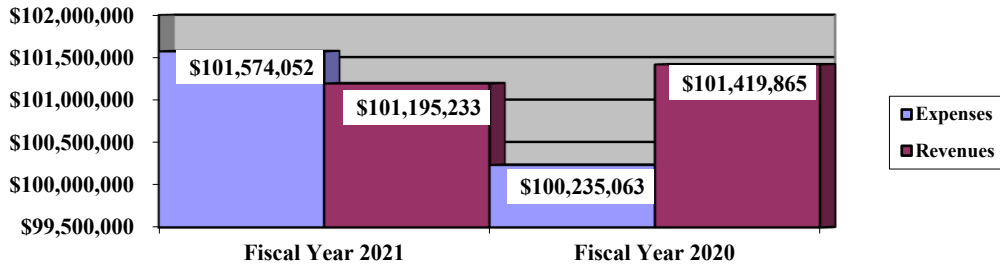
Net position of the District’s governmental activities decreased \$378,819 in fiscal year 2021 and increased \$1,680,115 in fiscal year 2020. Total governmental expenses of \$101,485,459 were offset by program revenues of \$25,114,279 and general revenues of \$76,080,954 during fiscal year 2021. Program revenues supported 24.73% of the total governmental expenses during fiscal year 2021.

Revenues of the District decreased \$224,632 or 0.22%. The most significant increase was in the area of operating grants. Operating grants and contributions increased due to addition student wellness and success money from the State of Ohio and additional money from the Federal Government. Property taxes decreased \$1,620,168 or 4.43% due to a decrease in delinquent taxes outstanding at year-end.

Overall, expenses of the governmental activities increased \$1,250,396 or 1.25%. This increase is primarily the result of an increase in salaries and benefits paid to employees.

The graph below presents the District’s governmental activities revenues and expenses for fiscal years 2021 and 2020.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

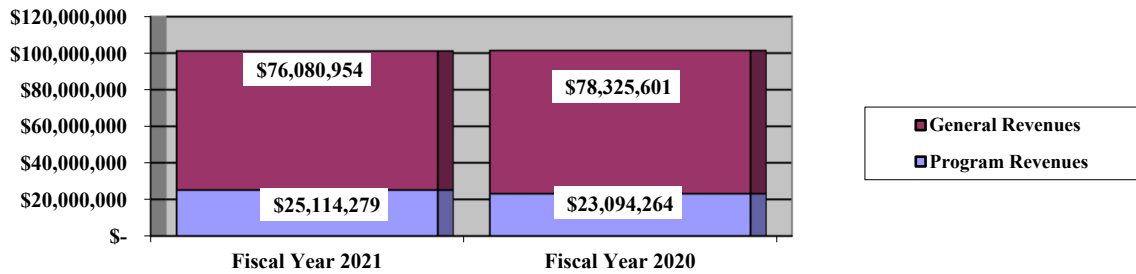
**Governmental Activities**

|  | Total Cost of<br>Services<br><u>2021</u> | Net Cost of<br>Services<br><u>2021</u> | Total Cost of<br>Services<br><u>2020</u> | Net Cost of<br>Services<br><u>2020</u> |
|--|--|--|--|--|
| <b>Program expenses</b>                  |  |  |  |  |
| Instruction:                             |  |  |  |  |
| Regular                                  | \$ 30,993,332                            | \$ 27,135,748                          | \$ 28,073,282                            | \$ 26,808,328                          |
| Special                                  | 13,773,692                               | 3,352,877                              | 12,728,447                               | 2,351,560                              |
| Vocational                               | 143,685                                  | (313,100)                              | 135,768                                  | (321,017)                              |
| Other                                    | 19,706,254                               | 19,547,756                             | 18,432,548                               | 18,393,422                             |
| Support services:                        |  |  |  |  |
| Pupil                                    | 5,943,414                                | 3,594,938                              | 5,425,627                                | 3,777,277                              |
| Instructional staff                      | 2,522,848                                | 317,853                                | 2,634,221                                | 266,833                                |
| Board of education                       | 61,889                                   | 61,889                                 | 43,169                                   | 43,169                                 |
| Administration                           | 5,204,900                                | 4,663,647                              | 5,381,088                                | 5,007,971                              |
| Fiscal                                   | 1,284,759                                | 1,216,216                              | 1,911,623                                | 1,765,744                              |
| Business                                 | 246,955                                  | 246,955                                | 250,953                                  | 250,953                                |
| Operations and maintenance               | 7,954,735                                | 7,622,250                              | 8,728,034                                | 8,463,533                              |
| Pupil transportation                     | 4,104,448                                | 3,616,413                              | 5,262,950                                | 4,627,093                              |
| Central                                  | 1,408,366                                | 1,401,276                              | 1,820,549                                | 1,793,352                              |
| Operations of non-instructional services | 3,900,154                                | (164,065)                              | 4,754,355                                | (511,118)                              |
| Extracurricular activities               | 1,016,725                                | 851,224                                | 1,071,053                                | 842,303                                |
| Interest and fiscal charges              | <u>3,307,896</u>                         | <u>3,307,896</u>                       | <u>3,581,396</u>                         | <u>3,581,396</u>                       |
| <b>Total</b>                             | <u>\$ 101,574,052</u>                    | <u>\$ 76,459,773</u>                   | <u>\$ 100,235,063</u>                    | <u>\$ 77,140,799</u>                   |

The dependence upon tax and other general revenues for governmental activities is apparent, 76.95% of instruction activities were supported through taxes and other general revenues during fiscal year 2021. For all governmental activities, general revenue support was 75.27% in fiscal year 2021. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for District students.

The graph below presents the District's governmental activities revenues for fiscal years 2021 and 2020.

**Governmental Activities - General and Program Revenues**



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
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**The District's Funds**

The District's governmental funds reported a combined fund balance of \$35,588,816, which is less than last year's total of \$40,710,303. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

|                    | Fund Balance<br><u>June 30, 2021</u> | Fund Balance<br><u>June 30, 2020</u> | <u>Change</u>         | Percentage<br><u>Change</u> |
|--------------------|--------------------------------------|--------------------------------------|-----------------------|-----------------------------|
| General            | \$ 19,111,953                        | \$ 17,337,343                        | \$ 1,774,610          | 10.24 %                     |
| Bond retirement    | 7,302,289                            | 6,293,734                            | 1,008,555             | 16.02 %                     |
| Other Governmental | <u>9,174,574</u>                     | <u>17,079,226</u>                    | <u>(7,904,652)</u>    | (46.28) %                   |
| Total              | <u>\$ 35,588,816</u>                 | <u>\$ 40,710,303</u>                 | <u>\$ (5,121,487)</u> | (12.58) %                   |

**General Fund**

The general fund increased \$1,774,610 during fiscal year 2021.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

|                                   | 2021<br><u>Amount</u> | 2020<br><u>Amount</u> | <u>Change</u>         | Percentage<br><u>Change</u> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| <b><u>Revenues</u></b>            |                       |                       |                       |                             |
| Taxes                             | \$ 28,486,090         | \$ 27,180,355         | \$ 1,305,735          | 4.80 %                      |
| Payment in lieu of taxes          | 543,864               | 794,382               | (250,518)             | (31.54) %                   |
| Tuition and fees                  | 930,131               | 653,305               | 276,826               | 42.37 %                     |
| Earnings on investments           | 54,918                | 637,093               | (582,175)             | (91.38) %                   |
| Intergovernmental                 | 45,868,835            | 46,162,595            | (293,760)             | (0.64) %                    |
| Other revenues                    | <u>1,262,331</u>      | <u>928,181</u>        | <u>334,150</u>        | 36.00 %                     |
| Total                             | <u>\$ 77,146,169</u>  | <u>\$ 76,355,911</u>  | <u>\$ 790,258</u>     | 1.03 %                      |
| <b><u>Expenditures</u></b>        |                       |                       |                       |                             |
| Instruction                       | \$ 55,519,247         | \$ 53,167,861         | \$ 2,351,386          | 4.42 %                      |
| Support services                  | 19,063,612            | 22,836,838            | (3,773,226)           | (16.52) %                   |
| Operation of                      |                       |                       |                       |                             |
| non-instructional services        | 25,329                | 53,403                | (28,074)              | (52.57) %                   |
| Extracurricular activities        | 55,709                | 86,938                | (31,229)              | (35.92) %                   |
| Facilities acquisition and const. | 858                   | 9,088                 | (8,230)               | (90.56) %                   |
| Debt service                      | <u>78,850</u>         | <u>210,994</u>        | <u>(132,144)</u>      | (62.63) %                   |
| Total                             | <u>\$ 74,743,605</u>  | <u>\$ 76,365,122</u>  | <u>\$ (1,621,517)</u> | (2.12) %                    |

Revenues of the general fund increased \$790,258 or 1.03%. Intergovernmental revenue decreased 0.64% due to decreases in State foundation compared to the previous year. Earnings on investments decreased due to a decrease in interest rates on investments.

Expenditures of the general fund decreased \$1,621,517 or 2.12%. The most significant decrease was in the area of support services. This decrease was the result of paying expenditures out of the Elementary and Secondary School Emergency Relief (ESSER) fund.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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***Bond Retirement Fund***

The bond retirement fund had \$8,137,299 in revenues and \$7,128,744 in expenditures. The bond retirement fund's fund balance increased \$1,008,555 from \$6,293,734 to \$7,302,289. The increase in fund balance was due to property tax collections exceeding scheduled principal and interest payments during fiscal year 2021.

***General Fund Budgeting Highlights***

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, original budgeted revenues and other financing sources of \$73,282,340 were increased to \$76,387,410 in the final budget. The primary increase was in the area of intergovernmental-state due to the increase in State foundation funding. Actual revenues and other financing sources were \$77,906,501.

General fund original appropriations (appropriated expenditures plus other financing uses) were \$78,487,303 and were decreased to \$76,949,543 in the final budget. The District primarily reallocated appropriations between various functions and decreased the budget related to other instruction and pupil support services. These reclassifications were necessary to better associate the appropriation's activity with its function. Actual expenditures and other uses of \$77,855,300 were \$905,757 higher than final appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2021, the District had \$154,469,850 invested in land, construction in progress, buildings and improvements and equipment. This entire amount is reported in governmental activities.

The following table shows June 30, 2021 balances compared to June 30, 2020.

**Capital Assets at June 30  
(Net of Depreciation)**

|                            | Governmental Activities |                |
|----------------------------|-------------------------|----------------|
|                            | <u>2021</u>             | <u>2020</u>    |
| Land                       | \$ 1,422,946            | \$ 1,422,946   |
| Construction in progress   | 13,467,637              | 5,992,838      |
| Buildings and improvements | 138,317,826             | 139,290,252    |
| Equipment                  | 1,261,441               | 1,006,287      |
| Total                      | \$ 154,469,850          | \$ 147,712,323 |

The capital assets increased \$6,757,527. The capital assets increased due to current year additions of \$10,696,086 and current year depreciation of \$3,938,559.

See Note 8 to the basic financial statements for detail on the District's capital assets.

***Debt Administration***

At June 30, 2021, the District had \$104,671,213 in general obligation bonds and House Bill (HB) 264 debt outstanding. Of this total, \$3,645,000 is due within one year and \$101,026,213 is due in greater than one year.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
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The following table summarizes the bonds, notes and capital lease obligations outstanding.

**Outstanding Debt, at Year End**

|  | Governmental<br>Activities<br><u>2021</u> | Governmental<br>Activities<br><u>2020</u> |
|--|---|---|
| General obligation bonds and HB 264 debt | \$ 96,662,091                             | \$ 99,974,904                             |
| Premiums                                 | <u>8,009,122</u>                          | <u>8,550,624</u>                          |
| Total                                    | <u>\$ 104,671,213</u>                     | <u>\$ 108,525,528</u>                     |

See Note 9 to the basic financial statements for detail on the District's debt administration.

**For the Future**

Middletown City Schools is experiencing a movement known as the Middle Modernization Movement that began a few years ago with the arrival of Mr. Marlon Styles, Superintendent. With the completion of the District's three-year strategic plan, new middle school, completely renovated high school, a focus on elite leadership, a younger staff replacing many retirees, our District has seen the culture and climate of the District completely transform. The culture of #MiddleRising is at the heartbeat of our passion and is getting stronger every day. This transformation has resulted in local and national awards (2019 ISTE Distinguished District Award), improving report card results (Graduate Rate now 91%), and an increase in student enrollment. Middletown is driving a student-centered, future ready, technology rich educational experience for all students. Middletown is becoming the place to be with excellent facilities, tremendous and positive staff, state of the art programs, modernized technology experiences, and highly respected culture of innovation.

The District is taking measures to help control rising costs and improve financial efficiencies. The Board also recognized the need for stabilized local operating revenues. After several failed operating levies and one successful levy, the District combined and substituted two tax levies in May 2010. The levies collected \$28.1 million (cash basis) in fiscal year 2021 with an expected growth of 1.5% annually. All operating levies are continuous. The Board also implemented a cash carryover policy in 2015 to require a minimum of 10% cash carryover of operating expenditures to which the District obtained June 30, 2016 with a cash balance of \$8,064,274. The District more than doubled their cash carryover to \$17,244,650 June 30, 2017, \$20,492,140 June 30, 2018 and again increased it to \$21,121,657 June 30, 2019 to end with 27.76% above fiscal year 2018 expenditures. The ending cash balance for fiscal year 2021 is \$22,223,777.

The District's efforts at cost savings and increased revenues have started to show as the ending cash balance as reported on the District's five year forecast in fiscal year 2022, 2023, 2024, 2025 and 2026 is forecasted as \$21,815,300, \$25,105,020, \$24,941,516, \$21,793,874 and \$15,882,902 respectfully, and the forecast for fiscal year 2022 is showing an ending balance of \$21,815,300 with deficit spending beginning in 2024. All forecasted balances still maintains carryover in excess of board policy requirements. The District's revenue is forecasted to increase steadily due to increased state aide for the next five fiscal years and through increased tax collections.

The District's will need to maintain sound fiscal management to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's administration team is confident that the District can continue to provide a quality education, while modernizing its programs for our students and provide a secure financial future.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)**

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Randall Bertram, Treasurer/CFO, Middletown City School District, 1 Donham Plaza, Middletown, Ohio, 45042.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2021

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>Assets:</b>   |                                    |
| Equity in pooled cash and cash equivalents               | \$ 35,879,916                      |
| Cash in segregated accounts                              | 545,081                            |
| Receivables:   |                                    |
| Property taxes   | 40,339,377                         |
| Payment in lieu of taxes                                 | 546,981                            |
| Accounts   | 144,823                            |
| Accrued interest   | 32,946                             |
| Intergovernmental  | 6,547,285                          |
| Prepayments  | 60,414                             |
| Inventory held for resale                                | 22,304                             |
| Net OPEB asset   | 4,563,391                          |
| Restricted cash and investments                          | 4,194,103                          |
| Capital assets:  |                                    |
| Nondepreciable capital assets                            | 14,890,583                         |
| Depreciable capital assets, net                          | 139,579,267                        |
| Capital assets, net                                      | 154,469,850                        |
| Total assets   | 247,346,471                        |
| <b>Deferred outflows of resources:</b>                   |                                    |
| Unamortized deferred charges on debt refunding           | 2,179,502                          |
| Pension  | 15,833,646                         |
| OPEB   | 2,991,766                          |
| Total deferred outflows of resources                     | 21,004,914                         |
| <b>Liabilities:</b>                                      |                                    |
| Accounts payable   | 1,854,140                          |
| Contracts payable  | 124,583                            |
| Retainage payable  | 545,081                            |
| Accrued wages and benefits payable                       | 6,352,931                          |
| Intergovernmental payable                                | 109,478                            |
| Pension and postemployment benefits payable              | 1,450,420                          |
| Accrued interest payable                                 | 292,416                            |
| Unearned revenue   | 205,417                            |
| Long-term liabilities:                                   |                                    |
| Due within one year                                      | 3,755,235                          |
| Due in more than one year:                               |                                    |
| Net pension liability                                    | 80,663,180                         |
| Net OPEB liability                                       | 6,062,257                          |
| Other amounts due in more than one year                  | 102,577,767                        |
| Total liabilities  | 203,992,905                        |
| <b>Deferred inflows of resources:</b>                    |                                    |
| Property taxes levied for the next fiscal year           | 34,403,816                         |
| Payment in lieu of taxes levied for the next fiscal year | 543,864                            |
| Unamortized deferred gain on debt refunding              | 299,452                            |
| Pension  | 616,147                            |
| OPEB   | 8,534,041                          |
| Total deferred inflows of resources                      | 44,397,320                         |
| <b>Net position:</b>                                     |                                    |
| Net investment in capital assets                         | 60,516,500                         |
| Restricted for:  |                                    |
| Capital projects   | 4,495,252                          |
| Classroom facilities maintenance                         | 1,265,699                          |
| Debt service   | 416,736                            |
| State funded programs                                    | 149,573                            |
| Federally funded programs                                | 2,185,678                          |
| Food service operations                                  | 3,272,750                          |
| Extracurricular programs                                 | 98,067                             |
| Other purposes   | 233,255                            |
| Unrestricted (deficit)                                   | (52,672,350)                       |
| Total net position                                       | \$ 19,961,160                      |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <u>Expenses</u>       | <u>Program Revenues</u>   |                          | <u>Net (Expense)</u> |
|--|-----------------------|---------------------------|--------------------------|----------------------|
|  |                       | <u>Charges for</u>        | <u>Operating Grants</u>  | <u>Revenue and</u>   |
|  |                       | <u>Services and Sales</u> | <u>and Contributions</u> | <u>Changes in</u>    |
|  |                       |                           |                          | <u>Net Position</u>  |
|  |                       |                           |                          | <u>Governmental</u>  |
|  |                       |                           |                          | <u>Activities</u>    |
| <b>Governmental activities:</b>          |                       |                           |                          |                      |
| Instruction:                             |                       |                           |                          |                      |
| Regular                                  | \$ 30,993,332         | \$ 954,340                | \$ 2,903,244             | \$ (27,135,748)      |
| Special                                  | 13,773,692            | 83,961                    | 10,336,854               | (3,352,877)          |
| Vocational                               | 143,685               | -                         | 456,785                  | 313,100              |
| Other                                    | 19,706,254            | -                         | 158,498                  | (19,547,756)         |
| Support services:                        |                       |                           |                          |                      |
| Pupil                                    | 5,943,414             | 13,492                    | 2,334,984                | (3,594,938)          |
| Instructional staff                      | 2,522,848             | -                         | 2,204,995                | (317,853)            |
| Board of education                       | 61,889                | -                         | -                        | (61,889)             |
| Administration                           | 5,204,900             | -                         | 541,253                  | (4,663,647)          |
| Fiscal                                   | 1,284,759             | 818                       | 67,725                   | (1,216,216)          |
| Business                                 | 246,955               | -                         | -                        | (246,955)            |
| Operations and maintenance               | 7,954,735             | 104,776                   | 227,709                  | (7,622,250)          |
| Pupil transportation                     | 4,104,448             | -                         | 488,035                  | (3,616,413)          |
| Central                                  | 1,408,366             | -                         | 7,090                    | (1,401,276)          |
| Operation of non-instructional services: |                       |                           |                          |                      |
| Food service operations                  | 2,665,486             | 33,947                    | 2,811,635                | 180,096              |
| Other non-instructional services         | 1,234,668             | -                         | 1,218,637                | (16,031)             |
| Extracurricular activities               | 1,016,725             | 121,061                   | 44,440                   | (851,224)            |
| Interest and fiscal charges              | 3,307,896             | -                         | -                        | (3,307,896)          |
| Totals                                   | <u>\$ 101,574,052</u> | <u>\$ 1,312,395</u>       | <u>\$ 23,801,884</u>     | <u>(76,459,773)</u>  |
| <b>General revenues:</b>                 |                       |                           |                          |                      |
| Property taxes levied for:               |                       |                           |                          |                      |
|  |                       |                           |                          | 26,923,235           |
|  |                       |                           |                          | 6,347,050            |
|  |                       |                           |                          | 1,318,112            |
|  |                       |                           |                          | 342,617              |
|  |                       |                           |                          | 546,981              |
|  |                       |                           |                          | 39,493,556           |
|  |                       |                           |                          | 74,388               |
|  |                       |                           |                          | 1,035,015            |
|  |                       |                           |                          | <u>76,080,954</u>    |
|  |                       |                           |                          | (378,819)            |
|  |                       |                           |                          | <u>20,339,979</u>    |
|  |                       |                           |                          | <u>\$ 19,961,160</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

|  | <u>General</u>       | <u>Bond<br/>Retirement</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|----------------------------|--|---|
| <b>Assets:</b>   |                      |                            |  |   |
| Equity in pooled cash<br>and cash equivalents            | \$ 22,223,777        | \$ 6,669,512               | \$ 6,986,627                               | \$ 35,879,916                           |
| Cash in segregated accounts                              | -                    | -                          | 545,081                                    | 545,081                                 |
| Receivables:   |                      |                            |  |   |
| Property taxes   | 30,956,568           | 7,079,163                  | 2,303,646                                  | 40,339,377                              |
| Payment in lieu of taxes                                 | 546,981              | -                          | -  | 546,981                                 |
| Accounts   | 134,238              | -                          | 10,585                                     | 144,823                                 |
| Accrued interest   | 32,946               | -                          | -  | 32,946                                  |
| Interfund loans  | 1,428,499            | -                          | -  | 1,428,499                               |
| Intergovernmental  | 43,283               | -                          | 6,504,002                                  | 6,547,285                               |
| Prepayments  | 53,577               | -                          | 6,837                                      | 60,414                                  |
| Inventory held for resale                                | -                    | -                          | 22,304                                     | 22,304                                  |
| Restricted assets:                                       |                      |                            |  |   |
| Equity in pooled cash<br>and cash equivalents            | -                    | -                          | 4,194,103                                  | 4,194,103                               |
| Total assets   | <u>\$ 55,419,869</u> | <u>\$ 13,748,675</u>       | <u>\$ 20,573,185</u>                       | <u>\$ 89,741,729</u>                    |
| <b>Liabilities:</b>                                      |                      |                            |  |   |
| Accounts payable   | \$ 47,935            | \$ -                       | \$ 1,806,205                               | \$ 1,854,140                            |
| Contracts payable  | -                    | -                          | 124,583                                    | 124,583                                 |
| Retainage payable  | -                    | -                          | 545,081                                    | 545,081                                 |
| Accrued wages and benefits payable                       | 5,765,472            | -                          | 587,459                                    | 6,352,931                               |
| Compensated absences payable                             | 80,888               | -                          | -  | 80,888                                  |
| Intergovernmental payable                                | 97,888               | -                          | 11,590                                     | 109,478                                 |
| Pension and postemployment benefits payable              | 1,272,357            | -                          | 178,063                                    | 1,450,420                               |
| Interfund loans payable                                  | -                    | -                          | 1,428,499                                  | 1,428,499                               |
| Unearned revenue   | 205,417              | -                          | -  | 205,417                                 |
| Total liabilities  | <u>7,469,957</u>     | <u>-</u>                   | <u>4,681,480</u>                           | <u>12,151,437</u>                       |
| <b>Deferred inflows of resources:</b>                    |                      |                            |  |   |
| Property taxes levied for the next fiscal year           | 26,330,225           | 6,050,630                  | 2,022,961                                  | 34,403,816                              |
| Payment in lieu of taxes levied for the next fiscal year | 543,864              | -                          | -  | 543,864                                 |
| Delinquent property tax revenue not available            | 1,906,987            | 395,756                    | 111,348                                    | 2,414,091                               |
| Intergovernmental revenue not available                  | 41,987               | -                          | 4,582,822                                  | 4,624,809                               |
| Accrued interest not available                           | 11,779               | -                          | -  | 11,779                                  |
| Delinquent PILOTs not available                          | 3,117                | -                          | -  | 3,117                                   |
| Total deferred inflows of resources                      | <u>28,837,959</u>    | <u>6,446,386</u>           | <u>6,717,131</u>                           | <u>42,001,476</u>                       |
| <b>Fund balances:</b>                                    |                      |                            |  |   |
| Nonspendable:  |                      |                            |  |   |
| Prepays  | 53,577               | -                          | 6,837                                      | 60,414                                  |
| Restricted:  |                      |                            |  |   |
| Debt service   | -                    | 7,302,289                  | -  | 7,302,289                               |
| Capital projects   | -                    | -                          | 3,947,311                                  | 3,947,311                               |
| Classroom facilities maintenance                         | -                    | -                          | 1,242,501                                  | 1,242,501                               |
| Food service operations                                  | -                    | -                          | 3,272,750                                  | 3,272,750                               |
| Non-public schools                                       | -                    | -                          | 111,533                                    | 111,533                                 |
| State funded programs                                    | -                    | -                          | 61,443                                     | 61,443                                  |
| Federally funded programs                                | -                    | -                          | 150,322                                    | 150,322                                 |
| Extracurricular  | -                    | -                          | 108,434                                    | 108,434                                 |
| Other purposes   | -                    | -                          | 233,255                                    | 233,255                                 |
| Committed:   |                      |                            |  |   |
| Capital projects   | -                    | -                          | 102,159                                    | 102,159                                 |
| Assigned:  |                      |                            |  |   |
| Student instruction                                      | 137,291              | -                          | -  | 137,291                                 |
| Student and staff support                                | 582,939              | -                          | -  | 582,939                                 |
| Subsequent year's appropriations                         | 1,097,598            | -                          | -  | 1,097,598                               |
| Other purposes   | 3,782                | -                          | -  | 3,782                                   |
| Unassigned (deficit)                                     | <u>17,236,766</u>    | <u>-</u>                   | <u>(61,971)</u>                            | <u>17,174,795</u>                       |
| Total fund balances                                      | <u>19,111,953</u>    | <u>7,302,289</u>           | <u>9,174,574</u>                           | <u>35,588,816</u>                       |
| Total liabilities, deferred inflows and fund balances    | <u>\$ 55,419,869</u> | <u>\$ 13,748,675</u>       | <u>\$ 20,573,185</u>                       | <u>\$ 89,741,729</u>                    |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021

|   |    |              |              |
|---|----|--------------|--------------|
| <b>Total governmental fund balances</b>   |    | \$           | 35,588,816   |
| <i>Amounts reported for governmental activities on the statement of net position are different because:</i>   |    |              |              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |    |              | 154,469,850  |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.  |    |              |              |
| Property taxes receivable   | \$ | 2,414,091    |              |
| Payment in lieu of taxes receivable   |    | 3,117        |              |
| Accrued interest receivable   |    | 11,779       |              |
| Intergovernmental receivable  |    | 4,624,809    |              |
| Total   |    | 4,624,809    | 7,053,796    |
| Unamortized premiums on bonds issued are not recognized in the funds.   |    |              | (8,009,122)  |
| Unamortized amounts on refundings are not recognized in the funds.  |    |              |              |
| Unamortized deferred loss on refunding  |    | 2,179,502    |              |
| Unamortized deferred gain on refunding  |    | (299,452)    |              |
| Total   |    | (299,452)    | 1,880,050    |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.   |    |              | (292,416)    |
| The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds. |    |              |              |
| Deferred outflows - pension   |    | 15,833,646   |              |
| Deferred inflows - pension  |    | (616,147)    |              |
| Net pension liability   |    | (80,663,180) |              |
| Deferred outflows - OPEB  |    | 2,991,766    |              |
| Deferred inflows - OPEB   |    | (8,534,041)  |              |
| Net OPEB asset  |    | 4,563,391    |              |
| Net OPEB liability  |    | (6,062,257)  |              |
| Total   |    | (6,062,257)  | (72,486,822) |
| 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  |    | (96,157,091) |              |
| Energy conservation notes payable   |    | (505,000)    |              |
| Compensated absences  |    | (1,580,901)  |              |
| Total   |    | (98,242,992) | (98,242,992) |
| <b>Net position of governmental activities</b>  |    | \$           | 19,961,160   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <u>General</u>       | <u>Bond<br/>Retirement</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|----------------------------|--|---|
| <b>Revenues:</b>   |                      |                            |  |   |
| Property taxes   | \$ 28,486,090        | \$ 6,670,160               | \$ 1,751,682                               | \$ 36,907,932                           |
| Intergovernmental  | 45,868,835           | 1,467,139                  | 15,658,532                                 | 62,994,506                              |
| Investment earnings  | 54,918               | -                          | 25,455                                     | 80,373                                  |
| Tuition and fees   | 930,131              | -                          | -  | 930,131                                 |
| Extracurricular  | 15,506               | -                          | 117,397                                    | 132,903                                 |
| Rental income  | 103,640              | -                          | 1,650                                      | 105,290                                 |
| Charges for services   | 104,876              | -                          | 35,900                                     | 140,776                                 |
| Contributions and donations                                  | 53,039               | -                          | 140,013                                    | 193,052                                 |
| Payment in lieu of taxes                                     | 543,864              | -                          | -  | 543,864                                 |
| Miscellaneous  | 985,270              | -                          | 17,967                                     | 1,003,237                               |
| Total revenues   | <u>77,146,169</u>    | <u>8,137,299</u>           | <u>17,748,596</u>                          | <u>103,032,064</u>                      |
| <b>Expenditures:</b>   |                      |                            |  |   |
| Current:   |                      |                            |  |   |
| Instruction:   |                      |                            |  |   |
| Regular  | 26,138,410           | -                          | 2,768,755                                  | 28,907,165                              |
| Special  | 9,715,381            | -                          | 3,215,070                                  | 12,930,451                              |
| Vocational   | 133,695              | -                          | -  | 133,695                                 |
| Other  | 19,531,761           | -                          | 174,493                                    | 19,706,254                              |
| Support services:  |                      |                            |  |   |
| Pupil  | 3,262,215            | -                          | 2,466,138                                  | 5,728,353                               |
| Instructional staff  | 234,996              | -                          | 2,100,383                                  | 2,335,379                               |
| Board of education   | 60,413               | -                          | -  | 60,413                                  |
| Administration   | 4,357,510            | -                          | 566,271                                    | 4,923,781                               |
| Fiscal   | 1,095,244            | 63,658                     | 78,974                                     | 1,237,876                               |
| Business   | 229,470              | -                          | -  | 229,470                                 |
| Operations and maintenance                                   | 4,535,278            | -                          | 517,419                                    | 5,052,697                               |
| Pupil transportation   | 3,963,495            | -                          | 132,840                                    | 4,096,335                               |
| Central  | 1,324,991            | -                          | 7,090                                      | 1,332,081                               |
| Operation of non-instructional services:                     |                      |                            |  |   |
| Food service operations                                      | -                    | -                          | 2,636,988                                  | 2,636,988                               |
| Other non-instructional services                             | 25,329               | -                          | 1,159,593                                  | 1,184,922                               |
| Extracurricular activities                                   | 55,709               | -                          | 894,023                                    | 949,732                                 |
| Facilities acquisition and construction                      | 858                  | -                          | 9,671,028                                  | 9,671,886                               |
| Debt service:  |                      |                            |  |   |
| Principal retirement   | 55,000               | 3,420,000                  | -  | 3,475,000                               |
| Interest and fiscal charges                                  | 23,850               | 3,645,086                  | -  | 3,668,936                               |
| Total expenditures   | <u>74,743,605</u>    | <u>7,128,744</u>           | <u>26,389,065</u>                          | <u>108,261,414</u>                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>2,402,564</u>     | <u>1,008,555</u>           | <u>(8,640,469)</u>                         | <u>(5,229,350)</u>                      |
| <b>Other financing sources (uses):</b>                       |                      |                            |  |   |
| Sale of capital assets                                       | 7,863                | -                          | -  | 7,863                                   |
| Insurance recoveries   | 100,000              | -                          | -  | 100,000                                 |
| Transfers in   | -                    | -                          | 735,817                                    | 735,817                                 |
| Transfers (out)  | (735,817)            | -                          | -  | (735,817)                               |
| Total other financing sources (uses)                         | <u>(627,954)</u>     | <u>-</u>                   | <u>735,817</u>                             | <u>107,863</u>                          |
| Net change in fund balances                                  | 1,774,610            | 1,008,555                  | (7,904,652)                                | (5,121,487)                             |
| <b>Fund balances at beginning of year</b>                    | <u>17,337,343</u>    | <u>6,293,734</u>           | <u>17,079,226</u>                          | <u>40,710,303</u>                       |
| <b>Fund balances at end of year</b>                          | <u>\$ 19,111,953</u> | <u>\$ 7,302,289</u>        | <u>\$ 9,174,574</u>                        | <u>\$ 35,588,816</u>                    |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  |                    |                         |
|--|--------------------|-------------------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$                 | (5,121,487)             |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</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 expense.   |                    |                         |
| Capital asset additions  | \$ 10,696,086      |                         |
| Current year depreciation  | <u>(3,938,559)</u> |                         |
| Total  |                    | 6,757,527               |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |                    |                         |
| Property taxes   | (1,976,918)        |                         |
| Payment in lieu of taxes   | 3,117              |                         |
| Earnings on investments  | (3,662)            |                         |
| Intergovernmental  | <u>140,632</u>     |                         |
| Total  |                    | (1,836,831)             |
| Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.  |                    |                         |
|  |                    | 3,475,000               |
| In the statement of activities, interest is accrued on outstanding bonds whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities: |                    |                         |
| Change in accrued interest payable   | 6,899              |                         |
| Accreted interest on capital appreciation bonds  | (162,187)          |                         |
| Amortization of bond premiums  | 541,502            |                         |
| Amortization of deferred charges   | (80,458)           |                         |
| Amortization of deferred gains   | <u>55,284</u>      |                         |
| Total  |                    | 361,040                 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.  |                    |                         |
| Pension  |                    | 6,081,670               |
| OPEB   |                    | 158,849                 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.   |                    |                         |
| Pension  |                    | (10,339,207)            |
| OPEB   |                    | 88,947                  |
| 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.   |                    |                         |
|  |                    | <u>(4,327)</u>          |
| <b>Change in net position of governmental activities</b>   | <b>\$</b>          | <b><u>(378,819)</u></b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Middletown City School District (the “District”), Butler County, was originally chartered in 1837 by the Ohio State Legislature. In 1853, State laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by State and/or Federal agencies. The Board controls the District's instructional and support facilities staffed by 244 classified personnel and 528 certified teaching and administrative personnel to provide services to students and other community members.

The District currently operates 7 elementary schools, one sixth grade center, one middle school serving grades 7 - 8, one comprehensive high school (grades 9 - 12) including an alternative program. The District encompasses a total of 25 square miles that includes the City of Middletown and portions of Lemon Township.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following organizations are described due to their relationship to the District:

Parochial Schools - The following parochial schools are located within the District: John XXIII Elementary School and Middletown Christian Schools. Parochial schools are operated independently of the District. Current State legislation provides partial funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as required by Ohio law. The accounting for these receipts and disbursements is reflected in a Special Revenue Fund for financial reporting purposes, because of the District's administrative responsibility.

The Southwestern Ohio Computer Association (SWOCA)

The Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a four county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District paid SWOCA \$314,060 for services provided during the year. Financial information can be obtained from Mr. Michael Crumley, who serves as Director, at 3607 Hamilton-Middletown Rd., Hamilton, Ohio 45011.

The Butler Technology and Career Development Center

The Butler Technology and Career Development Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards. It possesses its own budgeting and taxing authority.

Butler Technology and Career Development Center was formed to provide vocational education opportunities to the students of Butler County, including students of the District. Financial information can be obtained from Mr. Paul Carpenter, who serves as Treasurer, at 3603 Hamilton-Middletown Rd., Hamilton, Ohio 45011.

Butler Health Plan (BHP)

The District has elected to provide employee health and dental benefits through Butler Health Plan (BHP), a public entity risk pool currently operating as a common risk management and insurance program. Butler Health Plan has provided competitive health and dental benefits to school districts in southwest Ohio for over 29 years. Building on that success, Butler Health Plan looked to the future and helped create a multi-state consortium, Optimal Health Initiatives that now includes over 80 public employers and represents more than 40,000 employees and their families. Allied Benefits and Anthem provide claims review and processing services for BHP. The District pays a monthly premium to the pool for its general insurance coverage. The employees share the cost of the monthly premium for the coverage with the Board. The risk of loss transfers entirely to BHP. To obtain financial information write to Butler Health Plan, 400 North Erie Blvd. Suite B., Hamilton, Ohio 45011.

**B. Measurement Focus**

Government-Wide Financial Statements - The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the District are included on the Statement of Net Position.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated for reporting on the government-wide financial statements.

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**C. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

*GOVERNMENTAL FUNDS*

Governmental funds are those through which most governmental functions are financed.

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows is reported as fund balance. The following are the District's major governmental funds:

*General Fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Bond Retirement Fund* - The bond retirement fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Nonmajor governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

*Revenues - Exchange and Nonexchange Transactions* - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payment in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. 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.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources 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 District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain 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.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2021, the District invested in commercial paper, Federal Farm Credit bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, U.S. government money market mutual funds and the State Treasury Asset Reserve of Ohio (STAR Ohio).

During fiscal year 2021, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2021, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$54,918, which includes \$21,782 assigned from other funds. The food service, classroom facilities maintenance and auxiliary services special revenue funds and permanent improvement fund also received interest of \$2,179, \$750, \$144 and \$964, respectively. The building fund and construction fund received interest of \$24,834 and (\$3,416), respectively, which is assigned specifically to those funds due to the District's Ohio Facilities Construction Commission project.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**F. Inventory**

On government-wide and fund financial statements, purchased inventories are reported at cost and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food, purchased food and nonfood supplies.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

**H. Capital Assets**

Capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District's capitalization threshold is \$2,500 for capital assets. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

| Description                | Governmental<br>Activities<br>Estimated Lives |
|----------------------------|---|
| Buildings and improvements | 20 - 45 Years                                 |
| Equipment                  | 5 - 20 Years                                  |

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables". These amounts are eliminated in the governmental activities column on the statement of net position.

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vested payment method.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2021 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**K. 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, compensated absences 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 year. Bonds and notes are recognized on the fund financial statements when due. 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.

**L. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

**M. Bond Issuance Costs/Unamortized Bond Premium/Deferred Charges on Debt Refunding**

On government-wide and fund financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred inflow or outflow of resources on the statement of net position.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.A.

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The classifications are as follows:

*Nonspendable* - fund balance includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

*Restricted* - fund balances relate to money received from local, state or federal grants or maintained in segregated accounts for construction.

*Committed* - fund balances include amounts that can be used only for the specific purpose imposed by formal action (the highest level action via resolution) of the District’s Board of Education.

*Assigned* - fund balances are balances the District administration have specified the future use. The District uses the policy of encumbering certain obligations within the general fund that are reported as an assigned fund balance. This is completed by the Treasurer’s office as required by the Ohio Revised Code. The District also reports the cash balance of the principal support fund and neediest kids of all fund as assigned balances within the general fund. These funds are segregated by the accounting function within the Treasurer’s office as required by the Ohio Revised Code.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, 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 classifications could be used.

**O. Net Position**

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

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. None of the District’s restricted net position was restricted by enabling legislation.

**P. Estimates**

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

**Q. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the unspent bond proceeds held with the trustee for construction purposes.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**R. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. Interfund activity between governmental funds is eliminated in the statement of activities.

**S. Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**T. Minimum Fund Balance Policy**

The District Board requires in the general fund a minimum of 10% cash carryover of operating expenditures to which the District obtained as of June 30, 2021. This amount is included as part of the unassigned balance in the District's general fund.

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items at June 30, 2021.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2021, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

For fiscal year 2021, the District has implemented GASB Statement No. 98, "The Annual Comprehensive Financial Report." GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in general accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the District.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2021 included the following individual fund deficits:

| <u>Nonmajor funds</u>      | <u>Deficit</u> |
|----------------------------|----------------|
| Miscellaneous State Grants | \$ 737         |
| IDEA Part B                | 53,510         |
| Title III                  | 1,218          |
| 21st Century               | 4,784          |

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District 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 Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At fiscal year end, the District had \$1,450 in undeposited cash on hand, which is included on the financial statements of the District as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2021, the carrying amount of all District deposits was \$16,865,344 and the bank balance of all District deposits was \$17,582,857. Of the bank balance, \$500,000 was covered by the FDIC and \$17,082,857 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of June 30, 2021, the District had the following investments and maturities:

| Measurement/<br><u>Investment type</u> | Measurement<br><u>Value</u> | Investment Maturities      |                          |                           |                           |                                  |
|--|-----------------------------|----------------------------|--------------------------|---------------------------|---------------------------|----------------------------------|
|  |                             | 6 months or<br><u>less</u> | 7 to 12<br><u>months</u> | 13 to 18<br><u>months</u> | 19 to 24<br><u>months</u> | Greater than<br><u>24 months</u> |
| <i>Fair Value:</i>                     |                             |                            |                          |                           |                           |                                  |
| Commercial paper                       | \$ 3,378,358                | \$ 2,539,358               | \$ 839,000               | \$ -                      | \$ -                      | \$ -                             |
| FFCB                                   | 219,171                     | -                          | -                        | -                         | -                         | 219,171                          |
| FHLB                                   | 98,985                      | -                          | -                        | -                         | -                         | 98,985                           |
| FHLMC                                  | 1,823,356                   | -                          | -                        | -                         | -                         | 1,823,356                        |
| FNMA                                   | 1,484,448                   | -                          | -                        | -                         | -                         | 1,484,448                        |
| Negotiable CDs                         | 5,294,965                   | 1,503,329                  | -                        | 490,623                   | 1,036,607                 | 2,264,406                        |
| U.S. Government<br>money market        | 1,503,392                   | 1,503,392                  | -                        | -                         | -                         | -                                |
| <i>Amortized Cost:</i>                 |                             |                            |                          |                           |                           |                                  |
| STAR Ohio                              | 9,949,631                   | 9,949,631                  | -                        | -                         | -                         | -                                |
| Total                                  | <u>\$ 23,752,306</u>        | <u>\$ 15,495,710</u>       | <u>\$ 839,000</u>        | <u>\$ 490,623</u>         | <u>\$ 1,036,607</u>       | <u>\$ 5,890,366</u>              |

The weighted average of maturity of investments is 1.01 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper, federal agency securities (FFCB, FHLB, FHLMC, FNMA), negotiable CD's, U.S. Treasury bills and U.S. Treasury notes are valued using pricing sources provided by the investment manager (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments in commercial paper were rated either A-1 or A-1+ by Standard & Poor's. The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio and the U.S. Government money market maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2021:

| <u>Measurement/<br/>Investment type</u> | <u>Measurement<br/>Value</u> | <u>% of Total</u> |
|---|------------------------------|-------------------|
| <i>Fair Value:</i>                      |                              |                   |
| Commercial paper                        | \$ 3,378,358                 | 14.22             |
| FFCB                                    | 219,171                      | 0.92              |
| FHLB                                    | 98,985                       | 0.42              |
| FHLMC                                   | 1,823,356                    | 7.68              |
| FNMA                                    | 1,484,448                    | 6.25              |
| Negotiable CDs                          | 5,294,965                    | 22.29             |
| U.S. Government<br>money market         | 1,503,392                    | 6.33              |
| <i>Amortized Cost:</i>                  |                              |                   |
| STAR Ohio                               | <u>9,949,631</u>             | <u>41.89</u>      |
| Total                                   | <u>\$ 23,752,306</u>         | <u>100.00</u>     |

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2021:

| <u>Cash and investments per note</u> |                      |
|--------------------------------------|----------------------|
| Carrying amount of deposits          | \$ 16,865,344        |
| Investments                          | 23,752,306           |
| Cash on hand                         | <u>1,450</u>         |
| Total                                | <u>\$ 40,619,100</u> |

| <u>Cash and investments per statement of net position</u> |                      |
|---|----------------------|
| Equity in pooled cash and cash equivalents                | \$ 35,879,916        |
| Cash in segregated accounts                               | 545,081              |
| Restricted cash and investments                           | <u>4,194,103</u>     |
| Total   | <u>\$ 40,619,100</u> |

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund transfers for the year ended June 30, 2021, consisted of the following, as reported on the fund statements:

|  | <u>Amount</u>     |
|--|-------------------|
| <u>Transfers from general fund to:</u> |                   |
| Nonmajor governmental funds            | <u>\$ 735,817</u> |

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Interfund loans receivable/payable consisted of the following at June 30, 2021, as reported on the fund statement:

| <u>Receivable Fund</u> | <u>Payable Fund</u>         | <u>Amount</u>       |
|------------------------|-----------------------------|---------------------|
| General fund           | Nonmajor governmental funds | <u>\$ 1,428,499</u> |

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised fair value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Butler and Warren Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available for advance at June 30, 2021, \$2,719,356 in the general fund, \$632,777 in the bond retirement fund, \$134,059 in the permanent improvement fund (a nonmajor governmental fund) and \$35,278 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount available for advance at June 30, 2020, \$2,337,541 in the general fund, \$509,851 in the bond retirement fund, \$110,598 in the permanent improvement fund (a nonmajor governmental fund) and \$27,996 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2021 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2021 taxes were collected are:

|  | 2020 Second<br>Half Collections |                | 2021 First<br>Half Collections |                |
|--|---------------------------------|----------------|--------------------------------|----------------|
|  | <u>Amount</u>                   | <u>Percent</u> | <u>Amount</u>                  | <u>Percent</u> |
| Agricultural/residential<br>and other real estate  | \$ 641,609,960                  | 85.99          | \$ 758,168,900                 | 89.54          |
| Public utility personal                            | <u>104,504,500</u>              | <u>14.01</u>   | <u>88,595,480</u>              | <u>10.46</u>   |
| Total  | <u>\$ 746,114,460</u>           | <u>100.00</u>  | <u>\$ 846,764,380</u>          | <u>100.00</u>  |
| Tax rate per \$1,000 of<br>assessed valuation for: |                                 |                |                                |                |
| General  | \$41.58                         |                | \$39.24                        |                |
| Debt service                                       | 8.50                            |                | 8.50                           |                |
| Permanent improvement                              | 1.90                            |                | 1.90                           |                |
| Classroom facilities maint.                        | 0.50                            |                | 0.50                           |                |

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2021 consisted of property taxes, payment in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year. The intergovernmental receivable at June 30 consisted of federal grants and other receivables.

**Governmental activities:**

|  |                      |
|--|----------------------|
| Property taxes                                 | \$ 40,339,377        |
| Payment in lieu of taxes                       | 546,981              |
| Accounts                                       | 144,823              |
| Accrued interest                               | 32,946               |
| Intergovernmental:                             |                      |
| State foundation adjustments                   | 42,716               |
| Miscellaneous intergovernmental amounts        | 297,589              |
| Ohio Facilities Construction Commission (OFCC) | 2,396,859            |
| Title VI-B                                     | 683,745              |
| School Improvement Stimulus A                  | 252,806              |
| Title III                                      | 65,465               |
| Title II-A                                     | 695,113              |
| Title I  | 1,483,487            |
| Title IV-A                                     | 434,398              |
| IDEA preschool grant                           | 6,193                |
| Food service                                   | <u>188,914</u>       |
| Total  | <u>\$ 47,611,412</u> |

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows.

| <b><u>Governmental activities:</u></b>             | <u>Balance</u><br><u>06/30/20</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance</u><br><u>06/30/21</u> |
|--|-----------------------------------|---------------------|---------------------|-----------------------------------|
| <i>Capital assets, not being depreciated:</i>      |                                   |                     |                     |                                   |
| Land   | \$ 1,422,946                      | \$ -                | \$ -                | \$ 1,422,946                      |
| Construction in progress                           | 5,992,838                         | 8,053,557           | (578,758)           | 13,467,637                        |
| <i>Total capital assets, not being depreciated</i> | <u>7,415,784</u>                  | <u>8,053,557</u>    | <u>(578,758)</u>    | <u>14,890,583</u>                 |
| <i>Capital assets, being depreciated:</i>          |                                   |                     |                     |                                   |
| Buildings and improvements                         | 172,953,151                       | 2,714,072           | -                   | 175,667,223                       |
| Equipment  | 10,097,418                        | 507,215             | (67,449)            | 10,537,184                        |
| <i>Total capital assets, being depreciated</i>     | <u>183,050,569</u>                | <u>3,221,287</u>    | <u>(67,449)</u>     | <u>186,204,407</u>                |
| <i>Less: accumulated depreciation:</i>             |                                   |                     |                     |                                   |
| Buildings and improvements                         | (33,662,899)                      | (3,686,498)         | -                   | (37,349,397)                      |
| Equipment  | (9,091,131)                       | (252,061)           | 67,449              | (9,275,743)                       |
| <i>Total accumulated depreciation</i>              | <u>(42,754,030)</u>               | <u>(3,938,559)</u>  | <u>67,449</u>       | <u>(46,625,140)</u>               |
| Total capital assets, net                          | <u>\$ 147,712,323</u>             | <u>\$ 7,336,285</u> | <u>\$ (578,758)</u> | <u>\$ 154,469,850</u>             |

Depreciation expense was charged to governmental functions as follows:

|   |                     |
|---|---------------------|
| <u>Instruction:</u>                             |                     |
| Regular   | \$ 13,292           |
| Special   | 14,801              |
| <u>Support services:</u>                        |                     |
| Instructional staff                             | 11,476              |
| Administration                                  | 2,745               |
| Fiscal  | 980                 |
| Business  | 1,292               |
| Operations and maintenance                      | 3,807,238           |
| Pupil transportation                            | 6,662               |
| Central   | 23,881              |
| <u>Operation of non-instructional services:</u> |                     |
| Other non-instructional services                | 7,651               |
| Food service operations                         | 39,867              |
| Extracurricular activities                      | 8,674               |
| Total depreciation expense                      | <u>\$ 3,938,559</u> |

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 9 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2021, the following changes in governmental activities long-term obligations.

|  | Balance<br>6/30/20    | Additions           | Deductions            | Balance<br>6/30/21    | Amount Due<br>Within<br>One Year |
|--|-----------------------|---------------------|-----------------------|-----------------------|----------------------------------|
| <b><u>Governmental Activities:</u></b>   |                       |                     |                       |                       |                                  |
| General obligation bonds:                |                       |                     |                       |                       |                                  |
| 2007 refunding bonds:                    |                       |                     |                       |                       |                                  |
| 2007 current interest and term bonds     | \$ 25,530,000         | \$ -                | \$ -                  | \$ 25,530,000         | \$ -                             |
| Premium on 2007 refunding bonds          | 1,235,987             | -                   | (107,472)             | 1,128,515             | -                                |
| 2015 general obligation bonds            | 550,000               | -                   | (200,000)             | 350,000               | 130,000                          |
| Premium on 2015 general obligation bonds | 1,514,615             | -                   | (132,667)             | 1,381,948             | -                                |
| 2016 refunding bonds:                    |                       |                     |                       |                       |                                  |
| Current interest and term                | 21,395,000            | -                   | (2,430,000)           | 18,965,000            | 2,760,000                        |
| Premium on 2016 refunding bonds          | 775,612               | -                   | (120,874)             | 654,738               | -                                |
| 2018 general obligation bonds            | 9,685,000             | -                   | (210,000)             | 9,475,000             | 170,000                          |
| Premium on 2018 general obligation bonds | 123,914               | -                   | (8,038)               | 115,876               | -                                |
| 2019 refunding bonds:                    |                       |                     |                       |                       |                                  |
| Current interest and term                | 41,325,000            | -                   | (580,000)             | 40,745,000            | 530,000                          |
| Capital appreciation bonds               | 865,000               | -                   | -                     | 865,000               | -                                |
| Accreted interest                        | 64,904                | 162,187             | -                     | 227,091               | -                                |
| Premium on 2019 refunding bonds          | 4,900,496             | -                   | (172,451)             | 4,728,045             | -                                |
| Total general obligation bonds           | <u>107,965,528</u>    | <u>162,187</u>      | <u>(3,961,502)</u>    | <u>104,166,213</u>    | <u>3,590,000</u>                 |
| House Bill (HB) 264 notes                |                       |                     |                       |                       |                                  |
| 2014 HB 264 energy conservation note     | 560,000               | -                   | (55,000)              | 505,000               | 55,000                           |
| Total HB 264 notes                       | <u>560,000</u>        | <u>-</u>            | <u>(55,000)</u>       | <u>505,000</u>        | <u>55,000</u>                    |
| Other long-term obligations:             |                       |                     |                       |                       |                                  |
| Net pension liability                    | 73,308,114            | 7,355,066           | -                     | 80,663,180            | -                                |
| Net OPEB liability                       | 6,827,843             | -                   | (765,586)             | 6,062,257             | -                                |
| Compensated absences                     | 1,614,484             | 500,689             | (453,384)             | 1,661,789             | 110,235                          |
| Total other long-term obligations        | <u>81,750,441</u>     | <u>7,855,755</u>    | <u>(1,218,970)</u>    | <u>88,387,226</u>     | <u>110,235</u>                   |
| Total Long-Term Obligations              | <u>\$ 190,275,969</u> | <u>\$ 8,017,942</u> | <u>\$ (5,235,472)</u> | <u>\$ 193,058,439</u> | <u>\$ 3,755,235</u>              |

General obligation bonds will be paid from the bond retirement fund and the HB264 energy conservation notes will be paid from the general fund. The net pension liability and net OPEB liability are paid primarily from the general fund and various nonmajor special revenue funds. Compensated absences will be paid from the fund from which the person is paid, typically the general fund and special revenue funds.

***General Obligation Bonds***

On February 27, 2007, the District issued \$60,621,250 in general obligation bonds with an average interest rate of 5.02% of which \$55,465,000 was used to partially advance refund \$56,975,000 of outstanding construction bonds issued in March 2004. The net proceeds of \$59,855,611 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payment on the construction bonds.

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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

As a result, \$56,975,000 of the construction bonds are considered to be defeased and the related liability for those bonds has been removed from the statement of net position. At June 30, 2021, \$56,975,000 of bonds outstanding are considered to be defeased. The bonds issued had a premium of \$5,156,250 and have a final maturity date of December 1, 2031.

The reacquisition price exceeded the net carrying amount of the old debt by \$74,841. This amount is being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

In fiscal year 2015, the District issued \$45,000,000 in general obligations bonds as the local share of the school facilities project. The bonds were issued as serial bonds maturing in December 2034 of \$6,695,000 and three term bonds maturing in December 2031 for \$40,000, maturing in December 2040 for \$11,625,000 and maturing in December 2048 for \$26,640,000. During fiscal year 2020, \$42,190,000 of bonds outstanding are considered defeased as they were refunded by the Series 2019 Refunding Bonds. The combined series has an interest rate of 5.23%. At June 30, 2021, there were \$1,329,889 in unspent bond proceeds.

During fiscal year 2016, the District issued \$25,485,000 in general obligation bonds to advance refund \$25,485,000 of the 2007 refunding bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2021 was \$19,195,000.

The issue is comprised of current interest bonds, par value \$24,530,000 and capital appreciation bonds par value \$955,000. The interest rates on the current interest bonds range from 0.98% - 3.036%. The capital appreciation bonds matured on December 1, 2018 (stated interest rate 39.54207%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds was \$2,335,000.

The net carrying amount of the old debt exceeded the reacquisition price by \$580,479. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2026. This advance refunding was undertaken to reduce the combined total debt service payments by \$2,558,189 and resulted in an economic gain of \$2,194,605.

During fiscal year 2019, the District issued \$9,860,000 in general obligation bonds for the purpose of new construction improvements, renovations, and additions to school facilities and providing equipment, furnishing and site improvement therefore and paying certain costs related to the issuance of bonds.

The issue is comprised of current interest bonds, par value \$9,860,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. Principal and interest payments are made December 1 and June 1 of each and the issuance has a final maturity date of December 1, 2035. At June 30, 2021, there were \$519,029 in unspent bond proceeds.

During fiscal year 2020, the District issued \$41,325,000 in general obligation bonds to advance refund \$42,190,000 of the 2015 refunding bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2021 was \$42,190,000.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The issue is comprised of current interest bonds, par value \$41,325,000 and capital appreciation bonds par value \$865,000. The interest rates on the current interest bonds range from 2.831% - 3.552%. The capital appreciation bonds matured between December 1, 2032 and December 31, 2036 (stated interest rate 16.584111% - 16.97400391%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds ranges from \$1,750,000 to \$2,010,000. Total accreted interest of \$227,091 has been included on the statement of net position.

The net carrying amount of the old debt exceeded the reacquisition price by \$2,288,045. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2048. This advance refunding was undertaken to reduce the combined total debt service payments by \$6,863,419.

***House Bill (HB) 264 notes***

In fiscal year 2014, the District issued \$845,000 in notes that was used for energy conservation within the District. The interest rate ranges from 3.00% to 4.75% with the notes maturing in fiscal year 2029. The first payment on the notes was made in fiscal year 2015.

Principal and interest requirements to retire debt outstanding at fiscal year-end are as follows:

| Fiscal<br>Year Ending<br>June 30 | General Obligation Bonds |                      | Capital Appreciation Bonds |                     | HB 264 Notes      |                  |
|----------------------------------|--------------------------|----------------------|----------------------------|---------------------|-------------------|------------------|
|                                  | Principal                | Interest             | Principal                  | Interest            | Principal         | Interest         |
| 2022                             | \$ 3,590,000             | \$ 3,571,413         | \$ -                       | \$ -                | \$ 55,000         | \$ 13,500        |
| 2023                             | 3,675,000                | 3,477,720            | -                          | -                   | 55,000            | 18,763           |
| 2024                             | 3,770,000                | 3,375,208            | -                          | -                   | 60,000            | 15,913           |
| 2025                             | 4,045,000                | 3,263,043            | -                          | -                   | 60,000            | 13,063           |
| 2026                             | 4,155,000                | 3,143,225            | -                          | -                   | 65,000            | 9,975            |
| 2027 - 2031                      | 30,810,000               | 12,313,173           | -                          | -                   | 210,000           | 10,451           |
| 2032 - 2036                      | 11,135,000               | 6,519,715            | 730,000                    | 6,675,000           | -                 | -                |
| 2037 - 2041                      | 8,875,000                | 5,379,194            | 135,000                    | 1,875,000           | -                 | -                |
| 2042 - 2046                      | 14,320,000               | 3,230,010            | -                          | -                   | -                 | -                |
| 2047 - 2049                      | 10,690,000               | 584,303              | -                          | -                   | -                 | -                |
| Total                            | <u>\$ 95,065,000</u>     | <u>\$ 44,857,004</u> | <u>\$ 865,000</u>          | <u>\$ 8,550,000</u> | <u>\$ 505,000</u> | <u>\$ 81,665</u> |



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of \$39,016,083 and an unvoted debt margin of \$846,764. During fiscal year 2015, 2018 and 2020 the District issued \$54,860,000 of voted general obligation and refunding bonds. Since the bonds are a voted bond issue, the \$51,435,000 balance at June 30, 2021 has been excluded from the legal debt margin calculation.

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During the fiscal year, the District contracted with Liberty Mutual for general liability insurance coverage with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate limit covering all employees and volunteers of the District. The policy holds a \$5,000 occurrence deductible, with no deductible on general liability.

The buildings and property of the District are protected under a blanket coverage basis with the Liberty Mutual. Property coverage is on a cost replacement basis with a deductible of \$5,000. The Liberty Mutual provides coverage for the District's boilers and machinery under a separate policy with similar limits.

Vehicle insurance coverage for the District's non-bus vehicles is provided by Indiana Insurance under a combined liability limit of \$1,000,000 per occurrence for bodily injury and property damage. The buses are provided by Petermann and not considered the District's asset.

The Liberty Mutual Company maintains a \$100,000 public official bond for the Treasurer and a \$20,000 performance bond for the Board President and Superintendent. A blanket school employee honesty bond in the amount of \$5,000 per position is secured for all employees maintaining a position of trust. This includes food service cashiers, school building cashiers, and other employees who handle cash as a part of their job requirements.

Medical and dental insurance benefits are offered to employees through the Butler Health Plan (BHP). The employees share the cost of the monthly premium for the coverage with the District. The District also provides life insurance through American United Life to all employees and access to accidental death and dismemberment insurance through Assurant Life.

There were no reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability/Asset***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

***Plan Description - School Employees Retirement System (SERS)***

Plan Description - The District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

|                              | Eligible to<br>Retire on or before<br>August 1, 2017 *                              | Eligible to<br>Retire after<br>August 1, 2017  |
|------------------------------|---|--|
| Full benefits                | Any age with 30 years of service credit   | Age 67 with 10 years of service credit; or<br>Age 57 with 30 years of service credit |
| Actuarially reduced benefits | Age 60 with 5 years of service credit; or<br>Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or<br>Age 60 with 25 years of service credit |

\* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$1,318,879 for fiscal year 2021. Of this amount, \$416,820 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$4,762,791 for fiscal year 2021. Of this amount, \$853,240 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Following is information related to the proportionate share and pension expense:

|  | <u>SERS</u>        | <u>STRS</u>         | <u>Total</u>  |
|--|--------------------|---------------------|---------------|
| Proportion of the net pension liability prior measurement date   | 0.26545890%        | 0.25967354%         |               |
| Proportion of the net pension liability current measurement date | <u>0.26966950%</u> | <u>0.25965252%</u>  |               |
| Change in proportionate share                                    | <u>0.00421060%</u> | <u>-0.00002102%</u> |               |
| Proportionate share of the net pension liability                 | \$ 17,836,509      | \$ 62,826,671       | \$ 80,663,180 |
| Pension expense  | \$ 2,539,488       | \$ 7,799,719        | \$ 10,339,207 |

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>SERS</u>         | <u>STRS</u>          | <u>Total</u>         |
|---|---------------------|----------------------|----------------------|
| <b>Deferred outflows of resources</b>   |                     |                      |                      |
| Differences between expected and actual experience  | \$ 34,648           | \$ 140,967           | \$ 175,615           |
| Net difference between projected and actual earnings on pension plan investments                                  | 1,132,258           | 3,055,268            | 4,187,526            |
| Changes of assumptions  | -                   | 3,372,578            | 3,372,578            |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 408,660             | 1,607,597            | 2,016,257            |
| Contributions subsequent to the measurement date  | <u>1,318,879</u>    | <u>4,762,791</u>     | <u>6,081,670</u>     |
| Total deferred outflows of resources  | <u>\$ 2,894,445</u> | <u>\$ 12,939,201</u> | <u>\$ 15,833,646</u> |

|   | <u>SERS</u> | <u>STRS</u>       | <u>Total</u>      |
|---|-------------|-------------------|-------------------|
| <b>Deferred inflows of resources</b>  |             |                   |                   |
| Differences between expected and actual experience  | \$ -        | \$ 401,735        | \$ 401,735        |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | <u>-</u>    | <u>214,412</u>    | <u>214,412</u>    |
| Total deferred inflows of resources   | <u>\$ -</u> | <u>\$ 616,147</u> | <u>\$ 616,147</u> |

\$6,081,670 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

| Fiscal Year Ending June 30: | SERS         | STRS         | Total        |
|-----------------------------|--------------|--------------|--------------|
| 2022                        | \$ 338,137   | \$ 2,709,770 | \$ 3,047,907 |
| 2023                        | 410,987      | 1,715,244    | 2,126,231    |
| 2024                        | 471,947      | 1,780,642    | 2,252,589    |
| 2025                        | 354,495      | 1,354,607    | 1,709,102    |
| Total                       | \$ 1,575,566 | \$ 7,560,263 | \$ 9,135,829 |

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

|  |  |
|--|--|
| Wage inflation                               | 3.00%  |
| Future salary increases, including inflation | 3.50% to 18.20%                                      |
| COLA or ad hoc COLA                          | 2.50%  |
| Investment rate of return                    | 7.50% net of investment expense, including inflation |
| Actuarial cost method                        | Entry age normal (level percent of payroll)          |

For 2020, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class            | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|------------------------|----------------------|---|
| Cash                   | 2.00 %               | 1.85 %                                    |
| US Equity              | 22.50                | 5.75                                      |
| International Equity   | 22.50                | 6.50                                      |
| Fixed Income           | 19.00                | 2.85                                      |
| Private Equity         | 12.00                | 7.60                                      |
| Real Assets            | 17.00                | 6.60                                      |
| Multi-Asset Strategies | 5.00                 | 6.65                                      |
| Total                  | <u>100.00 %</u>      |   |

**Discount Rate** - The 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 the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

|  | Current       |               |               |
|--|---------------|---------------|---------------|
|  | 1% Decrease   | Discount Rate | 1% Increase   |
| District's proportionate share<br>of the net pension liability | \$ 24,433,839 | \$ 17,836,509 | \$ 12,301,223 |

**MIDDLETOWN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

|                                      | July 1, 2020  |
|--------------------------------------|---|
| Inflation                            | 2.50%   |
| Projected salary increases           | 12.50% at age 20 to<br>2.50% at age 65                    |
| Investment rate of return            | 7.45%, net of investment<br>expenses, including inflation |
| Payroll increases                    | 3.00%   |
| Cost-of-living adjustments<br>(COLA) | 0.00%   |

For the July 1, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

| Asset Class          | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return * |
|----------------------|----------------------|---|
| Domestic Equity      | 28.00 %              | 7.35 %                                      |
| International Equity | 23.00                | 7.55  |
| Alternatives         | 17.00                | 7.09  |
| Fixed Income         | 21.00                | 3.00  |
| Real Estate          | 10.00                | 6.00  |
| Liquidity Reserves   | 1.00                 | 2.25  |
| Total                | 100.00 %             |   |

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.



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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

|  | 1% Decrease   | Current<br>Discount Rate | 1% Increase   |
|--|---------------|--------------------------|---------------|
| District's proportionate share<br>of the net pension liability | \$ 89,454,242 | \$ 62,826,671            | \$ 40,262,023 |

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

See Note 11 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was \$158,849.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$158,849 for fiscal year 2021. Of this amount, \$158,849 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Following is information related to the proportionate share and OPEB expense:

|   | <u>SERS</u>        | <u>STRS</u>         | <u>Total</u>   |
|---|--------------------|---------------------|----------------|
| Proportion of the net OPEB liability/asset prior measurement date   | 0.27150750%        | 0.25967354%         |                |
| Proportion of the net OPEB liability/asset current measurement date | <u>0.27893900%</u> | <u>0.25965252%</u>  |                |
| Change in proportionate share                                       | <u>0.00743150%</u> | <u>-0.00002102%</u> |                |
| Proportionate share of the net OPEB liability                       | \$ 6,062,257       | \$ -                | \$ 6,062,257   |
| Proportionate share of the net OPEB asset                           | \$ -               | \$ (4,563,391)      | \$ (4,563,391) |
| OPEB expense  | \$ 88,702          | \$ (177,649)        | \$ (88,947)    |

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>SERS</u>         | <u>STRS</u>         | <u>Total</u>        |
|--|---------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>  |                     |                     |                     |
| Differences between expected and actual experience   | \$ 79,622           | \$ 292,401          | \$ 372,023          |
| Net difference between projected and actual earnings on OPEB plan investments  | 68,307              | 159,931             | 228,238             |
| Changes of assumptions   | 1,033,403           | 75,328              | 1,108,731           |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | 675,886             | 448,039             | 1,123,925           |
| Contributions subsequent to the measurement date   | <u>158,849</u>      | <u>-</u>            | <u>158,849</u>      |
| Total deferred outflows of resources   | <u>\$ 2,016,067</u> | <u>\$ 975,699</u>   | <u>\$ 2,991,766</u> |
|  | <u>SERS</u>         | <u>STRS</u>         | <u>Total</u>        |
| <b>Deferred inflows of resources</b>   |                     |                     |                     |
| Differences between expected and actual experience   | \$ 3,083,081        | \$ 908,964          | \$ 3,992,045        |
| Changes of assumptions   | 152,695             | 4,334,458           | 4,487,153           |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | <u>-</u>            | <u>54,843</u>       | <u>54,843</u>       |
| Total deferred inflows of resources  | <u>\$ 3,235,776</u> | <u>\$ 5,298,265</u> | <u>\$ 8,534,041</u> |

\$158,849 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

| Fiscal Year Ending June 30: | SERS           | STRS           | Total          |
|-----------------------------|----------------|----------------|----------------|
| 2022                        | \$ (263,905)   | \$ (1,084,709) | \$ (1,348,614) |
| 2023                        | (258,964)      | (976,457)      | (1,235,421)    |
| 2024                        | (259,769)      | (938,487)      | (1,198,256)    |
| 2025                        | (265,227)      | (896,750)      | (1,161,977)    |
| 2026                        | (234,030)      | (205,638)      | (439,668)      |
| Thereafter                  | (96,663)       | (220,525)      | (317,188)      |
| Total                       | \$ (1,378,558) | \$ (4,322,566) | \$ (5,701,124) |

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020 are presented below:

|  |   |
|--|---|
| Wage inflation   | 3.00%   |
| Future salary increases, including inflation   | 3.50% to 18.20%   |
| Investment rate of return  | 7.50% net of investment<br>expense, including inflation |
| Municipal bond index rate:   |   |
| Measurement date   | 2.45%   |
| Prior measurement date   | 3.13%   |
| Single equivalent interest rate, net of plan investment expense,<br>including price inflation: |   |
| Measurement date   | 2.63%   |
| Prior measurement date   | 3.22%   |
| Medical trend assumption:  |   |
| Measurement date   |   |
| Medicare   | 5.25 to 4.75%   |
| Pre-Medicare   | 7.00 to 4.75%   |
| Prior measurement date   |   |
| Medicare   | 5.25 to 4.75%   |
| Pre-Medicare   | 7.00 to 4.75%   |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

| Asset Class            | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|------------------------|----------------------|---|
| Cash                   | 2.00 %               | 1.85 %                                    |
| US Equity              | 22.50                | 5.75                                      |
| International Equity   | 22.50                | 6.50                                      |
| Fixed Income           | 19.00                | 2.85                                      |
| Private Equity         | 12.00                | 7.60                                      |
| Real Assets            | 17.00                | 6.60                                      |
| Multi-Asset Strategies | 5.00                 | 6.65                                      |
| Total                  | <u>100.00 %</u>      |   |

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

|  | 1% Decrease   | Current<br>Discount Rate | 1% Increase  |
|--|---|--------------------------|--------------|
|  | District's proportionate share<br>of the net OPEB liability | \$ 7,420,052             | \$ 6,062,257 |

|  | 1% Decrease   | Current<br>Trend Rate | 1% Increase  |
|--|---|-----------------------|--------------|
|  | District's proportionate share<br>of the net OPEB liability | \$ 4,773,566          | \$ 6,062,257 |

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

|                                      | July 1, 2020  |          | July 1, 2019  |          |
|--------------------------------------|---|----------|---|----------|
|                                      | Initial   | Ultimate | Initial   | Ultimate |
| Inflation                            | 2.50%   |          | 2.50%   |          |
| Projected salary increases           | 12.50% at age 20 to<br>2.50% at age 65                    |          | 12.50% at age 20 to<br>2.50% at age 65                    |          |
| Investment rate of return            | 7.45%, net of investment<br>expenses, including inflation |          | 7.45%, net of investment<br>expenses, including inflation |          |
| Payroll increases                    | 3.00%   |          | 3.00%   |          |
| Cost-of-living adjustments<br>(COLA) | 0.00%   |          | 0.00%   |          |
| Discount rate of return              | 7.45%   |          | 7.45%   |          |
| Blended discount rate of return      | N/A   |          | N/A   |          |
| Health care cost trends              |   |          |   |          |
| Medical                              |   |          |   |          |
| Pre-Medicare                         | 5.00%   | 4.00%    | 5.87%   | 4.00%    |
| Medicare                             | -6.69%  | 4.00%    | 4.93%   | 4.00%    |
| Prescription Drug                    |   |          |   |          |
| Pre-Medicare                         | 6.50%   | 4.00%    | 7.73%   | 4.00%    |
| Medicare                             | 11.87%  | 4.00%    | 9.62%   | 4.00%    |

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

***Assumption Changes Since the Prior Measurement Date*** - There were no changes in assumptions since the prior measurement date of June 30, 2019.

***Benefit Term Changes Since the Prior Measurement Date*** - There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

| Asset Class          | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return * |
|----------------------|----------------------|---|
| Domestic Equity      | 28.00 %              | 7.35 %                                      |
| International Equity | 23.00                | 7.55  |
| Alternatives         | 17.00                | 7.09  |
| Fixed Income         | 21.00                | 3.00  |
| Real Estate          | 10.00                | 6.00  |
| Liquidity Reserves   | 1.00                 | 2.25  |
| <b>Total</b>         | <b>100.00 %</b>      |   |

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

|  | 1% Decrease   | Current<br>Discount Rate | 1% Increase  |
|--|---|--------------------------|--------------|
|  | District's proportionate share<br>of the net OPEB asset | \$ 3,970,445             | \$ 4,563,391 |

|  | 1% Decrease   | Current<br>Trend Rate | 1% Increase  |
|--|---|-----------------------|--------------|
|  | District's proportionate share<br>of the net OPEB asset | \$ 5,035,252          | \$ 4,563,391 |

**NOTE 13 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.



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**NOTE 13 - CONTINGENCIES - (Continued)**

However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2020, if applicable, cannot be determined at this time.

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District’s opinion, have a material effect of the basic financial statements.

**C. School District Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 14 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District’s investment portfolio and the pension and other employee benefits plan in which the District participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 15 - SET-ASIDES**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

|   | <u>Capital<br/>Improvements</u> |
|---|---------------------------------|
| Set-aside reserve balance June 30, 2020     | \$ -                            |
| Current year set-aside requirement          | 1,135,275                       |
| Current year offsets                        | (396,021)                       |
| Prior year offset from bond proceeds        | <u>(739,254)</u>                |
| Total                                       | <u>\$ -</u>                     |
| Balance carried forward to fiscal year 2022 | <u>\$ -</u>                     |
| Set-aside reserve balance June 30, 2021     | <u>\$ -</u>                     |

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**NOTE 15 - SET-ASIDES - (Continued)**

Although the District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future fiscal years. The negative balance is therefore not presented as being carried forward to future fiscal years. The District has \$116,992,304 remaining from debt proceeds that will be available in future fiscal years as a capital improvements offset.

**NOTE 16 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

| <u>Fund</u>           | <u>Encumbrances</u> |
|-----------------------|---------------------|
| General               | \$ 631,468          |
| Nonmajor governmental | <u>1,919,820</u>    |
| Total                 | <u>\$ 2,551,288</u> |

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As of June 30, 2021, the District had the following contractual commitments outstanding:

| <u>Vendor</u>       | <u>Total<br/>Contract</u> | <u>Amount<br/>Paid</u> | <u>Remaining<br/>Commitment<br/>June 30, 2021</u> |
|---------------------|---------------------------|------------------------|---|
| Fanning Howey       | \$ 760,610                | \$ (745,604)           | \$ 15,006   |
| Conger Construction | <u>8,743,870</u>          | <u>(8,187,981)</u>     | <u>555,889</u>                                    |
| Total               | <u>\$ 9,504,480</u>       | <u>\$ (8,933,585)</u>  | <u>\$ 570,895</u>                                 |

**NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Middletown provides tax abatements through two programs - Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements. Under the agreements, various businesses receive the abatement of property taxes to bring jobs and economic development to the City. The agreement affects the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by \$543,864 during fiscal year 2021. During fiscal year 2021, the District received \$546,981 in payment in lieu of taxes.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 19 - SUBSEQUENT EVENTS**

On September 30, 2021, the District issued \$2,740,000 in certificates of participation (COPs) for the purpose of construction in the District. The COPs carry an interest rate of 1.37% and have a final maturity date of December 1, 2031.

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$12,550,004 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported \$235,213 in tuition and fees from the resident school districts which will be direct funded to the District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each District. The District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <u>Budgeted Amounts</u> |                      |                      | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|----------------------|----------------------|---|
|  | <u>Original</u>         | <u>Final</u>         | <u>Actual</u>        |   |
| <b>Revenues:</b>   |                         |                      |                      |   |
| Property taxes   | \$ 26,705,637           | \$ 26,705,637        | \$ 28,104,275        | \$ 1,398,638  |
| Intergovernmental  | 42,999,095              | 45,836,546           | 45,878,235           | 41,689  |
| Investment earnings  | 125,000                 | 165,000              | 164,550              | (450)   |
| Tuition and fees   | 969,144                 | 806,144              | 932,646              | 126,502   |
| Extracurricular  | 2,604                   | 2,604                | 2,425                | (179)   |
| Rental income  | 22,227                  | 16,660               | 17,650               | 990   |
| Charges for services   | 95,644                  | 95,644               | 95,488               | (156)   |
| Contributions and donations                                  | 52,556                  | 92,556               | 90,300               | (2,256)   |
| Payment in lieu of taxes                                     | 794,382                 | 544,492              | 543,864              | (628)   |
| Miscellaneous  | 123,930                 | 223,930              | 228,354              | 4,424   |
| Total revenues   | <u>71,890,219</u>       | <u>74,489,213</u>    | <u>76,057,787</u>    | <u>1,568,574</u>  |
| <b>Expenditures:</b>   |                         |                      |                      |   |
| Current:   |                         |                      |                      |   |
| Instruction:   |                         |                      |                      |   |
| Regular  | 26,905,466              | 26,812,443           | 26,213,730           | 598,713   |
| Special  | 9,125,875               | 9,591,202            | 9,630,714            | (39,512)  |
| Vocational   | 131,477                 | 135,036              | 131,679              | 3,357   |
| Other  | 17,994,556              | 16,122,176           | 19,600,198           | (3,478,022)   |
| Support services:  |                         |                      |                      |   |
| Pupil  | 4,559,689               | 3,832,640            | 3,307,388            | 525,252   |
| Instructional staff  | 438,620                 | 426,461              | 253,266              | 173,195   |
| Board of education   | 49,772                  | 61,001               | 56,414               | 4,587   |
| Administration   | 4,690,100               | 4,827,390            | 4,426,627            | 400,763   |
| Fiscal   | 1,210,190               | 1,251,127            | 1,091,478            | 159,649   |
| Business   | 241,315                 | 256,445              | 244,171              | 12,274  |
| Operations and maintenance                                   | 4,947,661               | 5,246,611            | 4,628,627            | 617,984   |
| Pupil transportation   | 5,060,747               | 4,559,871            | 4,618,983            | (59,112)  |
| Central  | 1,288,393               | 1,321,109            | 1,328,469            | (7,360)   |
| Operation of non-instructional services:                     |                         |                      |                      |   |
| Other non-instructional services                             | 39,444                  | 24,999               | 25,329               | (330)   |
| Extracurricular activities                                   | 80,236                  | 82,409               | 54,203               | 28,206  |
| Facilities acquisition and construction                      | 41,012                  | 36,194               | 858                  | 35,336  |
| Debt service:  |                         |                      |                      |   |
| Principal  | 55,000                  | 55,000               | 55,000               | -   |
| Interest and fiscal charges                                  | 23,850                  | 23,850               | 23,850               | -   |
| Total expenditures   | <u>76,883,403</u>       | <u>74,665,964</u>    | <u>75,690,984</u>    | <u>(1,025,020)</u>  |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(4,993,184)</u>      | <u>(176,751)</u>     | <u>366,803</u>       | <u>543,554</u>  |
| <b>Other financing sources (uses):</b>                       |                         |                      |                      |   |
| Refund of prior year's expenditures                          | 615,807                 | 850,000              | 799,040              | (50,960)  |
| Refund of prior year's receipts                              | (3,900)                 | (3,900)              | -                    | 3,900   |
| Transfers in   | 1,558                   | 1,558                | -                    | (1,558)   |
| Transfers (out)  | (850,000)               | (850,000)            | (735,817)            | 114,183   |
| Advances in  | 750,000                 | 1,041,966            | 1,041,966            | -   |
| Advances (out)   | (750,000)               | (1,429,679)          | (1,428,499)          | 1,180   |
| Sale of capital assets                                       | 24,756                  | 4,673                | 7,708                | 3,035   |
| Total other financing sources (uses)                         | <u>(211,779)</u>        | <u>(385,382)</u>     | <u>(315,602)</u>     | <u>69,780</u>   |
| Net change in fund balance                                   | (5,204,963)             | (562,133)            | 51,201               | 613,334   |
| <b>Fund balance at beginning of year</b>                     | 18,473,109              | 18,473,109           | 18,473,109           | -   |
| <b>Prior year encumbrances appropriated</b>                  | 702,210                 | 702,210              | 702,210              | -   |
| <b>Fund balance at end of year</b>                           | <u>\$ 13,970,356</u>    | <u>\$ 18,613,186</u> | <u>\$ 19,226,520</u> | <u>\$ 613,334</u>   |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST EIGHT FISCAL YEARS

|  | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.26966950%   | 0.26545890%   | 0.24589060%   | 0.23860680%   |
| District's proportionate share of the net pension liability  | \$ 17,836,509 | \$ 15,882,871 | \$ 14,082,610 | \$ 14,256,229 |
| District's covered payroll   | \$ 9,864,914  | \$ 9,599,770  | \$ 8,257,481  | \$ 7,748,207  |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 180.81%       | 165.45%       | 170.54%       | 183.99%       |
| Plan fiduciary net position as a percentage of the total pension liability                         | 68.55%        | 70.85%        | 71.36%        | 69.50%        |

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |
|---------------|---------------|---------------|---------------|
| 0.25307420%   | 0.25062120%   | 0.25872000%   | 0.25872000%   |
| \$ 18,522,696 | \$ 14,300,689 | \$ 13,093,672 | \$ 15,385,248 |
| \$ 8,169,900  | \$ 6,936,912  | \$ 6,725,440  | \$ 6,851,857  |
| 226.72%       | 206.15%       | 194.69%       | 224.54%       |
| 62.98%        | 69.16%        | 71.70%        | 65.52%        |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST EIGHT FISCAL YEARS

|  | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.25965252%   | 0.25967354%   | 0.25705525%   | 0.23872508%   |
| District's proportionate share of the net pension liability  | \$ 62,826,671 | \$ 57,425,243 | \$ 56,520,678 | \$ 56,709,654 |
| District's covered payroll   | \$ 31,244,600 | \$ 31,067,407 | \$ 29,742,829 | \$ 28,499,043 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 201.08%       | 184.84%       | 190.03%       | 198.99%       |
| Plan fiduciary net position as a percentage of the total pension liability                         | 75.48%        | 77.40%        | 77.31%        | 75.30%        |

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |
|---------------|---------------|---------------|---------------|
| 0.24111659%   | 0.25476835%   | 0.28770674%   | 0.28770674%   |
| \$ 80,708,991 | \$ 70,410,520 | \$ 69,980,236 | \$ 83,359,998 |
| \$ 25,306,564 | \$ 26,896,300 | \$ 30,217,564 | \$ 30,267,971 |
| 318.93%       | 261.79%       | 231.59%       | 275.41%       |
| 66.80%        | 72.10%        | 74.70%        | 69.30%        |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

|  | LAST TEN FISCAL YEARS |                    |                    |                    |
|--|-----------------------|--------------------|--------------------|--------------------|
|  | <u>2021</u>           | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        |
| Contractually required contribution                                  | \$ 1,318,879          | \$ 1,381,088       | \$ 1,295,969       | \$ 1,114,760       |
| Contributions in relation to the contractually required contribution | <u>(1,318,879)</u>    | <u>(1,381,088)</u> | <u>(1,295,969)</u> | <u>(1,114,760)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| District's covered payroll   | \$ 9,420,564          | \$ 9,864,914       | \$ 9,599,770       | \$ 8,257,481       |
| Contributions as a percentage of covered payroll                     | 14.00%                | 14.00%             | 13.50%             | 13.50%             |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>        | <u>2016</u>        | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|--------------------|--------------------|------------------|------------------|------------------|------------------|
| \$ 1,084,749       | \$ 1,143,786       | \$ 914,285       | \$ 932,146       | \$ 948,297       | \$ 711,941       |
| <u>(1,084,749)</u> | <u>(1,143,786)</u> | <u>(914,285)</u> | <u>(932,146)</u> | <u>(948,297)</u> | <u>(711,941)</u> |
| <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| \$ 7,748,207       | \$ 8,169,900       | \$ 6,936,912     | \$ 6,725,440     | \$ 6,851,857     | \$ 5,293,242     |
| 14.00%             | 14.00%             | 13.18%           | 13.86%           | 13.84%           | 13.45%           |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

|  | LAST TEN FISCAL YEARS |                    |                    |                    |
|--|-----------------------|--------------------|--------------------|--------------------|
|  | <u>2021</u>           | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        |
| Contractually required contribution                                  | \$ 4,762,791          | \$ 4,374,244       | \$ 4,349,437       | \$ 4,163,996       |
| Contributions in relation to the contractually required contribution | <u>(4,762,791)</u>    | <u>(4,374,244)</u> | <u>(4,349,437)</u> | <u>(4,163,996)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| District's covered payroll   | \$ 34,019,936         | \$ 31,244,600      | \$ 31,067,407      | \$ 29,742,829      |
| Contributions as a percentage of covered payroll                     | 14.00%                | 14.00%             | 14.00%             | 14.00%             |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>        | <u>2013</u>        | <u>2012</u>        |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 3,989,866       | \$ 3,542,919       | \$ 3,765,482       | \$ 4,230,459       | \$ 4,237,516       | \$ 4,277,136       |
| <u>(3,989,866)</u> | <u>(3,542,919)</u> | <u>(3,765,482)</u> | <u>(4,230,459)</u> | <u>(4,237,516)</u> | <u>(4,277,136)</u> |
| <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| \$ 28,499,043      | \$ 25,306,564      | \$ 26,896,300      | \$ 32,541,992      | \$ 32,596,277      | \$ 32,901,046      |
| 14.00%             | 14.00%             | 14.00%             | 13.00%             | 13.00%             | 13.00%             |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

|   | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  |
|---|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net OPEB liability   | 0.27893900%  | 0.27150750%  | 0.24877400%  | 0.24174950%  | 0.25565619%  |
| District's proportionate share of the net OPEB liability  | \$ 6,062,257 | \$ 6,827,843 | \$ 6,901,663 | \$ 6,487,921 | \$ 7,287,147 |
| District's covered payroll  | \$ 9,864,914 | \$ 9,599,770 | \$ 8,257,481 | \$ 7,748,207 | \$ 8,169,900 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 61.45%       | 71.13%       | 83.58%       | 83.73%       | 89.20%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                         | 18.17%       | 15.57%       | 13.57%       | 12.46%       | 11.49%       |

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

|   | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>   | <u>2017</u>   |
|---|----------------|----------------|----------------|---------------|---------------|
| District's proportion of the net OPEB liability/asset   | 0.25965252%    | 0.25967354%    | 0.25705525%    | 0.23872508%   | 0.24111659%   |
| District's proportionate share of the net OPEB liability/(asset)                                      | \$ (4,563,391) | \$ (4,300,816) | \$ (4,130,615) | \$ 9,314,172  | \$ 12,894,978 |
| District's covered payroll  | \$ 31,244,600  | \$ 31,067,407  | \$ 29,742,829  | \$ 28,499,043 | \$ 25,306,564 |
| District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 14.61%         | 13.84%         | 13.89%         | 32.68%        | 50.96%        |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset                         | 182.10%        | 174.70%        | 176.00%        | 47.10%        | 37.30%        |

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

|  | LAST TEN FISCAL YEARS |                  |                  |                  |
|--|-----------------------|------------------|------------------|------------------|
|  | <u>2021</u>           | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      |
| Contractually required contribution                                  | \$ 158,849            | \$ 174,956       | \$ 211,208       | \$ 172,656       |
| Contributions in relation to the contractually required contribution | <u>(158,849)</u>      | <u>(174,956)</u> | <u>(211,208)</u> | <u>(172,656)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered payroll   | \$ 9,420,564          | \$ 9,864,914     | \$ 9,599,770     | \$ 8,257,481     |
| Contributions as a percentage of covered payroll                     | 1.69%                 | 1.77%            | 2.20%            | 2.09%            |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 129,996       | \$ 125,902       | \$ 176,824       | \$ 131,084       | \$ 133,496       | \$ 162,455       |
| <u>(129,996)</u> | <u>(125,902)</u> | <u>(176,824)</u> | <u>(131,084)</u> | <u>(133,496)</u> | <u>(162,455)</u> |
| <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| \$ 7,748,207     | \$ 8,169,900     | \$ 6,936,912     | \$ 6,725,440     | \$ 6,851,857     | \$ 5,293,242     |
| 1.68%            | 1.54%            | 2.55%            | 1.95%            | 1.95%            | 3.07%            |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

|  | LAST TEN FISCAL YEARS |               |               |               |
|--|-----------------------|---------------|---------------|---------------|
|  | <u>2021</u>           | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
| Contractually required contribution                                  | \$ -                  | \$ -          | \$ -          | \$ -          |
| Contributions in relation to the contractually required contribution | <u>-</u>              | <u>-</u>      | <u>-</u>      | <u>-</u>      |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered payroll   | \$ 34,019,936         | \$ 31,244,600 | \$ 31,067,407 | \$ 29,742,829 |
| Contributions as a percentage of covered payroll                     | 0.00%                 | 0.00%         | 0.00%         | 0.00%         |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ -          | \$ -          | \$ -          | \$ 290,027    | \$ 317,004    | \$ 324,043    |
| -             | -             | -             | (290,027)     | (317,004)     | (324,043)     |
| <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| \$ 28,499,043 | \$ 25,306,564 | \$ 26,896,300 | \$ 32,541,992 | \$ 32,596,277 | \$ 32,901,046 |
| 0.00%         | 0.00%         | 0.00%         | 1.00%         | 1.00%         | 1.00%         |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1 - BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. The Treasurer has been given the authority to further allocate the Board's appropriations. Any budgetary modifications at the legal level may only be made by resolution of the Board of Education.

*Tax Budget:*

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the County Budget Commission for rate determination.

*Estimated Resources:*

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed by the Board of Education.

*Appropriations:*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund and function level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. Budgetary controls require that the appropriation resolution, by fund, be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, these amendments were not significant.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1 - BUDGETARY PROCESS – (Continued)**

The budgetary figures which appear in the “Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – General Fund” are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year-end are reported as assigned fund balance in the general fund and within the other funds respective fund balance classifications.

*Lapsing of Appropriations:*

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is 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:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1 - BUDGETARY PROCESS - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

|   | General fund        |
|---|---------------------|
| Budget basis                            | \$ 51,201           |
| Net adjustment for revenue accruals     | 1,043,397           |
| Net adjustment for expenditure accruals | 337,345             |
| Net adjustment for other sources/uses   | (312,412)           |
| Funds budgeted elsewhere                | (11,357)            |
| Adjustment for encumbrances             | <u>666,436</u>      |
| GAAP basis                              | <u>\$ 1,774,610</u> |

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the spotlight and neediest kids fund, the Medicaid reimbursement reserve fund, the special trust fund, the rotary fund, the adult education fund, and the public school support fund.

**NOTE 2 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE DISTRICT'S NET PENSION LIABILITY**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2021.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE DISTRICT'S NET PENSION LIABILITY -  
(Continued)**

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2021.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2019-2021.

**NOTE 3 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE DISTRICT'S NET OPEB LIABILITY/ASSET**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2021.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%. For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE DISTRICT'S NET OPEB LIABILITY/ASSET - (Continued)**

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate. For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**MAJOR FUNDS**

**General Fund**

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary schedule for the general fund is presented as part of the required supplementary information. The level of detail presented in that schedule is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

**Spotlight and Neediest Kids & Medicaid Reserve**

To account for all revenues and expenditures related to the Spotlight and Neediest Kids program and the Medicaid School Program (MSP) reserve fund.

**Special Rotary**

To account for all revenues and expenditures related to goods and /or services provided by the District, primarily those services provided by vocational classes to the general public. Activities in this fund are usually curricular in nature.

**Public School Support**

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sale of pictures, profits from vending machines, etc.) Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

**OTHER MAJOR FUNDS**

**Bond Retirement**

The bond retirement fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations for governmental resources when the District is obligated in some manner for the payment.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPOTLIGHT & NEEDIEST KIDS & MEDICAID RESERVE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                     | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>        |                     |   |
| <b>Revenues:</b>                            |                         |                     |                     |   |
| Miscellaneous                               | \$ -                    | \$ 1,300            | \$ 1,300            | \$ -  |
| Total revenues                              | -                       | 1,300               | 1,300               | -   |
| <b>Expenditures:</b>                        |                         |                     |                     |   |
| Current:                                    |                         |                     |                     |   |
| Instruction:                                |                         |                     |                     |   |
| Regular                                     | 195,739                 | 16,366              | 4,300               | 12,066  |
| Support services:                           |                         |                     |                     |   |
| Pupil                                       | 154,679                 | 12,933              | 3,398               | 9,535   |
| Total expenditures                          | 350,418                 | 29,299              | 7,698               | 21,601  |
| Net change in fund balance                  | (350,418)               | (27,999)            | (6,398)             | 21,601  |
| <b>Fund balance at beginning of year</b>    | 2,095,516               | 2,095,516           | 2,095,516           | -   |
| <b>Prior year encumbrances appropriated</b> | 418                     | 418                 | 418                 | -   |
| <b>Fund balance at end of year</b>          | <u>\$ 1,745,516</u>     | <u>\$ 2,067,935</u> | <u>\$ 2,089,536</u> | <u>\$ 21,601</u>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL ROTARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |              | <b>Actual</b>   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|--------------|-----------------|---|
|  | <b>Original</b>         | <b>Final</b> |                 |   |
| <b>Revenues:</b>                         |                         |              |                 |   |
| Contributions and donations              | \$ -                    | \$ -         | \$ 500          | \$ 500  |
| Total revenues                           | <u>-</u>                | <u>-</u>     | <u>500</u>      | <u>500</u>  |
| <b>Expenditures:</b>                     |                         |              |                 |   |
| Current:                                 |                         |              |                 |   |
| Instruction:                             |                         |              |                 |   |
| Special                                  | 3,282                   | 3,282        | -               | 3,282   |
| Total expenditures                       | <u>3,282</u>            | <u>3,282</u> | <u>-</u>        | <u>3,282</u>  |
| Net change in fund balance               | (3,282)                 | (3,282)      | 500             | 3,782   |
| <b>Fund balance at beginning of year</b> | 3,282                   | 3,282        | 3,282           | -   |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>             | <u>\$ -</u>  | <u>\$ 3,782</u> | <u>\$ 3,782</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                            |                         |                  |                  |   |
| Extracurricular                             | \$ 36,345               | \$ 37,121        | \$ 16,315        | \$ (20,806)   |
| Contributions and donations                 | 2,090                   | 2,135            | 2,239            | 104   |
| Miscellaneous                               | 35,981                  | 36,750           | 26,838           | (9,912)   |
| <b>Total revenues</b>                       | <b>74,416</b>           | <b>76,006</b>    | <b>45,392</b>    | <b>(30,614)</b>   |
| <b>Expenditures:</b>                        |                         |                  |                  |   |
| Current:                                    |                         |                  |                  |   |
| Instruction:                                |                         |                  |                  |   |
| Support services:                           |                         |                  |                  |   |
| Pupil                                       | 192,100                 | 142,133          | 71,520           | 70,613  |
| <b>Total expenditures</b>                   | <b>192,100</b>          | <b>142,133</b>   | <b>71,520</b>    | <b>70,613</b>   |
| Excess of expenditures over revenues        | (117,684)               | (66,127)         | (26,128)         | 39,999  |
| <b>Other financing sources:</b>             |                         |                  |                  |   |
| Sale of capital assets                      | -                       | 75               | 60               | (15)  |
| <b>Total other financing sources</b>        | <b>-</b>                | <b>75</b>        | <b>60</b>        | <b>(15)</b>   |
| Net change in fund balance                  | (117,684)               | (66,052)         | (26,068)         | 39,984  |
| <b>Fund balance at beginning of year</b>    | <b>100,551</b>          | <b>100,551</b>   | <b>100,551</b>   | <b>-</b>  |
| <b>Prior year encumbrances appropriated</b> | <b>17,133</b>           | <b>17,133</b>    | <b>17,133</b>    | <b>-</b>  |
| <b>Fund balance at end of year</b>          | <b>\$ -</b>             | <b>\$ 51,632</b> | <b>\$ 91,616</b> | <b>\$ 39,984</b>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                     | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|---------------------|---------------------|---|
|  | <b>Original</b>         | <b>Final</b>        |                     |   |
| <b>Revenues:</b>                         |                         |                     |                     |   |
| Property taxes                           | \$ 5,840,590            | \$ 5,840,590        | \$ 6,547,233        | \$ 706,643  |
| Intergovernmental                        | 1,468,757               | 1,468,757           | 1,467,139           | (1,618)   |
| Total revenues                           | <u>7,309,347</u>        | <u>7,309,347</u>    | <u>8,014,372</u>    | <u>705,025</u>  |
| <b>Expenditures:</b>                     |                         |                     |                     |   |
| Current:                                 |                         |                     |                     |   |
| Support services:                        |                         |                     |                     |   |
| Fiscal                                   | 63,209                  | 63,209              | 63,658              | (449)   |
| Debt service:                            |                         |                     |                     |   |
| Principal                                | 3,395,890               | 3,395,890           | 3,420,000           | (24,110)  |
| Interest and fiscal charges              | 3,619,388               | 3,619,388           | 3,645,085           | (25,697)  |
| Total expenditures                       | <u>7,078,487</u>        | <u>7,078,487</u>    | <u>7,128,743</u>    | <u>(50,256)</u>   |
| Net change in fund balance               | 230,860                 | 230,860             | 885,629             | 654,769   |
| <b>Fund balance at beginning of year</b> | <u>5,783,883</u>        | <u>5,783,883</u>    | <u>5,783,883</u>    | <u>-</u>  |
| <b>Fund balance at end of year</b>       | <u>\$ 6,014,743</u>     | <u>\$ 6,014,743</u> | <u>\$ 6,669,512</u> | <u>\$ 654,769</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

|  | <b>Nonmajor<br/>Special Revenue<br/>Funds</b> | <b>Nonmajor<br/>Capital Projects<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|---|--|--|
| <b>Assets:</b>   |   |  |  |
| Equity in pooled cash and cash equivalents             | \$ 5,438,197                                  | \$ 1,548,430                                   | \$ 6,986,627   |
| Cash in segregated accounts                            | -   | 545,081  | 545,081  |
| Receivables:   |   |  |  |
| Property taxes   | 380,279                                       | 1,923,367                                      | 2,303,646  |
| Accounts   | 10,585  | -  | 10,585   |
| Intergovernmental                                      | 4,107,143                                     | 2,396,859                                      | 6,504,002  |
| Prepayments  | 6,837   | -  | 6,837  |
| Inventory held for resale                              | 22,304  | -  | 22,304   |
| Resitricted assets:                                    |   |  |  |
| Equity in pooled cash and investments                  | -   | 4,194,103                                      | 4,194,103  |
| Total assets   | <u>\$ 9,965,345</u>                           | <u>\$ 10,607,840</u>                           | <u>\$ 20,573,185</u>                                 |
| <b>Liabilities:</b>                                    |   |  |  |
| Accounts payable                                       | \$ 103,666                                    | \$ 1,702,539                                   | \$ 1,806,205   |
| Contracts payable                                      | -   | 124,583  | 124,583  |
| Retainage payable                                      | -   | 545,081  | 545,081  |
| Accrued wages and benefits                             | 587,459                                       | -  | 587,459  |
| Intergovernmental payable                              | 11,590  | -  | 11,590   |
| Pension and postemployment benefits payable            | 178,063                                       | -  | 178,063  |
| Interfund loans payable                                | 1,428,499                                     | -  | 1,428,499  |
| Total liabilities                                      | <u>2,309,277</u>                              | <u>2,372,203</u>                               | <u>4,681,480</u>                                     |
| <b>Deferred inflows of resources:</b>                  |   |  |  |
| Property taxes levied for the next year                | 319,722                                       | 1,703,239                                      | 2,022,961  |
| Delinquent property tax revenue not available          | 25,279  | 86,069   | 111,348  |
| Intergovernmental revenue not available                | 2,185,963                                     | 2,396,859                                      | 4,582,822  |
| Total deferred inflows of resources                    | <u>2,530,964</u>                              | <u>4,186,167</u>                               | <u>6,717,131</u>                                     |
| <b>Fund balances:</b>                                  |   |  |  |
| Nonspendable:  |   |  |  |
| Prepays  | 6,837   | -  | 6,837  |
| Restricted:  |   |  |  |
| Capital projects                                       | -   | 3,947,311                                      | 3,947,311  |
| Classroom facilities maintenance                       | 1,242,501                                     | -  | 1,242,501  |
| Food service operations                                | 3,272,750                                     | -  | 3,272,750  |
| Non-public schools                                     | 111,533                                       | -  | 111,533  |
| State funded programs                                  | 61,443  | -  | 61,443   |
| Federally funded programs                              | 150,322                                       | -  | 150,322  |
| Extracurricular programs                               | 108,434                                       | -  | 108,434  |
| Other puposes  | 233,255                                       | -  | 233,255  |
| Committed:   |   |  |  |
| Capital projects                                       | -   | 102,159  | 102,159  |
| Unassigned (deficit)                                   | <u>(61,971)</u>                               | <u>-</u>                                       | <u>(61,971)</u>                                      |
| Total fund balances                                    | <u>5,125,104</u>                              | <u>4,049,470</u>                               | <u>9,174,574</u>                                     |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 9,965,345</u>                           | <u>\$ 10,607,840</u>                           | <u>\$ 20,573,185</u>                                 |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Nonmajor<br/>Special Revenue<br/>Funds</b> | <b>Nonmajor<br/>Capital Projects<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|---|--|--|
| <b>Revenues:</b>                         |   |  |  |
| Property taxes                           | \$ 361,565                                    | \$ 1,390,117                                   | \$ 1,751,682   |
| Intergovernmental                        | 15,515,830                                    | 142,702  | 15,658,532   |
| Investment earnings                      | 3,073   | 22,382   | 25,455   |
| Extracurricular                          | 117,397                                       | -  | 117,397  |
| Rental income                            | 1,650   | -  | 1,650  |
| Charges for services                     | 35,900  | -  | 35,900   |
| Contributions and donations              | 140,013                                       | -  | 140,013  |
| Miscellaneous                            | 17,967  | -  | 17,967   |
| Total revenues                           | <u>16,193,395</u>                             | <u>1,555,201</u>                               | <u>17,748,596</u>                                    |
| <b>Expenditures:</b>                     |   |  |  |
| Current:                                 |   |  |  |
| Instruction:                             |   |  |  |
| Regular                                  | 2,766,799                                     | 1,956  | 2,768,755  |
| Special                                  | 3,215,070                                     | -  | 3,215,070  |
| Other                                    | 174,493                                       | -  | 174,493  |
| Support services:                        |   |  |  |
| Pupil                                    | 2,466,138                                     | -  | 2,466,138  |
| Instructional staff                      | 2,100,383                                     | -  | 2,100,383  |
| Administration                           | 566,271                                       | -  | 566,271  |
| Fiscal                                   | 65,084  | 13,890   | 78,974   |
| Operations and maintenance               | 226,295                                       | 291,124  | 517,419  |
| Pupil transportation                     | 132,840                                       | -  | 132,840  |
| Central                                  | 7,090   | -  | 7,090  |
| Operation of non-instructional services: |   |  |  |
| Food service operations                  | 2,636,988                                     | -  | 2,636,988  |
| Other non-instructional services         | 1,159,593                                     | -  | 1,159,593  |
| Extracurricular activities               | 894,023                                       | -  | 894,023  |
| Facilities acquisition and construction  | 36,829  | 9,634,199                                      | 9,671,028  |
| Total expenditures                       | <u>16,447,896</u>                             | <u>9,941,169</u>                               | <u>26,389,065</u>                                    |
| Excess of expenditures over revenues     | <u>(254,501)</u>                              | <u>(8,385,968)</u>                             | <u>(8,640,469)</u>                                   |
| <b>Other financing sources:</b>          |   |  |  |
| Transfers in                             | 735,817                                       | -  | 735,817  |
| Total other financing sources            | <u>735,817</u>                                | <u>-</u>                                       | <u>735,817</u>                                       |
| Net change in fund balances              | 481,316                                       | (8,385,968)                                    | (7,904,652)  |
| <b>Fund balances</b>                     |   |  |  |
| <b>at beginning of year</b>              | 4,643,788                                     | 12,435,438                                     | 17,079,226   |
| <b>Fund balances at end of year</b>      | <u>\$ 5,125,104</u>                           | <u>\$ 4,049,470</u>                            | <u>\$ 9,174,574</u>                                  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**Nonmajor Special Revenue Funds**

The special revenue funds are established to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The term proceeds of specific sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the District's special revenue funds follows:

**Food Service**

It accounts for all food service charges for services, state and federal grants specific to the fund service activity, as well as related food service expenditures.

**High School Awards**

This fund accounts for revenues that are restricted for scholarships.

**Other Grants**

This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

**Classroom Facilities Maintenance**

This fund is used to account for the proceeds of a levy for the maintenance of facilities.

**Student Managed Activities**

This fund accounts for those student activity programs that have student participation in the activity and have student management of the programs.

**District Managed Activities**

This fund accounts for those student activity programs that have student participation in the activity, but do not have student management of the programs.

**Auxiliary Services**

This fund accounts for monies which provide services and materials to pupils attending non-public schools within the School District.

**Public School Preschool Grant**

This fund accounts for the costs of preschool programs for three to four year olds.

**Data Communications Grant**

This fund provides to account for money appropriated for Ohio Educational Computer Network Connections.

**Student Wellness and Success**

This fund is used to account for state grants that are restricted for the student health and wellness activities.

**Miscellaneous State Grants**

This fund accounts for various monies received from State agencies that are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

**Nonmajor Special Revenue Funds (Continued)**

**Elementary and Secondary School Emergency Relief (ESSER) Fund**

Elementary and Secondary School Emergency Relief (ESSER) Fund - This fund accounts for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

**Coronavirus Relief (CR) Fund**

Coronavirus Relief (CR) Fund - This fund accounts for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

**Title VI-B Grant**

This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

**School Improvement Stimulus A Grant**

To account for restricted federal grant monies used for school improvements.

**Title III Grant**

This fund accounts for the School to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

**Title I Grant**

This fund accounts for federal funds expended for services provided to meet special educational needs of educationally deprived children.

**21st Century**

To account for federal funds for the 21st Century Community Learning Centers program that are restricted for expenditures to provide opportunities for children who come from economically disadvantaged families and attend low-performing schools.

**EHA Preschool Grant**

The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**Supporting Effective Instruction Grant**

This fund accounts for federal funds to be used to support the teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

**Miscellaneous Federal Grants**

This fund accounts for other minor federal funds classified by the Ohio Department of Education to be recorded in this fund.

**Nonmajor Capital Projects Funds**

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the District's nonmajor capital project fund:

**Permanent Improvement**

This fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as defined by Ohio Revised Code.

**Building**

The building capital projects fund is used to account for the District's share of the school construction project. A portion of the general obligation bonds were recorded in this fund and will be used to pay for the project as it progresses.

**Construction**

The school facilities capital projects fund accounts for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

|  | <u>Food<br/>Service</u> | <u>High School<br/>Awards</u> | <u>Other<br/>Grants</u> | <u>Classroom<br/>Facilities<br/>Maintenance</u> |
|--|-------------------------|-------------------------------|-------------------------|---|
| <b>Assets:</b>   |                         |                               |                         |   |
| Equity in pooled cash and cash equivalents             | \$ 3,150,119            | \$ 29,907                     | \$ 203,514              | \$ 1,207,223                                    |
| Receivables:   |                         |                               |                         |   |
| Property taxes   | -                       | -                             | -                       | 380,279   |
| Accounts   | 6                       | 400                           | -                       | -   |
| Intergovernmental                                      | 188,914                 | -                             | -                       | -   |
| Prepayments  | -                       | -                             | -                       | -   |
| Inventory held for resale                              | 22,304                  | -                             | -                       | -   |
| Total assets   | <u>\$ 3,361,343</u>     | <u>\$ 30,307</u>              | <u>\$ 203,514</u>       | <u>\$ 1,587,502</u>                             |
| <b>Liabilities:</b>                                    |                         |                               |                         |   |
| Accounts payable                                       | \$ 88,593               | \$ -                          | \$ -                    | \$ -  |
| Accrued wages and benefits                             | -                       | -                             | 439                     | -   |
| Intergovernmental payable                              | -                       | -                             | 1                       | -   |
| Pension and postemployment benefits payable            | -                       | -                             | 126                     | -   |
| Interfund loans payable                                | -                       | -                             | -                       | -   |
| Total liabilities                                      | <u>88,593</u>           | <u>-</u>                      | <u>566</u>              | <u>-</u>  |
| <b>Deferred inflows of resources:</b>                  |                         |                               |                         |   |
| Property taxes levied for the next fiscal year         | -                       | -                             | -                       | 319,722   |
| Delinquent property tax revenue not available          | -                       | -                             | -                       | 25,279  |
| Intergovernmental revenue not available                | -                       | -                             | -                       | -   |
| Total deferred inflows of resources                    | <u>-</u>                | <u>-</u>                      | <u>-</u>                | <u>345,001</u>                                  |
| <b>Fund balances:</b>                                  |                         |                               |                         |   |
| Nonspendable:  |                         |                               |                         |   |
| Prepays  | -                       | -                             | -                       | -   |
| Restricted:  |                         |                               |                         |   |
| Classroom facilities maintenance                       | -                       | -                             | -                       | 1,242,501                                       |
| Food service operations                                | 3,272,750               | -                             | -                       | -   |
| Non-public schools                                     | -                       | -                             | -                       | -   |
| State funded programs                                  | -                       | -                             | -                       | -   |
| Federally funded programs                              | -                       | -                             | -                       | -   |
| Extracurricular activities                             | -                       | -                             | -                       | -   |
| Other puposes  | -                       | 30,307                        | 202,948                 | -   |
| Unassigned (deficit)                                   | -                       | -                             | -                       | -   |
| Total fund balances (deficit)                          | <u>3,272,750</u>        | <u>30,307</u>                 | <u>202,948</u>          | <u>1,242,501</u>                                |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 3,361,343</u>     | <u>\$ 30,307</u>              | <u>\$ 203,514</u>       | <u>\$ 1,587,502</u>                             |

| <u>Student<br/>Managed<br/>Activities</u> | <u>District<br/>Managed<br/>Activities</u> | <u>Auxiliary<br/>Services</u> | <u>Data<br/>Communications<br/>Grant</u> | <u>Student<br/>Wellness<br/>and Success</u> | <u>Miscellaneous<br/>State Grants</u> |
|---|--|-------------------------------|--|---|---------------------------------------|
| \$ 79,440                                 | \$ 70,786                                  | \$ 186,041                    | \$ 8,435                                 | \$ 53,008                                   | \$ -                                  |
| -   | -  | -                             | -  | -   | -                                     |
| 21  | 8,099                                      | 2,059                         | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | 5,374                                 |
| -   | 837  | 497                           | -  | 318   | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| <u>\$ 79,461</u>                          | <u>\$ 79,722</u>                           | <u>\$ 188,597</u>             | <u>\$ 8,435</u>                          | <u>\$ 53,326</u>                            | <u>\$ 5,374</u>                       |
| \$ -                                      | \$ -                                       | \$ 2,266                      | \$ -                                     | \$ -  | \$ -                                  |
| -   | 14,840                                     | 61,426                        | -  | -   | 3,604                                 |
| -   | 119  | 5,823                         | -  | -   | 52                                    |
| -   | 34,953                                     | 7,052                         | -  | -   | 976                                   |
| -   | -  | -                             | -  | -   | 1,179                                 |
| -   | <u>49,912</u>                              | <u>76,567</u>                 | -  | -   | <u>5,811</u>                          |
| -   | -  | -                             | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | 300                                   |
| -   | -  | -                             | -  | -   | <u>300</u>                            |
| -   | 837  | 497                           | -  | 318   | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| -   | -  | 111,533                       | -  | -   | -                                     |
| -   | -  | -                             | 8,435                                    | 53,008                                      | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| 79,461                                    | 28,973                                     | -                             | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | -                                     |
| -   | -  | -                             | -  | -   | (737)                                 |
| <u>79,461</u>                             | <u>29,810</u>                              | <u>112,030</u>                | <u>8,435</u>                             | <u>53,326</u>                               | <u>(737)</u>                          |
| <u>\$ 79,461</u>                          | <u>\$ 79,722</u>                           | <u>\$ 188,597</u>             | <u>\$ 8,435</u>                          | <u>\$ 53,326</u>                            | <u>\$ 5,374</u>                       |

(Continued)

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2021

|  | <u>Elementary and<br/>Secondary School<br/>Emergency</u> | <u>Coronavirus<br/>Relief</u> | <u>Title<br/>VI-B</u> | <u>School<br/>Improvement<br/>Stimulus A<br/>Grant</u> |
|--|--|-------------------------------|-----------------------|--|
| <b>Assets:</b>   |  |                               |                       |  |
| Equity in pooled cash and cash equivalents             | \$ 124,778   | \$ -                          | \$ 28,742             | \$ -   |
| Receivables:   |  |                               |                       |  |
| Property taxes   | -  | -                             | -                     | -  |
| Accounts   | -  | -                             | -                     | -  |
| Intergovernmental                                      | 291,648  | -                             | 683,745               | 252,806  |
| Prepayments  | -  | -                             | 1,657                 | -  |
| Inventory held for resale                              | -  | -                             | -                     | -  |
| Total assets   | <u>\$ 416,426</u>  | <u>\$ -</u>                   | <u>\$ 714,144</u>     | <u>\$ 252,806</u>                                      |
| <b>Liabilities:</b>                                    |  |                               |                       |  |
| Accounts payable                                       | \$ -   | \$ -                          | \$ -                  | \$ -   |
| Accrued wages and benefits                             | -  | -                             | 163,993               | 13,362   |
| Intergovernmental payable                              | -  | -                             | 1,667                 | 194  |
| Pension and postemployment benefits payable            | 30,788   | -                             | 35,858                | 1,284  |
| Interfund loans payable                                | 385,638  | -                             | 503,840               | 5,063  |
| Total liabilities                                      | <u>416,426</u>   | <u>-</u>                      | <u>705,358</u>        | <u>19,903</u>  |
| <b>Deferred inflows of resources:</b>                  |  |                               |                       |  |
| Property taxes levied for the next fiscal year         | -  | -                             | -                     | -  |
| Delinquent property tax revenue not available          | -  | -                             | -                     | -  |
| Intergovernmental revenue not available                | -  | -                             | 62,296                | 232,066  |
| Total deferred inflows of resources                    | <u>-</u>   | <u>-</u>                      | <u>62,296</u>         | <u>232,066</u>   |
| <b>Fund balances:</b>                                  |  |                               |                       |  |
| Nonspendable:  |  |                               |                       |  |
| Prepays  | -  | -                             | 1,657                 | -  |
| Restricted:  |  |                               |                       |  |
| Classroom facilities maintenance                       | -  | -                             | -                     | -  |
| Food service operations                                | -  | -                             | -                     | -  |
| Non-public schools                                     | -  | -                             | -                     | -  |
| State funded programs                                  | -  | -                             | -                     | -  |
| Federally funded programs                              | -  | -                             | -                     | 837  |
| Extracurricular activities                             | -  | -                             | -                     | -  |
| Other puposes  | -  | -                             | -                     | -  |
| Unassigned (deficit)                                   | -  | -                             | (55,167)              | -  |
| Total fund balances (deficit)                          | <u>-</u>   | <u>-</u>                      | <u>(53,510)</u>       | <u>837</u>   |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 416,426</u>  | <u>\$ -</u>                   | <u>\$ 714,144</u>     | <u>\$ 252,806</u>                                      |

| <u>Title III Grant</u> | <u>Title I Grant</u> | <u>21st Century</u> | <u>EHA Preschool Grant</u> | <u>Supporting Effective Instruction Grant</u> | <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|------------------------|----------------------|---------------------|----------------------------|---|-------------------------------------|---|
| \$ 6,348               | \$ 129,624           | \$ -                | \$ 210                     | \$ 87,675                                     | \$ 72,347                           | \$ 5,438,197                                |
| -                      | -                    | -                   | -                          | -   | -                                   | 380,279                                     |
| -                      | -                    | -                   | -                          | -   | -                                   | 10,585                                      |
| 65,465                 | 1,483,487            | -                   | 6,193                      | 695,113                                       | 434,398                             | 4,107,143                                   |
| 65                     | 3,320                | -                   | -                          | 55  | 88                                  | 6,837                                       |
| -                      | -                    | -                   | -                          | -   | -                                   | 22,304                                      |
| <u>\$ 71,878</u>       | <u>\$ 1,616,431</u>  | <u>\$ -</u>         | <u>\$ 6,403</u>            | <u>\$ 782,843</u>                             | <u>\$ 506,833</u>                   | <u>\$ 9,965,345</u>                         |
| \$ -                   | \$ 5,460             | \$ -                | \$ -                       | \$ 295  | \$ 7,052                            | \$ 103,666                                  |
| 6,566                  | 302,471              | 2,512               | -                          | 9,437   | 8,809                               | 587,459                                     |
| 94                     | 3,501                | -                   | -                          | 11  | 128                                 | 11,590                                      |
| 1,766                  | 55,456               | 2,272               | -                          | 7,532   | -                                   | 178,063                                     |
| 11,690                 | 273,851              | -                   | 6,081                      | 134,700                                       | 106,457                             | 1,428,499                                   |
| 20,116                 | 640,739              | 4,784               | 6,081                      | 151,975                                       | 122,446                             | 2,309,277                                   |
| -                      | -                    | -                   | -                          | -   | -                                   | 319,722                                     |
| -                      | -                    | -                   | -                          | -   | -                                   | 25,279                                      |
| 52,980                 | 910,484              | -                   | 322                        | 590,912                                       | 336,603                             | 2,185,963                                   |
| 52,980                 | 910,484              | -                   | 322                        | 590,912                                       | 336,603                             | 2,530,964                                   |
| 65                     | 3,320                | -                   | -                          | 55  | 88                                  | 6,837                                       |
| -                      | -                    | -                   | -                          | -   | -                                   | 1,242,501                                   |
| -                      | -                    | -                   | -                          | -   | -                                   | 3,272,750                                   |
| -                      | -                    | -                   | -                          | -   | -                                   | 111,533                                     |
| -                      | -                    | -                   | -                          | -   | -                                   | 61,443                                      |
| -                      | 61,888               | -                   | -                          | 39,901  | 47,696                              | 150,322                                     |
| -                      | -                    | -                   | -                          | -   | -                                   | 108,434                                     |
| -                      | -                    | -                   | -                          | -   | -                                   | 233,255                                     |
| (1,283)                | -                    | (4,784)             | -                          | -   | -                                   | (61,971)                                    |
| <u>(1,218)</u>         | <u>65,208</u>        | <u>(4,784)</u>      | <u>-</u>                   | <u>39,956</u>                                 | <u>47,784</u>                       | <u>5,125,104</u>                            |
| <u>\$ 71,878</u>       | <u>\$ 1,616,431</u>  | <u>\$ -</u>         | <u>\$ 6,403</u>            | <u>\$ 782,843</u>                             | <u>\$ 506,833</u>                   | <u>\$ 9,965,345</u>                         |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <u>Food<br/>Service</u> | <u>High School<br/>Awards</u> | <u>Other<br/>Grants</u> | <u>Classroom<br/>Facilities<br/>Maintenance</u> |
|--|-------------------------|-------------------------------|-------------------------|---|
| <b>Revenues:</b>   |                         |                               |                         |   |
| Property taxes   | \$ -                    | -                             | \$ -                    | \$ 361,565                                      |
| Intergovernmental  | 2,971,234               | -                             | -                       | 37,546  |
| Investment earnings  | 2,179                   | \$ -                          | -                       | 750   |
| Extracurricular  | -                       | -                             | -                       | -   |
| Rental income  | -                       | -                             | -                       | -   |
| Charges for services   | 35,900                  | -                             | -                       | -   |
| Contributions and donations                                  | -                       | 16,585                        | 95,955                  | -   |
| Miscellaneous  | -                       | -                             | 1,000                   | -   |
| Total revenues   | <u>3,009,313</u>        | <u>16,585</u>                 | <u>96,955</u>           | <u>399,861</u>                                  |
| <b>Expenditures:</b>   |                         |                               |                         |   |
| Current:   |                         |                               |                         |   |
| Instruction:   |                         |                               |                         |   |
| Regular  | -                       | 15,370                        | 32,062                  | -   |
| Special  | -                       | -                             | -                       | -   |
| Other  | -                       | -                             | -                       | -   |
| Support services:  |                         |                               |                         |   |
| Pupil  | -                       | -                             | 800                     | -   |
| Instructional staff  | -                       | -                             | 5,095                   | -   |
| Administration   | -                       | -                             | -                       | -   |
| Fiscal   | 61,364                  | -                             | -                       | 3,720   |
| Operations and maintenance                                   | 85,219                  | -                             | -                       | -   |
| Pupil transportation   | -                       | -                             | -                       | -   |
| Central  | -                       | -                             | -                       | -   |
| Operation of non-instructional services:                     |                         |                               |                         |   |
| Food service operations                                      | 2,636,988               | -                             | -                       | -   |
| Other non-instructional services                             | -                       | -                             | -                       | -   |
| Extracurricular activities                                   | -                       | -                             | -                       | -   |
| Facilities acquisition and construction                      | -                       | -                             | -                       | 36,829  |
| Total expenditures   | <u>2,783,571</u>        | <u>15,370</u>                 | <u>37,957</u>           | <u>40,549</u>                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>225,742</u>          | <u>1,215</u>                  | <u>58,998</u>           | <u>359,312</u>                                  |
| <b>Other financing sources:</b>                              |                         |                               |                         |   |
| Transfers in   | -                       | -                             | -                       | -   |
| Total other financing sources                                | <u>-</u>                | <u>-</u>                      | <u>-</u>                | <u>-</u>  |
| Change in fund balance                                       | 225,742                 | 1,215                         | 58,998                  | 359,312   |
| <b>Fund balances (deficit)</b>                               |                         |                               |                         |   |
| at beginning of year   | <u>3,047,008</u>        | <u>29,092</u>                 | <u>143,950</u>          | <u>883,189</u>                                  |
| Fund balances (deficit) at end of year                       | <u>\$ 3,272,750</u>     | <u>\$ 30,307</u>              | <u>\$ 202,948</u>       | <u>\$ 1,242,501</u>                             |

| <u>Student<br/>Managed<br/>Activities</u> | <u>District<br/>Managed<br/>Activities</u> | <u>Auxiliary<br/>Services</u> | <u>Public Preschool<br/>Grant</u> | <u>Data<br/>Communications<br/>Grant</u> | <u>Student<br/>Wellness<br/>and Success</u> |
|---|--|-------------------------------|-----------------------------------|--|---|
| \$ -                                      | \$ -                                       | \$ -                          | \$ -                              | \$ -                                     | \$ -  |
| -   | -  | 768,815                       | 280,000                           | 18,000                                   | 2,112,887                                   |
| -   | -  | 144                           | -                                 | -  | -   |
| 5,851                                     | 111,546                                    | -                             | -                                 | -  | -   |
| -   | 1,650                                      | -                             | -                                 | -  | -   |
| -   | -  | -                             | -                                 | -  | -   |
| 70  | 27,403                                     | -                             | -                                 | -  | -   |
| -   | 16,967                                     | -                             | -                                 | -  | -   |
| <u>5,921</u>                              | <u>157,566</u>                             | <u>768,959</u>                | <u>280,000</u>                    | <u>18,000</u>                            | <u>2,112,887</u>                            |
| -   | -  | -                             | -                                 | -  | -   |
| -   | -  | -                             | 280,000                           | -  | -   |
| -   | -  | -                             | -                                 | -  | 174,493                                     |
| -   | -  | -                             | -                                 | -  | 2,002,678                                   |
| -   | -  | -                             | -                                 | 18,000                                   | -   |
| -   | -  | -                             | -                                 | -  | 58,000                                      |
| -   | -  | -                             | -                                 | -  | -   |
| -   | -  | -                             | -                                 | -  | 80,947                                      |
| -   | -  | -                             | -                                 | -  | 10,000                                      |
| -   | -  | -                             | -                                 | -  | -   |
| -   | -  | -                             | -                                 | -  | -   |
| -   | -  | 726,863                       | -                                 | -  | -   |
| 8,882                                     | 885,141                                    | -                             | -                                 | -  | -   |
| -   | -  | -                             | -                                 | -  | -   |
| <u>8,882</u>                              | <u>885,141</u>                             | <u>726,863</u>                | <u>280,000</u>                    | <u>18,000</u>                            | <u>2,326,118</u>                            |
| <u>(2,961)</u>                            | <u>(727,575)</u>                           | <u>42,096</u>                 | <u>-</u>                          | <u>-</u>                                 | <u>(213,231)</u>                            |
| -   | 735,817                                    | -                             | -                                 | -  | -   |
| -   | <u>735,817</u>                             | -                             | -                                 | -  | -   |
| (2,961)                                   | 8,242                                      | 42,096                        | -                                 | -  | (213,231)                                   |
| 82,422                                    | 21,568                                     | 69,934                        | -                                 | 8,435                                    | 266,557                                     |
| <u>\$ 79,461</u>                          | <u>\$ 29,810</u>                           | <u>\$ 112,030</u>             | <u>\$ -</u>                       | <u>\$ 8,435</u>                          | <u>\$ 53,326</u>                            |

(Continued)

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <u>Miscellaneous<br/>State Grants</u> | <u>Elementary and<br/>Secondary School<br/>Emergency</u> | <u>Coronavirus<br/>Relief</u> | <u>Title<br/>VI-B</u> |
|--|---------------------------------------|--|-------------------------------|-----------------------|
| <b>Revenues:</b>   |                                       |  |                               |                       |
| Property taxes   | \$ -                                  | \$ -   | \$ -                          | \$ -                  |
| Intergovernmental  | 24,963                                | 2,571,804  | 545,925                       | 1,996,639             |
| Investment earnings  | -                                     | -  | -                             | -                     |
| Extracurricular  | -                                     | -  | -                             | -                     |
| Rental income  | -                                     | -  | -                             | -                     |
| Charges for services   | -                                     | -  | -                             | -                     |
| Contributions and donations                                  | -                                     | -  | -                             | -                     |
| Miscellaneous  | -                                     | -  | -                             | -                     |
| Total revenues   | <u>24,963</u>                         | <u>2,571,804</u>   | <u>545,925</u>                | <u>1,996,639</u>      |
| <b>Expenditures:</b>   |                                       |  |                               |                       |
| Current:   |                                       |  |                               |                       |
| Instruction:   |                                       |  |                               |                       |
| Regular  | -                                     | 2,174,992  | 325,207                       | 95,549                |
| Special  | -                                     | 31,116   | 22,257                        | 1,285,083             |
| Other  | -                                     | -  | -                             | -                     |
| Support services:  |                                       |  |                               |                       |
| Pupil  | -                                     | 232,834  | 36,648                        | 122,452               |
| Instructional staff  | -                                     | 5,910  | -                             | 21,348                |
| Administration   | -                                     | 1,218  | 3,305                         | 346,688               |
| Fiscal   | -                                     | -  | -                             | -                     |
| Operations and maintenance                                   | -                                     | -  | 60,129                        | -                     |
| Pupil transportation   | -                                     | -  | -                             | -                     |
| Central  | -                                     | -  | 7,090                         | -                     |
| Operation of non-instructional services:                     |                                       |  |                               |                       |
| Food service operations                                      | -                                     | -  | -                             | -                     |
| Other non-instructional services                             | 8,556                                 | 125,734  | 91,289                        | 49,851                |
| Extracurricular activities                                   | -                                     | -  | -                             | -                     |
| Facilities acquisition and construction                      | -                                     | -  | -                             | -                     |
| Total expenditures   | <u>8,556</u>                          | <u>2,571,804</u>   | <u>545,925</u>                | <u>1,920,971</u>      |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>16,407</u>                         | <u>-</u>   | <u>-</u>                      | <u>75,668</u>         |
| <b>Other financing sources:</b>                              |                                       |  |                               |                       |
| Transfers in   | -                                     | -  | -                             | -                     |
| Total other financing sources                                | <u>-</u>                              | <u>-</u>   | <u>-</u>                      | <u>-</u>              |
| Change in fund balance                                       | 16,407                                | -  | -                             | 75,668                |
| <b>Fund balances (deficit)<br/>at beginning of year</b>      | <u>(17,144)</u>                       | <u>-</u>   | <u>-</u>                      | <u>(129,178)</u>      |
| <b>Fund balances (deficit) at end of year</b>                | <u>\$ (737)</u>                       | <u>\$ -</u>  | <u>\$ -</u>                   | <u>\$ (53,510)</u>    |

| <u>School Improvement Stimulus A Grant</u> | <u>Title III Grant</u> | <u>Title I Grant</u> | <u>21st Century</u> | <u>EHA Preschool Grant</u> | <u>Supporting Effective Instruction Grant</u> | <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|--|------------------------|----------------------|---------------------|----------------------------|---|-------------------------------------|---|
| \$ -                                       | \$ -                   | \$ -                 | \$ -                | \$ -                       | \$ -  | \$ -                                | \$ 361,565                                  |
| 20,740                                     | 73,973                 | 3,563,728            | -                   | 34,814                     | 287,711                                       | 207,051                             | 15,515,830                                  |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 3,073                                       |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 117,397                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 1,650                                       |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 35,900                                      |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 140,013                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 17,967                                      |
| <u>20,740</u>                              | <u>73,973</u>          | <u>3,563,728</u>     | <u>-</u>            | <u>34,814</u>              | <u>287,711</u>                                | <u>207,051</u>                      | <u>16,193,395</u>                           |
| 15,583                                     | 20,811                 | -                    | 2,997               | -                          | -   | 84,228                              | 2,766,799                                   |
| -  | -                      | 1,559,996            | -                   | 34,814                     | -   | 1,804                               | 3,215,070                                   |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 174,493                                     |
| 5,723                                      | -                      | -                    | 1,787               | -                          | -   | 63,216                              | 2,466,138                                   |
| -  | 3,950                  | 1,711,418            | -                   | -                          | 332,372                                       | 2,290                               | 2,100,383                                   |
| -  | -                      | 157,060              | -                   | -                          | -   | -                                   | 566,271                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 65,084                                      |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 226,295                                     |
| -  | -                      | 122,840              | -                   | -                          | -   | -                                   | 132,840                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 7,090                                       |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 2,636,988                                   |
| -  | 48,955                 | 94,647               | -                   | -                          | 7,698   | 6,000                               | 1,159,593                                   |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 894,023                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 36,829                                      |
| <u>21,306</u>                              | <u>73,716</u>          | <u>3,645,961</u>     | <u>4,784</u>        | <u>34,814</u>              | <u>340,070</u>                                | <u>157,538</u>                      | <u>16,447,896</u>                           |
| <u>(566)</u>                               | <u>257</u>             | <u>(82,233)</u>      | <u>(4,784)</u>      | <u>-</u>                   | <u>(52,359)</u>                               | <u>49,513</u>                       | <u>(254,501)</u>                            |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 735,817                                     |
| -  | -                      | -                    | -                   | -                          | -   | -                                   | 735,817                                     |
| (566)                                      | 257                    | (82,233)             | (4,784)             | -                          | (52,359)                                      | 49,513                              | 481,316                                     |
| 1,403                                      | (1,475)                | 147,441              | -                   | -                          | 92,315  | (1,729)                             | 4,643,788                                   |
| <u>\$ 837</u>                              | <u>\$ (1,218)</u>      | <u>\$ 65,208</u>     | <u>\$ (4,784)</u>   | <u>\$ -</u>                | <u>\$ 39,956</u>                              | <u>\$ 47,784</u>                    | <u>\$ 5,125,104</u>                         |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                     | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>        |                     |   |
| <b>Revenues:</b>                            |                         |                     |                     |   |
| Intergovernmental                           | \$ 3,900,000            | \$ 3,900,000        | \$ 2,617,972        | \$ (1,282,028)  |
| Investment earnings                         | 12,500                  | 12,500              | 2,601               | (9,899)   |
| Charges for services                        | 185,000                 | 185,000             | 35,905              | (149,095)   |
| <b>Total revenues</b>                       | <b>4,097,500</b>        | <b>4,097,500</b>    | <b>2,656,478</b>    | <b>(1,441,022)</b>  |
| <b>Expenditures:</b>                        |                         |                     |                     |   |
| Current:                                    |                         |                     |                     |   |
| Support services:                           |                         |                     |                     |   |
| Fiscal                                      | 118,902                 | 125,618             | 61,364              | 64,254  |
| Operations and maintenance                  | 183,520                 | 193,885             | 94,712              | 99,173  |
| Operation of non-instructional services:    |                         |                     |                     |   |
| Food service operations                     | 5,009,060               | 5,291,979           | 2,585,113           | 2,706,866   |
| <b>Total expenditures</b>                   | <b>5,311,482</b>        | <b>5,611,482</b>    | <b>2,741,189</b>    | <b>2,870,293</b>  |
| Excess of expenditures over revenues        | (1,213,982)             | (1,513,982)         | (84,711)            | 1,429,271   |
| <b>Other financing sources:</b>             |                         |                     |                     |   |
| Refund of prior year expenditure            | 15,000                  | 15,000              | 22                  | (14,978)  |
| <b>Total other financing sources</b>        | <b>15,000</b>           | <b>15,000</b>       | <b>22</b>           | <b>(14,978)</b>   |
| Net change in fund balance                  | (1,198,982)             | (1,498,982)         | (84,689)            | 1,414,293   |
| <b>Fund balance at beginning of year</b>    | <b>2,435,906</b>        | <b>2,435,906</b>    | <b>2,435,906</b>    | <b>-</b>  |
| <b>Prior year encumbrances appropriated</b> | <b>611,482</b>          | <b>611,482</b>      | <b>611,482</b>      | <b>-</b>  |
| <b>Fund balance at end of year</b>          | <b>\$ 1,848,406</b>     | <b>\$ 1,548,406</b> | <b>\$ 2,962,699</b> | <b>\$ 1,414,293</b>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
HIGH SCHOOL AWARDS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|------------------|------------------|---|
|  | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                         |                         |                  |                  |   |
| Contributions and donations              | \$ -                    | \$ 16,585        | \$ 17,285        | \$ 700  |
| Total revenues                           | -                       | 16,585           | 17,285           | 700   |
| <b>Expenditures:</b>                     |                         |                  |                  |   |
| Current:                                 |                         |                  |                  |   |
| Instruction:                             |                         |                  |                  |   |
| Regular                                  | -                       | 21,119           | 21,119           | -   |
| Total expenditures                       | -                       | 21,119           | 21,119           | -   |
| Net change in fund balance               | -                       | (4,534)          | (3,834)          | 700   |
| <b>Fund balance at beginning of year</b> | 29,092                  | 29,092           | 29,092           | -   |
| <b>Fund balance at end of year</b>       | <b>\$ 29,092</b>        | <b>\$ 24,558</b> | <b>\$ 25,258</b> | <b>\$ 700</b>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
OTHER GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                | <b>Actual</b>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|----------------|-------------------|---|
|   | <b>Original</b>         | <b>Final</b>   |                   |   |
| <b>Revenues:</b>                            |                         |                |                   |   |
| Contributions and donations                 | \$ 30,692               | \$ 94,640      | \$ 95,955         | \$ 1,315  |
| Miscellaneous                               | 324                     | 1,000          | 1,000             | -   |
| Total revenues                              | <u>31,016</u>           | <u>95,640</u>  | <u>96,955</u>     | <u>1,315</u>  |
| <b>Expenditures:</b>                        |                         |                |                   |   |
| Current:                                    |                         |                |                   |   |
| Instruction:                                |                         |                |                   |   |
| Regular                                     | 149,118                 | 204,195        | 32,773            | 171,422   |
| Support Services:                           |                         |                |                   |   |
| Pupil                                       | 3,640                   | 4,984          | 800               | 4,184   |
| Instructional staff                         | 22,208                  | 30,411         | 4,881             | 25,530  |
| Total expenditures                          | <u>174,966</u>          | <u>239,590</u> | <u>38,454</u>     | <u>201,136</u>  |
| Net change in fund balance                  | (143,950)               | (143,950)      | 58,501            | 202,451   |
| <b>Fund balance at beginning of year</b>    | 140,280                 | 140,280        | 140,280           | -   |
| <b>Prior year encumbrances appropriated</b> | 3,670                   | 3,670          | 3,670             | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 202,451</u> | <u>\$ 202,451</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CLASSROOM FACILITIES MAINTENANCE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>      |                     |   |
| <b>Revenues:</b>                            |                         |                   |                     |   |
| Property taxes                              | \$ 325,155              | \$ 325,155        | \$ 358,475          | \$ 33,320   |
| Intergovernmental                           | 35,152                  | 35,152            | 37,546              | 2,394   |
| Investment earnings                         | 6,196                   | 6,196             | 865                 | (5,331)   |
| <b>Total revenues</b>                       | <b>366,503</b>          | <b>366,503</b>    | <b>396,886</b>      | <b>30,383</b>   |
| <b>Expenditures:</b>                        |                         |                   |                     |   |
| Current:                                    |                         |                   |                     |   |
| Support Services:                           |                         |                   |                     |   |
| Fiscal                                      | 38,644                  | 33,339            | 3,720               | 29,619  |
| Operations and maintenance                  | 877,346                 | 756,911           | 84,458              | 672,453   |
| Facilities acquisition and construction     | 386,152                 | 333,144           | 37,173              | 295,971   |
| <b>Total expenditures</b>                   | <b>1,302,142</b>        | <b>1,123,394</b>  | <b>125,351</b>      | <b>998,043</b>  |
| Net change in fund balance                  | (935,639)               | (756,891)         | 271,535             | 1,028,426   |
| <b>Fund balance at beginning of year</b>    | <b>812,245</b>          | <b>812,245</b>    | <b>812,245</b>      | <b>-</b>  |
| <b>Prior year encumbrances appropriated</b> | <b>123,394</b>          | <b>123,394</b>    | <b>123,394</b>      | <b>-</b>  |
| <b>Fund balance at end of year</b>          | <b>\$ -</b>             | <b>\$ 178,748</b> | <b>\$ 1,207,174</b> | <b>\$ 1,028,426</b>   |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STUDENT MANAGED ACTIVITIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                            |                         |                  |                  |   |
| Extracurricular                             | \$ 24,124               | \$ 25,072        | \$ 5,851         | \$ (19,221)   |
| Contributions and donations                 | -                       | -                | 28               | 28  |
| Miscellaneous                               | 48                      | 50               | -                | (50)  |
| <b>Total revenues</b>                       | <u>24,172</u>           | <u>25,122</u>    | <u>5,879</u>     | <u>(19,243)</u>   |
| <b>Expenditures:</b>                        |                         |                  |                  |   |
| Current:                                    |                         |                  |                  |   |
| Extracurricular activities                  | 106,669                 | 40,483           | 9,680            | 30,803  |
| <b>Total expenditures</b>                   | <u>106,669</u>          | <u>40,483</u>    | <u>9,680</u>     | <u>30,803</u>   |
| Excess of expenditures over revenues        | <u>(82,497)</u>         | <u>(15,361)</u>  | <u>(3,801)</u>   | <u>11,560</u>   |
| <b>Other financing sources:</b>             |                         |                  |                  |   |
| Transfers in                                | -                       | 1,642            | -                | (1,642)   |
| <b>Total other financing sources</b>        | <u>-</u>                | <u>1,642</u>     | <u>-</u>         | <u>(1,642)</u>  |
| Net change in fund balance                  | (82,497)                | (13,719)         | (3,801)          | 9,918   |
| <b>Fund balance at beginning of year</b>    | 67,014                  | 67,014           | 67,014           | -   |
| <b>Prior year encumbrances appropriated</b> | 15,483                  | 15,483           | 15,483           | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ 68,778</u> | <u>\$ 78,696</u> | <u>\$ 9,918</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISTRICT MANAGED ACTIVITIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                            |                         |                  |                  |   |
| Extracurricular                             | \$ 158,935              | \$ 159,268       | \$ 98,748        | \$ (60,520)   |
| Rental income                               | 674                     | 675              | 1,350            | 675   |
| Contributions and donations                 | 37,046                  | 37,124           | 12,505           | (24,619)  |
| Miscellaneous                               | 4,154                   | 4,163            | 16,045           | 11,882  |
| <b>Total revenues</b>                       | <b>200,809</b>          | <b>201,230</b>   | <b>128,648</b>   | <b>(72,582)</b>   |
| <b>Expenditures:</b>                        |                         |                  |                  |   |
| Current:                                    |                         |                  |                  |   |
| Extracurricular activities                  | 1,019,757               | 1,021,757        | 874,208          | 147,549   |
| <b>Total expenditures</b>                   | <b>1,019,757</b>        | <b>1,021,757</b> | <b>874,208</b>   | <b>147,549</b>  |
| Excess of expenditures over revenues        | (818,948)               | (820,527)        | (745,560)        | 74,967  |
| <b>Other financing sources:</b>             |                         |                  |                  |   |
| Transfers in                                | 753,749                 | 755,328          | 735,817          | (19,511)  |
| Refund of prior year expenditure            | -                       | -                | 545              | 545   |
| <b>Total other financing sources</b>        | <b>753,749</b>          | <b>755,328</b>   | <b>736,362</b>   | <b>(18,966)</b>   |
| Net change in fund balance                  | (65,199)                | (65,199)         | (9,198)          | 56,001  |
| <b>Fund balance at beginning of year</b>    | <b>45,655</b>           | <b>45,655</b>    | <b>45,655</b>    | <b>-</b>  |
| <b>Prior year encumbrances appropriated</b> | <b>19,544</b>           | <b>19,544</b>    | <b>19,544</b>    | <b>-</b>  |
| <b>Fund balance at end of year</b>          | <b>\$ -</b>             | <b>\$ -</b>      | <b>\$ 56,001</b> | <b>\$ 56,001</b>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|----------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>   |                  |   |
| <b>Revenues:</b>                            |                         |                |                  |   |
| Intergovernmental                           | \$ 708,563              | \$ 768,815     | \$ 768,815       | \$ -  |
| Investment earnings                         | 46                      | 50             | 172              | 122   |
| <b>Total revenues</b>                       | <u>708,609</u>          | <u>768,865</u> | <u>768,987</u>   | <u>122</u>  |
| <b>Expenditures:</b>                        |                         |                |                  |   |
| Operation of non-instructional services     | 847,083                 | 907,338        | 837,206          | 70,132  |
| <b>Total expenditures</b>                   | <u>847,083</u>          | <u>907,338</u> | <u>837,206</u>   | <u>70,132</u>   |
| Net change in fund balance                  | (138,474)               | (138,473)      | (68,219)         | 70,254  |
| <b>Fund balance at beginning of year</b>    | 100,663                 | 100,663        | 100,663          | -   |
| <b>Prior year encumbrances appropriated</b> | 37,811                  | 37,811         | 37,811           | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ 1</u>    | <u>\$ 70,255</u> | <u>\$ 70,254</u>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL PRESCHOOL GRANT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|----------------|----------------|---|
|  | <b>Original</b>         | <b>Final</b>   |                |   |
| <b>Revenues:</b>                         |                         |                |                |   |
| Intergovernmental                        | \$ 280,000              | \$ 280,000     | \$ 280,000     | \$ -  |
| Total revenues                           | <u>280,000</u>          | <u>280,000</u> | <u>280,000</u> | <u>-</u>  |
| <b>Expenditures:</b>                     |                         |                |                |   |
| Current:                                 |                         |                |                |   |
| Instruction:                             |                         |                |                |   |
| Special                                  | 280,000                 | 280,000        | 280,000        | -   |
| Total expenditures                       | <u>280,000</u>          | <u>280,000</u> | <u>280,000</u> | <u>-</u>  |
| Net change in fund balance               | -                       | -              | -              | -   |
| <b>Fund balance at beginning of year</b> | -                       | -              | -              | -   |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DATA COMMUNICATION GRANT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |               | <b>Actual</b>   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|---------------|-----------------|---|
|  | <b>Original</b>         | <b>Final</b>  |                 |   |
| <b>Revenues:</b>                         |                         |               |                 |   |
| Intergovernmental                        | \$ 18,000               | \$ 18,000     | \$ 18,000       | \$ -  |
| Total revenues                           | <u>18,000</u>           | <u>18,000</u> | <u>18,000</u>   | <u>-</u>  |
| <b>Expenditures:</b>                     |                         |               |                 |   |
| Current:                                 |                         |               |                 |   |
| Support services:                        |                         |               |                 |   |
| Instructional staff                      | 18,000                  | 26,435        | 18,000          | 8,435   |
| Total expenditures                       | <u>18,000</u>           | <u>26,435</u> | <u>18,000</u>   | <u>8,435</u>  |
| Net change in fund balance               | -                       | (8,435)       | -               | 8,435   |
| <b>Fund balance at beginning of year</b> | 8,435                   | 8,435         | 8,435           | -   |
| <b>Fund balance at end of year</b>       | <u>\$ 8,435</u>         | <u>\$ -</u>   | <u>\$ 8,435</u> | <u>\$ 8,435</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STUDENT WELLNESS AND SUCCESS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                    | <b>Actual</b>           | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|--------------------|-------------------------|---|
|  | <b>Original</b>         | <b>Final</b>       |                         |   |
| <b>Revenues:</b>                         |                         |                    |                         |   |
| Intergovernmental                        | \$ 2,092,835            | \$ 2,112,887       | \$ 2,112,887            | \$ -  |
| Total revenues                           | <u>2,092,835</u>        | <u>2,112,887</u>   | <u>2,112,887</u>        | <u>-</u>  |
| <b>Expenditures:</b>                     |                         |                    |                         |   |
| Current:                                 |                         |                    |                         |   |
| Instruction:                             |                         |                    |                         |   |
| Other                                    | 176,964                 | 178,468            | 174,492                 | 3,976   |
| Support services:                        |                         |                    |                         |   |
| Pupil                                    | 2,031,371               | 2,048,635          | 2,002,997               | 45,638  |
| Administration                           | 58,822                  | 59,322             | 58,000                  | 1,322   |
| Operations and maintenance               | 82,093                  | 82,791             | 80,947                  | 1,844   |
| Pupil transportation                     | 10,142                  | 10,228             | 10,000                  | 228   |
| Total expenditures                       | <u>2,359,392</u>        | <u>2,379,444</u>   | <u>2,326,436</u>        | <u>53,008</u>   |
| Net change in fund balance               | (266,557)               | (266,557)          | (213,549)               | 53,008  |
| <b>Fund balance at beginning of year</b> | <u>266,557</u>          | <u>266,557</u>     | <u>266,557</u>          | <u>-</u>  |
| <b>Fund balance at end of year</b>       | <u><u>\$ -</u></u>      | <u><u>\$ -</u></u> | <u><u>\$ 53,008</u></u> | <u><u>\$ 53,008</u></u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|----------------|---------------|---|
|  | <b>Original</b>         | <b>Final</b>   |               |   |
| <b>Revenues:</b>                             |                         |                |               |   |
| Intergovernmental                            | \$ 26,158               | \$ 30,235      | \$ 24,861     | \$ (5,374)  |
| Total revenues                               | <u>26,158</u>           | <u>30,235</u>  | <u>24,861</u> | <u>(5,374)</u>  |
| <b>Expenditures:</b>                         |                         |                |               |   |
| Current:                                     |                         |                |               |   |
| Support services:                            |                         |                |               |   |
| Instructional staff                          | 4,286                   | 4,964          | 4,077         | 887   |
| Operation of non-instructional services      | 21,872                  | 25,331         | 20,805        | 4,526   |
| Total expenditures                           | <u>26,158</u>           | <u>30,295</u>  | <u>24,882</u> | <u>5,413</u>  |
| Excess of expenditures over revenues         | <u>-</u>                | <u>(60)</u>    | <u>(21)</u>   | <u>39</u>   |
| <b>Other financing sources (uses):</b>       |                         |                |               |   |
| Advances in                                  | -                       | -              | 1,179         | 1,179   |
| Advances out                                 | -                       | -              | (1,158)       | (1,158)   |
| Total other financing sources (uses)         | <u>-</u>                | <u>-</u>       | <u>21</u>     | <u>21</u>   |
| Net change in fund balance                   | <u>-</u>                | <u>(60)</u>    | <u>-</u>      | <u>60</u>   |
| <b>Fund balance at beginning of year</b>     | <u>-</u>                | <u>-</u>       | <u>-</u>      | <u>-</u>  |
| <b>Fund balance (deficit) at end of year</b> | <u>\$ -</u>             | <u>\$ (60)</u> | <u>\$ -</u>   | <u>\$ 60</u>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ESSER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|------------------|------------------|---|
|  | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                         |                         |                  |                  |   |
| Intergovernmental                        | \$ 2,993,620            | \$ 2,993,620     | \$ 2,280,156     | \$ (713,464)  |
| Total revenues                           | <u>2,993,620</u>        | <u>2,993,620</u> | <u>2,280,156</u> | <u>(713,464)</u>  |
| <b>Expenditures:</b>                     |                         |                  |                  |   |
| Current:                                 |                         |                  |                  |   |
| Instruction:                             |                         |                  |                  |   |
| Regular                                  | 2,492,350               | 2,492,350        | 2,283,100        | 209,250   |
| Special                                  | 27,995                  | 27,995           | 27,250           | 745   |
| Support services:                        |                         |                  |                  |   |
| Pupil                                    | 193,631                 | 193,631          | 222,582          | (28,951)  |
| Instructional staff                      | 5,910                   | 5,910            | 5,910            | -   |
| Administration                           | 138,000                 | 138,000          | 1,218            | 136,782   |
| Operation of non-instructional services  | 135,734                 | 135,734          | 125,734          | 10,000  |
| Total expenditures                       | <u>2,993,620</u>        | <u>2,993,620</u> | <u>2,665,794</u> | <u>327,826</u>  |
| Excess of expenditures over revenues     | -                       | -                | (385,638)        | (385,638)   |
| <b>Other financing sources:</b>          |                         |                  |                  |   |
| Advances in                              | -                       | -                | 385,638          | 385,638   |
| Total other financing sources            | -                       | -                | 385,638          | 385,638   |
| Net change in fund balance               | -                       | -                | -                | -   |
| <b>Fund balance at beginning of year</b> | -                       | -                | -                | -   |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>   |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CORONAVIRUS RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|----------------|----------------|---|
|  | <b>Original</b>         | <b>Final</b>   |                |   |
| <b>Revenues:</b>                         |                         |                |                |   |
| Intergovernmental                        | \$ 394,459              | \$ 545,925     | \$ 545,925     | \$ -  |
| Total revenues                           | <u>394,459</u>          | <u>545,925</u> | <u>545,925</u> | <u>-</u>  |
| <b>Expenditures:</b>                     |                         |                |                |   |
| Current:                                 |                         |                |                |   |
| Instruction:                             |                         |                |                |   |
| Regular                                  | 234,979                 | 325,207        | 325,207        | -   |
| Special                                  | 16,082                  | 22,257         | 22,257         | -   |
| Support services:                        |                         |                |                |   |
| Pupil                                    | 26,480                  | 36,648         | 36,648         | -   |
| Administration                           | 2,388                   | 3,305          | 3,305          | -   |
| Operations and maintenance               | 43,446                  | 60,129         | 60,129         | -   |
| Central                                  | 5,123                   | 7,090          | 7,090          | -   |
| Operation of non-instructional services  | 65,961                  | 91,289         | 91,289         | -   |
| Total expenditures                       | <u>394,459</u>          | <u>545,925</u> | <u>545,925</u> | <u>-</u>  |
| Net change in fund balance               | -                       | -              | -              | -   |
| <b>Fund balance at beginning of year</b> | <u>-</u>                | <u>-</u>       | <u>-</u>       | <u>-</u>  |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>  |                         |                  |                  |   |
| Intergovernmental   | \$ 1,985,842            | \$ 2,263,940     | \$ 1,580,137     | \$ (683,803)  |
| Total revenues  | <u>1,985,842</u>        | <u>2,263,940</u> | <u>1,580,137</u> | <u>(683,803)</u>  |
| <b>Expenditures:</b>                                      |                         |                  |                  |   |
| Current:  |                         |                  |                  |   |
| Instruction:  |                         |                  |                  |   |
| Regular   | 853                     | 920              | 844              | 76  |
| Special   | 1,446,941               | 1,561,054        | 1,431,850        | 129,204   |
| Support services:   |                         |                  |                  |   |
| Pupil   | 152,793                 | 164,843          | 151,200          | 13,643  |
| Instructional staff                                       | 21,674                  | 23,383           | 21,448           | 1,935   |
| Administration  | 340,070                 | 366,890          | 336,524          | 30,366  |
| Pupil transportation                                      | 1,515                   | 1,635            | 1,500            | 135   |
| Operation of non-instructional services                   | 51,548                  | 55,613           | 51,010           | 4,603   |
| Total expenditures  | <u>2,015,394</u>        | <u>2,174,338</u> | <u>1,994,376</u> | <u>179,962</u>  |
| Excess (deficiency) of revenues over (under) expenditures | <u>(29,552)</u>         | <u>89,602</u>    | <u>(414,239)</u> | <u>(503,841)</u>  |
| <b>Other financing sources (uses):</b>                    |                         |                  |                  |   |
| Advances in   | -                       | -                | 503,840          | 503,840   |
| Advances out  | -                       | (135,567)        | (135,567)        | -   |
| Total other financing sources (uses)                      | <u>-</u>                | <u>(135,567)</u> | <u>368,273</u>   | <u>503,840</u>  |
| Net change in fund balance                                | (29,552)                | (45,965)         | (45,966)         | (1)   |
| <b>Fund balance at beginning of year</b>                  | 16,415                  | 16,415           | 16,415           | -   |
| <b>Prior year encumbrances appropriated</b>               | 29,551                  | 29,551           | 29,551           | -   |
| <b>Fund balance at end of year</b>                        | <u>\$ 16,414</u>        | <u>\$ 1</u>      | <u>\$ -</u>      | <u>\$ (1)</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOL IMPROVEMENT STIMULUS A FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                 | <b>Actual</b>   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-----------------|-----------------|---|
|   | <b>Original</b>         | <b>Final</b>    |                 |   |
| <b>Revenues:</b>                            |                         |                 |                 |   |
| Intergovernmental                           | \$ 28,956               | \$ 281,762      | \$ -            | \$ (281,762)  |
| Total revenues                              | <u>28,956</u>           | <u>281,762</u>  | <u>-</u>        | <u>(281,762)</u>  |
| <b>Expenditures:</b>                        |                         |                 |                 |   |
| Current:                                    |                         |                 |                 |   |
| Instruction:                                |                         |                 |                 |   |
| Regular                                     | 6,653                   | 32,533          | 743             | 31,790  |
| Support Services:                           |                         |                 |                 |   |
| Pupil                                       | <u>51,259</u>           | <u>250,633</u>  | <u>5,724</u>    | <u>244,909</u>  |
| Total expenditures                          | <u>57,912</u>           | <u>283,166</u>  | <u>6,467</u>    | <u>276,699</u>  |
| Excess of expenditures over revenues        | <u>(28,956)</u>         | <u>(1,404)</u>  | <u>(6,467)</u>  | <u>(5,063)</u>  |
| <b>Other financing sources (uses):</b>      |                         |                 |                 |   |
| Advances in                                 | -                       | -               | 5,063           | 5,063   |
| Advances out                                | -                       | (28,956)        | (28,956)        | -   |
| Refund of prior year expenditure            | -                       | 1,404           | 1,404           | -   |
| Total other financing sources (uses)        | <u>-</u>                | <u>(27,552)</u> | <u>(22,489)</u> | <u>5,063</u>  |
| Net change in fund balance                  | (28,956)                | (28,956)        | (28,956)        | -   |
| <b>Fund balance at beginning of year</b>    | -                       | -               | -               | -   |
| <b>Prior year encumbrances appropriated</b> | 28,956                  | 28,956          | 28,956          | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE III FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                | <b>Actual</b>   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|----------------|-----------------|---|
|   | <b>Original</b>         | <b>Final</b>   |                 |   |
| <b>Revenues:</b>  |                         |                |                 |   |
| Intergovernmental   | \$ 75,463               | \$ 133,446     | \$ 67,980       | \$ (65,466)   |
| Total revenues  | <u>75,463</u>           | <u>133,446</u> | <u>67,980</u>   | <u>(65,466)</u>   |
| <b>Expenditures:</b>                                      |                         |                |                 |   |
| Current:  |                         |                |                 |   |
| Instruction:  |                         |                |                 |   |
| Regular   | 24,880                  | 42,256         | 25,104          | 17,152  |
| Support services:   |                         |                |                 |   |
| Instructional staff                                       | 3,915                   | 6,649          | 3,950           | 2,699   |
| Operation of non-instructional services                   | 49,213                  | 83,582         | 49,656          | 33,926  |
| Total expenditures  | <u>78,008</u>           | <u>132,487</u> | <u>78,710</u>   | <u>53,777</u>   |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,545)</u>          | <u>959</u>     | <u>(10,730)</u> | <u>(11,689)</u>   |
| <b>Other financing sources (uses):</b>                    |                         |                |                 |   |
| Advances in   | -                       | -              | 11,689          | 11,689  |
| Advances out  | -                       | (5,353)        | (5,353)         | -   |
| Total other financing sources (uses)                      | <u>-</u>                | <u>(5,353)</u> | <u>6,336</u>    | <u>11,689</u>   |
| Net change in fund balance                                | (2,545)                 | (4,394)        | (4,394)         | -   |
| <b>Fund balance at beginning of year</b>                  | 1,849                   | 1,849          | 1,849           | -   |
| <b>Prior year encumbrances appropriated</b>               | 2,545                   | 2,545          | 2,545           | -   |
| <b>Fund balance at end of year</b>                        | <u>\$ 1,849</u>         | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ -</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                     | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>        |                  |   |
| <b>Revenues:</b>  |                         |                     |                  |   |
| Intergovernmental   | \$ 4,165,107            | \$ 5,403,985        | \$ 3,920,497     | \$ (1,483,488)  |
| Total revenues  | <u>4,165,107</u>        | <u>5,403,985</u>    | <u>3,920,497</u> | <u>(1,483,488)</u>  |
| <b>Expenditures:</b>                                      |                         |                     |                  |   |
| Current:  |                         |                     |                  |   |
| Instruction:  |                         |                     |                  |   |
| Special   | 2,007,435               | 68,614              | 1,708,353        | (1,639,739)   |
| Support services:   |                         |                     |                  |   |
| Instructional staff                                       | 2,049,975               | 70,068              | 1,744,568        | (1,674,500)   |
| Administration  | 187,157                 | 6,397               | 159,273          | (152,876)   |
| Pupil transportation                                      | 157,227                 | 5,374               | 133,811          | (128,437)   |
| Operation of non-instructional services                   | 116,238                 | 3,973               | 98,912           | (94,939)  |
| Total expenditures  | <u>4,518,032</u>        | <u>154,426</u>      | <u>3,844,917</u> | <u>(3,690,491)</u>  |
| Excess (deficiency) of revenues over (under) expenditures | <u>(352,925)</u>        | <u>5,249,559</u>    | <u>75,580</u>    | <u>(5,173,979)</u>  |
| <b>Other financing sources (uses):</b>                    |                         |                     |                  |   |
| Advances in   | -                       | -                   | 273,851          | 273,851   |
| Advances out  | -                       | (742,762)           | (742,762)        | -   |
| Refund of prior year expenditure                          | -                       | 20,029              | 20,029           | -   |
| Total other financing sources (uses)                      | <u>-</u>                | <u>(722,733)</u>    | <u>(448,882)</u> | <u>273,851</u>  |
| Net change in fund balance                                | (352,925)               | 4,526,826           | (373,302)        | (4,900,128)   |
| <b>Fund balance at beginning of year</b>                  | 20,593                  | 20,593              | 20,593           | -   |
| <b>Prior year encumbrances appropriated</b>               | 352,709                 | 352,709             | 352,709          | -   |
| <b>Fund balance at end of year</b>                        | <u>\$ 20,377</u>        | <u>\$ 4,900,128</u> | <u>\$ -</u>      | <u>\$ (4,900,128)</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EHA PRESCHOOL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | <b>Budgeted Amounts</b> |                   | <b>Actual</b>  | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-------------------|----------------|---|
|  | <b>Original</b>         | <b>Final</b>      |                |   |
| <b>Revenues:</b>                             |                         |                   |                |   |
| Intergovernmental                            | \$ 32,289               | \$ 35,183         | \$ 28,943      | \$ (6,240)  |
| Total revenues                               | <u>32,289</u>           | <u>35,183</u>     | <u>28,943</u>  | <u>(6,240)</u>  |
| <b>Expenditures:</b>                         |                         |                   |                |   |
| Current:                                     |                         |                   |                |   |
| Instruction:                                 |                         |                   |                |   |
| Special                                      | 32,337                  | 37,590            | 35,024         | 2,566   |
| Total expenditures                           | <u>32,337</u>           | <u>37,590</u>     | <u>35,024</u>  | <u>2,566</u>  |
| Excess of expenditures over revenues         | <u>(48)</u>             | <u>(2,407)</u>    | <u>(6,081)</u> | <u>(3,674)</u>  |
| <b>Other financing sources (uses):</b>       |                         |                   |                |   |
| Advances in                                  | -                       | -                 | 6,081          | 6,081   |
| Advances out                                 | -                       | (48)              | (48)           | -   |
| Total other financing sources (uses)         | <u>-</u>                | <u>(48)</u>       | <u>6,033</u>   | <u>6,081</u>  |
| Net change in fund balance                   | (48)                    | (2,455)           | (48)           | 2,407   |
| <b>Fund balance at beginning of year</b>     | -                       | -                 | -              | -   |
| <b>Prior year encumbrances appropriated</b>  | 48                      | 48                | 48             | -   |
| <b>Fund balance (deficit) at end of year</b> | <u>\$ -</u>             | <u>\$ (2,407)</u> | <u>\$ -</u>    | <u>\$ 2,407</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SUPPORTING EFFECTIVE INSTRUCTION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                  |   |
| <b>Revenues:</b>                            |                         |                  |                  |   |
| Intergovernmental                           | \$ 511,013              | \$ 950,640       | \$ 183,510       | \$ (767,130)  |
| Total revenues                              | <u>511,013</u>          | <u>950,640</u>   | <u>183,510</u>   | <u>(767,130)</u>  |
| <b>Expenditures:</b>                        |                         |                  |                  |   |
| Current:                                    |                         |                  |                  |   |
| Support services:                           |                         |                  |                  |   |
| Instructional staff                         | 609,574                 | 1,006,469        | 354,770          | 651,699   |
| Operation of non-instructional services     | 21,712                  | 35,848           | 12,636           | 23,212  |
| Total expenditures                          | <u>631,286</u>          | <u>1,042,317</u> | <u>367,406</u>   | <u>674,911</u>  |
| Excess of expenditures over revenues        | <u>(120,273)</u>        | <u>(91,677)</u>  | <u>(183,896)</u> | <u>(92,219)</u>   |
| <b>Other financing sources (uses):</b>      |                         |                  |                  |   |
| Advances in                                 | -                       | -                | 134,700          | 134,700   |
| Advances out                                | -                       | (72,016)         | (72,016)         | -   |
| Refund of prior year receipts               | -                       | -                | (44,397)         | (44,397)  |
| Refund of prior year expenditure            | -                       | 32,962           | 32,962           | -   |
| Total other financing sources (uses)        | <u>-</u>                | <u>(39,054)</u>  | <u>51,249</u>    | <u>90,303</u>   |
| Net change in fund balance                  | (120,273)               | (130,731)        | (132,647)        | (1,916)   |
| <b>Fund balance at beginning of year</b>    | 11,374                  | 11,374           | 11,374           | -   |
| <b>Prior year encumbrances appropriated</b> | 121,273                 | 121,273          | 121,273          | -   |
| <b>Fund balance at end of year</b>          | <u>\$ 12,374</u>        | <u>\$ 1,916</u>  | <u>\$ -</u>      | <u>\$ (1,916)</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                 | <b>Actual</b>   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-----------------|-----------------|---|
|   | <b>Original</b>         | <b>Final</b>    |                 |   |
| <b>Revenues:</b>  |                         |                 |                 |   |
| Intergovernmental   | \$ 326,737              | \$ 593,802      | \$ 136,694      | \$ (457,108)  |
| Total revenues  | <u>326,737</u>          | <u>593,802</u>  | <u>136,694</u>  | <u>(457,108)</u>  |
| <b>Expenditures:</b>                                      |                         |                 |                 |   |
| Current:  |                         |                 |                 |   |
| Instruction:  |                         |                 |                 |   |
| Regular   | 231,931                 | 366,420         | 143,993         | 222,427   |
| Special   | 2,941                   | 4,647           | 1,826           | 2,821   |
| Support services:   |                         |                 |                 |   |
| Pupil   | 105,391                 | 166,503         | 65,431          | 101,072   |
| Instructional staff                                       | 11,006                  | 17,388          | 6,833           | 10,555  |
| Operation of non-instructional services                   | 17,154                  | 27,101          | 10,650          | 16,451  |
| Total expenditures  | <u>368,423</u>          | <u>582,059</u>  | <u>228,733</u>  | <u>353,326</u>  |
| Excess (deficiency) of revenues over (under) expenditures | <u>(41,686)</u>         | <u>11,743</u>   | <u>(92,039)</u> | <u>(103,782)</u>  |
| <b>Other financing sources (uses):</b>                    |                         |                 |                 |   |
| Advances in   | -                       | -               | 106,457         | 106,457   |
| Advances out  | -                       | (56,106)        | (56,106)        | -   |
| Total other financing sources (uses)                      | <u>-</u>                | <u>(56,106)</u> | <u>50,351</u>   | <u>106,457</u>  |
| Net change in fund balance                                | (41,686)                | (44,363)        | (41,688)        | 2,675   |
| <b>Fund balance at beginning of year</b>                  | 2,678                   | 2,678           | 2,678           | -   |
| <b>Prior year encumbrances appropriated</b>               | 41,686                  | 41,686          | 41,686          | -   |
| <b>Fund balance at end of year</b>                        | <u>\$ 2,678</u>         | <u>\$ 1</u>     | <u>\$ 2,676</u> | <u>\$ 2,675</u>   |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER, COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2021

|   | <u>Permanent<br/>Improvement</u> | <u>Building</u>     | <u>Construction</u> | <u>Total<br/>Nonmajor<br/>Capital<br/>Projects</u> |
|---|----------------------------------|---------------------|---------------------|--|
| <b>Assets:</b>  |                                  |                     |                     |  |
| Equity in pooled cash and cash equivalents            | \$ 1,548,430                     | \$ -                | \$ -                | \$ 1,548,430                                       |
| Cash in segregated accounts                           | -                                | 87,213              | 457,868             | 545,081  |
| Receivables:  |                                  |                     |                     |  |
| Property taxes  | 1,923,367                        | -                   | -                   | 1,923,367  |
| Intergovernmental                                     | -                                | -                   | 2,396,859           | 2,396,859  |
| Restricted assets:                                    |                                  |                     |                     |  |
| Equity in pooled cash and investments                 | -                                | 1,654,226           | 2,539,877           | 4,194,103  |
| Total assets  | <u>\$ 3,471,797</u>              | <u>\$ 1,741,439</u> | <u>\$ 5,394,604</u> | <u>\$ 10,607,840</u>                               |
| <b>Liabilities:</b>                                   |                                  |                     |                     |  |
| Accounts payable . . . . .                            | \$ 1,580,330                     | \$ 122,209          | \$ -                | \$ 1,702,539                                       |
| Contracts payable                                     | -                                | 124,583             | -                   | 124,583  |
| Retainage payable                                     | -                                | 87,213              | 457,868             | 545,081  |
| Total liabilities                                     | <u>1,580,330</u>                 | <u>334,005</u>      | <u>457,868</u>      | <u>2,372,203</u>                                   |
| <b>Deferred inflows of resources:</b>                 |                                  |                     |                     |  |
| Property taxes levied for the next fiscal year        | 1,703,239                        | -                   | -                   | 1,703,239  |
| Delinquent property tax revenue not available         | 86,069                           | -                   | -                   | 86,069   |
| Intergovernmental revenue not available               | -                                | -                   | 2,396,859           | 2,396,859  |
| Total deferred inflows of resources                   | <u>1,789,308</u>                 | <u>-</u>            | <u>2,396,859</u>    | <u>4,186,167</u>                                   |
| <b>Fund balances:</b>                                 |                                  |                     |                     |  |
| Restricted:   |                                  |                     |                     |  |
| Capital projects                                      | -                                | 1,407,434           | 2,539,877           | 3,947,311  |
| Committed:  |                                  |                     |                     |  |
| Capital projects                                      | 102,159                          | -                   | -                   | 102,159  |
| Total fund balances                                   | <u>102,159</u>                   | <u>1,407,434</u>    | <u>2,539,877</u>    | <u>4,049,470</u>                                   |
| Total liabilities, deferred inflows and fund balances | <u>\$ 3,471,797</u>              | <u>\$ 1,741,439</u> | <u>\$ 5,394,604</u> | <u>\$ 10,607,840</u>                               |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <u>Permanent<br/>Improvement</u> | <u>Building</u>     | <u>Construction</u> | <u>Total<br/>Nonmajor<br/>Capital<br/>Projects</u> |
|---|----------------------------------|---------------------|---------------------|--|
| <b>Revenues:</b>                          |                                  |                     |                     |  |
| Property taxes                            | \$ 1,390,117                     | \$ -                | \$ -                | \$ 1,390,117                                       |
| Intergovernmental                         | 142,702                          | -                   | -                   | 142,702  |
| Investment earnings                       | 964                              | 24,834              | (3,416)             | 22,382   |
| Total revenues                            | <u>1,533,783</u>                 | <u>24,834</u>       | <u>(3,416)</u>      | <u>1,555,201</u>                                   |
| <b>Expenditures:</b>                      |                                  |                     |                     |  |
| Current:                                  |                                  |                     |                     |  |
| Instruction:                              |                                  |                     |                     |  |
| Regular                                   | 1,956                            | -                   | -                   | 1,956  |
| Support services:                         |                                  |                     |                     |  |
| Fiscal                                    | 13,890                           | -                   | -                   | 13,890   |
| Operations and maintenance                | 284,399                          | 6,725               | -                   | 291,124  |
| Facilities acquisition and construction   | 2,177,182                        | 7,457,017           | -                   | 9,634,199  |
| Total expenditures                        | <u>2,477,427</u>                 | <u>7,463,742</u>    | <u>-</u>            | <u>9,941,169</u>                                   |
| Net change in fund balances               | (943,644)                        | (7,438,908)         | (3,416)             | (8,385,968)  |
| <b>Fund balances at beginning of year</b> | 1,045,803                        | 8,846,342           | 2,543,293           | 12,435,438   |
| <b>Fund balances at end of year</b>       | <u>\$ 102,159</u>                | <u>\$ 1,407,434</u> | <u>\$ 2,539,877</u> | <u>\$ 4,049,470</u>                                |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>      |                     |   |
| <b>Revenues:</b>                            |                         |                   |                     |   |
| Property taxes                              | \$ 1,232,840            | \$ 1,232,840      | \$ 1,362,464        | \$ 129,624  |
| Intergovernmental                           | 134,658                 | 134,658           | 142,702             | 8,044   |
| Investment earnings                         | 1,500                   | 1,500             | 1,064               | (436)   |
| Contributions and donations                 | 10,000                  | 10,000            | 10,000              | -   |
| <b>Total revenues</b>                       | <u>1,378,998</u>        | <u>1,378,998</u>  | <u>1,516,230</u>    | <u>137,232</u>  |
| <b>Expenditures:</b>                        |                         |                   |                     |   |
| Current:                                    |                         |                   |                     |   |
| Instruction:                                |                         |                   |                     |   |
| Regular                                     | 440,730                 | 440,730           | 290,286             | 150,444   |
| Support services:                           |                         |                   |                     |   |
| Fiscal                                      | 21,089                  | 21,089            | 13,890              | 7,199   |
| Operations and maintenance                  | 459,295                 | 459,295           | 302,514             | 156,781   |
| Facilities acquisition and construction     | 915,456                 | 915,456           | 602,964             | 312,492   |
| <b>Total expenditures</b>                   | <u>1,836,570</u>        | <u>1,836,570</u>  | <u>1,209,654</u>    | <u>626,916</u>  |
| Net change in fund balance                  | (457,572)               | (457,572)         | 306,576             | 764,148   |
| <b>Fund balance at beginning of year</b>    | 592,664                 | 592,664           | 592,664             | -   |
| <b>Prior year encumbrances appropriated</b> | 336,570                 | 336,570           | 336,570             | -   |
| <b>Fund balance at end of year</b>          | <u>\$ 471,662</u>       | <u>\$ 471,662</u> | <u>\$ 1,235,810</u> | <u>\$ 764,148</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|-------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                   |   |
| <b>Revenues:</b>                            |                         |                  |                   |   |
| Investment earnings                         | \$ 101,000              | \$ 116,547       | \$ 116,547        | \$ -  |
| Total revenues                              | <u>101,000</u>          | <u>116,547</u>   | <u>116,547</u>    | <u>-</u>  |
| <b>Expenditures:</b>                        |                         |                  |                   |   |
| Current:                                    |                         |                  |                   |   |
| Support services:                           |                         |                  |                   |   |
| Operations and maintenance                  | 7,255                   | 7,266            | 6,725             | 541   |
| Facilities acquisition and construction     | 9,257,128               | 9,270,166        | 8,579,745         | 690,421   |
| Total expenditures                          | <u>9,264,383</u>        | <u>9,277,432</u> | <u>8,586,470</u>  | <u>690,962</u>  |
| Net change in fund balance                  | (9,163,383)             | (9,160,885)      | (8,469,923)       | 690,962   |
| <b>Fund balance at beginning of year</b>    | 685,951                 | 685,951          | 685,951           | -   |
| <b>Prior year encumbrances appropriated</b> | 8,477,432               | 8,477,432        | 8,477,432         | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ 2,498</u>  | <u>\$ 693,460</u> | <u>\$ 690,962</u>   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CONSTRUCTION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <b>Budgeted Amounts</b> |                  | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|---------------------|---|
|   | <b>Original</b>         | <b>Final</b>     |                     |   |
| <b>Revenues:</b>                            |                         |                  |                     |   |
| Intergovernmental                           | \$ 1,810,910            | \$ 1,810,910     | \$ -                | \$ (1,810,910)  |
| Investment earnings                         | 3,750                   | 3,750            | 9,871               | 6,121   |
| Total revenues                              | <u>1,814,660</u>        | <u>1,814,660</u> | <u>9,871</u>        | <u>(1,804,789)</u>  |
| <b>Expenditures:</b>                        |                         |                  |                     |   |
| Facilities acquisition and construction     | 4,342,344               | 4,342,344        | -                   | 4,342,344   |
| Total expenditures                          | <u>4,342,344</u>        | <u>4,342,344</u> | <u>-</u>            | <u>4,342,344</u>  |
| Net change in fund balance                  | (2,527,684)             | (2,527,684)      | 9,871               | 2,537,555   |
| <b>Fund balance at beginning of year</b>    | 1,926,555               | 1,926,555        | 1,926,555           | -   |
| <b>Prior year encumbrances appropriated</b> | 601,129                 | 601,129          | 601,129             | -   |
| <b>Fund balance at end of year</b>          | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 2,537,555</u> | <u>\$ 2,537,555</u>   |

## STATISTICAL SECTION



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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

STATISTICAL SECTION

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

**Contents**

**Page**

**Financial Trends**

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

**128-137**

**Revenue Capacity**

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

**138-143**

**Debt Capacity**

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

**144-149**

**Demographic and Economic Information**

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

**150-151**

**Operating Information**

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

**152-159**

**Sources:** Sources are noted on the individual schedules.



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
SCHEDULE 1

|  | <u>2021</u>          | <u>2020</u>          | <u>2019 (1)</u>      | <u>2018</u>         |
|--|----------------------|----------------------|----------------------|---------------------|
| <b>Governmental activities</b>             |                      |                      |                      |                     |
| Net investment in capital assets           | \$ 60,516,500        | \$ 57,022,601        | \$ 54,041,883        | \$ 50,497,647       |
| Restricted                                 | 12,117,010           | 12,042,868           | 12,543,054           | 13,787,431          |
| Unrestricted (deficit)                     | (52,672,350)         | (48,725,490)         | (47,925,073)         | (58,324,692)        |
| Total governmental activities net position | <u>\$ 19,961,160</u> | <u>\$ 20,339,979</u> | <u>\$ 18,659,864</u> | <u>\$ 5,960,386</u> |

**Source:** School District financial records.

**(1)** Amounts have been restated as previously reported.

| <u>2017 (1)</u>        | <u>2016</u>            | <u>2015</u>            | <u>2014</u>            | <u>2013</u>         | <u>2012</u>         |
|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------|
| \$ 33,418,675          | \$ 8,826,190           | \$ 3,847,066           | \$ 3,003,649           | \$ 6,234,371        | \$ 8,239,520        |
| 29,002,067             | 51,446,955             | 54,147,596             | 3,938,419              | 2,337,991           | 3,507,622           |
| (91,721,521)           | (77,674,860)           | (90,343,892)           | (93,507,156)           | (3,394,825)         | (3,138,373)         |
| <u>\$ (29,300,779)</u> | <u>\$ (17,401,715)</u> | <u>\$ (32,349,230)</u> | <u>\$ (86,565,088)</u> | <u>\$ 5,177,537</u> | <u>\$ 8,608,769</u> |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
SCHEDULE 2

|   | <u>2021</u>        | <u>2020</u>        | <u>2019</u>       | <u>2018</u>       |
|---|--------------------|--------------------|-------------------|-------------------|
| <b>Expenses</b>                         |                    |                    |                   |                   |
| Governmental activities:                |                    |                    |                   |                   |
| Instruction                             | \$ 64,616,963      | \$ 59,370,045      | \$ 50,095,438     | \$ 28,006,439     |
| Support services:                       |                    |                    |                   |                   |
| Pupil                                   | 5,943,414          | 5,425,627          | 4,726,955         | 3,271,201         |
| Instructional staff                     | 2,522,848          | 2,634,221          | 2,184,377         | 1,521,814         |
| Board of education                      | 61,889             | 43,169             | 52,940            | 39,207            |
| Administration                          | 5,204,900          | 5,381,088          | 4,065,719         | 1,399,741         |
| Fiscal                                  | 1,284,759          | 1,911,623          | 1,126,977         | 881,107           |
| Business                                | 246,955            | 250,953            | 241,259           | 195,559           |
| Operations and maintenance              | 7,954,735          | 8,728,034          | 7,665,646         | 9,354,087         |
| Pupil transportation                    | 4,104,448          | 5,262,950          | 5,220,863         | 5,148,422         |
| Central                                 | 1,408,366          | 1,820,549          | 1,319,620         | 974,516           |
| Operation of non-instructional services | 3,900,154          | 4,754,355          | 4,102,166         | 4,152,167         |
| Extracurricular activities              | 1,016,725          | 1,071,053          | 924,494           | 339,087           |
| Interest and fiscal charges             | 3,307,896          | 3,581,396          | 4,532,975         | 4,430,913         |
| Total expenses                          | <u>101,574,052</u> | <u>100,235,063</u> | <u>86,259,429</u> | <u>59,714,260</u> |

|    | <u>2017</u>       | <u>2016</u>       | <u>2015</u>       | <u>2014</u>       | <u>2013 (1)</u>   | <u>2012</u>       |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 46,489,210        | \$ 45,802,884     | \$ 47,109,627     | \$ 49,646,486     | \$ 48,384,018     | \$ 46,929,114     |
|    | 4,193,175         | 3,895,910         | 3,746,251         | 4,442,512         | 4,265,190         | 4,655,026         |
|    | 2,759,968         | 2,619,650         | 1,991,860         | 3,389,719         | 3,868,239         | 4,939,816         |
|    | 69,441            | 70,619            | 59,556            | 66,159            | 43,835            | 56,405            |
|    | 4,197,588         | 3,912,734         | 4,154,176         | 4,663,891         | 4,445,825         | 4,530,426         |
|    | 1,541,679         | 1,470,168         | 1,671,371         | 785,642           | 688,210           | 723,250           |
|    | 279,945           | 229,965           | 191,359           | 209,337           | 254,239           | 441,139           |
|    | 8,833,372         | 7,631,480         | 7,408,158         | 9,294,379         | 7,914,945         | 7,792,863         |
|    | 4,244,506         | 4,125,548         | 4,007,357         | 4,022,409         | 3,812,314         | 3,758,699         |
|    | 1,218,435         | 1,218,035         | 1,619,365         | 2,669,861         | 1,486,066         | 3,397,181         |
|    | 4,650,576         | 4,652,290         | 4,781,569         | 4,795,795         | 4,543,308         | 4,369,441         |
|    | 981,923           | 815,861           | 1,083,235         | 900,838           | 890,157           | 1,025,636         |
|    | 4,312,147         | 4,933,230         | 3,892,120         | 2,672,184         | 2,713,127         | 2,703,229         |
|    | <u>83,771,965</u> | <u>81,378,374</u> | <u>81,716,004</u> | <u>87,559,212</u> | <u>83,309,473</u> | <u>85,322,225</u> |

(Continued)

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
SCHEDULE 2

|   | <b>2021</b>     | <b>2020</b>     | <b>2019</b>     | <b>2018</b>     |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Program Revenues</b>   |                 |                 |                 |                 |
| Governmental activities:  |                 |                 |                 |                 |
| Charges for services:   |                 |                 |                 |                 |
| Instruction   | \$ 1,038,301    | \$ 1,093,067    | \$ 1,064,801    | \$ 1,210,803    |
| Support services  | 119,086         | 168,123         | 160,813         | 91,581          |
| Operation of non-instructional services                         | 33,947          | 133,886         | 198,913         | 143,336         |
| Extracurricular activities                                      | 121,061         | 201,101         | 180,766         | 181,174         |
| Operating grants and contributions                              | 23,801,884      | 21,488,087      | 18,858,329      | 18,618,327      |
| Capital grants and contributions                                | -               | 10,000          | -               | -               |
| Total governmental program revenues                             | 25,114,279      | 23,094,264      | 20,463,622      | 20,245,221      |
| <b>Net (Expense)/Revenue</b>                                    |                 |                 |                 |                 |
| Governmental activities   | \$ (76,459,773) | \$ (77,140,799) | \$ (65,795,807) | \$ (39,469,039) |
| <b>General Revenues and Other Changes in Net Position</b>       |                 |                 |                 |                 |
| Governmental activities:  |                 |                 |                 |                 |
| Property taxes levied for:                                      |                 |                 |                 |                 |
| General purposes  | \$ 26,923,235   | \$ 29,055,686   | \$ 27,001,888   | \$ 25,569,322   |
| Debt service  | 6,347,050       | 5,897,518       | 6,332,979       | 5,749,167       |
| Capital projects  | 1,318,112       | 1,171,828       | 852,630         | -               |
| Classroom facilities maintenance                                | 342,617         | 426,150         | 408,573         | 304,482         |
| Payment in lieu of taxes  | 546,981         | 780,361         | 838,284         | 679,322         |
| Grants and entitlements not restricted to specific programs     | 39,493,556      | 39,726,233      | 41,326,796      | 41,150,784      |
| Grants and entitlements restricted to school facilities program | -               | -               | -               | -               |
| Investment earnings   | 74,388          | 937,211         | 1,037,675       | 601,370         |
| Miscellaneous   | 1,035,015       | 330,614         | 586,855         | 675,757         |
| Total governmental activities                                   | 76,080,954      | 78,325,601      | 78,385,680      | 74,730,204      |
| Special item  |                 |                 |                 |                 |
| Gain on sale of land  | -               | 495,313         | -               | -               |
| <b>Change in Net Position</b>                                   |                 |                 |                 |                 |
| Governmental activities   | \$ (378,819)    | \$ 1,680,115    | \$ 12,589,873   | \$ 35,261,165   |

Source: School District financial records.

(1) Amounts have been reclassified to conform to fiscal year 2013's presentation.

| <u>2017</u>            | <u>2016</u>            | <u>2015</u>            | <u>2014</u>            | <u>2013 (1)</u>        | <u>2012</u>            |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 1,140,710           | \$ 920,340             | \$ 1,167,154           | \$ 1,328,997           | \$ 728,828             | \$ 760,855             |
| 93,827                 | 102,003                | 78,459                 | 74,984                 | 60,921                 | 101,071                |
| 318,107                | 166,004                | 153,619                | 371,359                | 690,941                | 816,136                |
| 6,324                  | 192,430                | 214,969                | -                      | -                      | -                      |
| 18,491,315             | 16,825,958             | 10,763,712             | 12,666,818             | 10,881,913             | 12,112,072             |
| -                      | -                      | -                      | -                      | -                      | -                      |
| <u>20,050,283</u>      | <u>18,206,735</u>      | <u>12,377,913</u>      | <u>14,442,158</u>      | <u>12,362,603</u>      | <u>13,790,134</u>      |
| <u>\$ (63,721,682)</u> | <u>\$ (63,171,639)</u> | <u>\$ (69,338,091)</u> | <u>\$ (73,117,054)</u> | <u>\$ (70,946,870)</u> | <u>\$ (71,532,091)</u> |
| \$ 23,847,638          | \$ 31,620,677          | \$ 24,805,279          | \$ 30,753,332          | \$ 26,836,512          | \$ 27,947,132          |
| 4,702,755              | 5,567,012              | 3,979,176              | 3,317,360              | 2,907,788              | 3,816,214              |
| -                      | -                      | 249,633                | 167,982                | 132,316                | 113,113                |
| 270,512                | 341,335                | -                      | -                      | -                      | -                      |
| 677,978                | 886,632                | 431,267                | 226,369                | 303,813                | 552,566                |
| 41,547,296             | 38,775,910             | 42,131,982             | 40,073,523             | 37,215,406             | 35,874,604             |
| -                      | -                      | 51,403,241             | -                      | -                      | -                      |
| 449,200                | 448,314                | 202,447                | 1,166                  | 1,923                  | 9,601                  |
| 379,368                | 479,274                | 350,924                | 417,338                | 117,880                | 465,234                |
| <u>71,874,747</u>      | <u>78,119,154</u>      | <u>123,553,949</u>     | <u>74,957,070</u>      | <u>67,515,638</u>      | <u>68,778,464</u>      |
| -                      | -                      | -                      | -                      | -                      | -                      |
| <u>\$ 8,153,065</u>    | <u>\$ 14,947,515</u>   | <u>\$ 54,215,858</u>   | <u>\$ 1,840,016</u>    | <u>\$ (3,431,232)</u>  | <u>\$ (2,753,627)</u>  |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
SCHEDULE 3

|                                    | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund:                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 53,577            | \$ 62,979            | \$ 78,057            | \$ 72,529            |
| Restricted                         | -                    | -                    | -                    | -                    |
| Assigned                           | 1,821,610            | 707,460              | 1,319,384            | 2,380,537            |
| Unassigned (deficit)               | <u>17,236,766</u>    | <u>16,566,904</u>    | <u>16,337,777</u>    | <u>14,315,435</u>    |
| Total general fund                 | <u>\$ 19,111,953</u> | <u>\$ 17,337,343</u> | <u>\$ 17,735,218</u> | <u>\$ 16,768,501</u> |
| All Other Governmental Funds:      |                      |                      |                      |                      |
| Nonspendable                       | \$ 6,837             | \$ 8,376             | \$ 11,605            | \$ 10,285            |
| Restricted                         | 16,429,838           | 22,470,790           | 25,028,068           | 19,288,470           |
| Committed                          | 102,159              | 1,045,803            | 308,585              | 504,601              |
| Unassigned (deficit)               | <u>(61,971)</u>      | <u>(152,009)</u>     | <u>(73,424)</u>      | <u>(233,544)</u>     |
| Total all other governmental funds | <u>\$ 16,476,863</u> | <u>\$ 23,372,960</u> | <u>\$ 25,274,834</u> | <u>\$ 19,569,812</u> |
| Total governmental funds           | <u>\$ 35,588,816</u> | <u>\$ 40,710,303</u> | <u>\$ 43,010,052</u> | <u>\$ 36,338,313</u> |

**Source:** School District financial records.

| <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| \$ 80,022            | \$ -                 | \$ -                 | \$ -                  | \$ -                  | \$ -                  |
| -                    | -                    | -                    | 24,610                | 24,610                | 24,610                |
| 807,257              | 389,829              | 480,211              | 65,935                | 386,691               | 306,347               |
| <u>13,770,208</u>    | <u>8,794,259</u>     | <u>(1,204,805)</u>   | <u>(1,114,077)</u>    | <u>(3,932,766)</u>    | <u>(4,483,802)</u>    |
| <u>\$ 14,657,487</u> | <u>\$ 9,184,088</u>  | <u>\$ (724,594)</u>  | <u>\$ (1,023,532)</u> | <u>\$ (3,521,465)</u> | <u>\$ (4,152,845)</u> |
| \$ 12,187            | \$ -                 | \$ 93,564            | \$ 97,652             | \$ 48,607             | \$ 29,397             |
| 39,450,727           | 58,695,362           | 53,563,718           | 2,135,729             | 2,212,418             | 3,253,825             |
| 478,358              | 293,040              | 216,852              | 29,970                | 8,463                 | 8,111                 |
| <u>(78,942)</u>      | <u>(31,238)</u>      | <u>(24,845)</u>      | <u>(112,278)</u>      | <u>(245)</u>          | <u>(25,155)</u>       |
| <u>\$ 39,862,330</u> | <u>\$ 58,957,164</u> | <u>\$ 53,849,289</u> | <u>\$ 2,151,073</u>   | <u>\$ 2,269,243</u>   | <u>\$ 3,266,178</u>   |
| <u>\$ 54,519,817</u> | <u>\$ 68,141,252</u> | <u>\$ 53,124,695</u> | <u>\$ 1,127,541</u>   | <u>\$ (1,252,222)</u> | <u>\$ (886,667)</u>   |



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
SCHEDULE 4

|   | <u>2021</u>           | <u>2020</u>           | <u>2019</u>         | <u>2018</u>            |
|---|-----------------------|-----------------------|---------------------|------------------------|
| <b>Revenues</b>   |                       |                       |                     |                        |
| Property taxes  | \$ 36,907,932         | \$ 34,183,962         | \$ 35,286,016       | \$ 33,550,397          |
| Intergovernmental                                       | 62,994,506            | 60,578,731            | 61,876,532          | 69,187,640             |
| Investment earnings                                     | 80,373                | 960,670               | 1,046,631           | 629,440                |
| Tuition and fees  | 930,131               | 956,520               | 968,877             | 1,087,728              |
| Extracurricular   | 132,903               | 258,325               | 275,876             | 220,375                |
| Rental income   | 105,290               | 107,227               | 73,271              | 48,484                 |
| Charges for services                                    | 140,776               | 137,558               | 187,555             | 146,632                |
| Contributions and donations                             | 193,052               | 244,250               | 225,592             | 405,375                |
| Payment in lieu of taxes                                | 543,864               | 794,382               | 831,135             | 683,589                |
| Miscellaneous   | 1,003,237             | 245,538               | 463,027             | 369,535                |
| Classroom materials and fees                            | -                     | 16,212                | 23,829              | 42,048                 |
| Transportation fees                                     | -                     | -                     | 4,000               | 600                    |
| Contract services                                       | -                     | 108,187               | 68,372              | 78,522                 |
| <b>Total revenues</b>                                   | <u>103,032,064</u>    | <u>98,591,562</u>     | <u>101,330,713</u>  | <u>106,450,365</u>     |
| <b>Expenditures</b>                                     |                       |                       |                     |                        |
| Current:  |                       |                       |                     |                        |
| Instruction   | 61,677,565            | 56,674,541            | 55,212,174          | 52,713,757             |
| Support services:                                       |                       |                       |                     |                        |
| Pupil   | 5,728,353             | 5,299,333             | 5,236,988           | 4,899,530              |
| Instructional staff                                     | 2,335,379             | 2,476,211             | 2,679,219           | 3,222,634              |
| Board of education                                      | 60,413                | 42,149                | 58,039              | 53,264                 |
| Administration  | 4,923,781             | 5,140,020             | 4,928,396           | 4,522,993              |
| Fiscal  | 1,237,876             | 1,883,428             | 1,244,596           | 1,288,837              |
| Business  | 229,470               | 242,459               | 284,876             | 282,184                |
| Operations and maintenance                              | 5,052,697             | 6,469,312             | 6,460,842           | 7,249,962              |
| Pupil transportation                                    | 4,096,335             | 5,139,206             | 5,209,784           | 5,113,558              |
| Central   | 1,332,081             | 1,748,207             | 1,381,889           | 1,170,187              |
| Operation of non-instructional services                 | 3,821,910             | 4,673,325             | 4,625,060           | 4,541,623              |
| Extracurricular activities                              | 949,732               | 1,009,082             | 1,100,101           | 1,058,361              |
| Capital outlay  | 9,671,886             | 4,268,008             | 9,040,932           | 31,759,935             |
| Debt service:   |                       |                       |                     |                        |
| Principal retirement                                    | 3,475,000             | 2,954,298             | 1,274,862           | 2,534,515              |
| Interest and fiscal charges                             | 3,668,936             | 3,606,252             | 4,402,653           | 4,263,524              |
| Bond issuance costs                                     | -                     | 457,709               | 144,440             | -                      |
| Accretion on capital appreciation bonds                 | -                     | -                     | 1,380,000           | -                      |
| <b>Total expenditures</b>                               | <u>108,261,414</u>    | <u>102,083,540</u>    | <u>104,664,851</u>  | <u>124,674,864</u>     |
| Excess of revenues over (under) expenditures            | (5,229,350)           | (3,491,978)           | (3,334,138)         | (18,224,499)           |
| <b>Other Financing Sources (Uses)</b>                   |                       |                       |                     |                        |
| Sale of capital assets                                  | 7,863                 | 24,915                | 9,236               | 42,995                 |
| Insurance recoveries                                    | 100,000               | -                     | -                   | -                      |
| Transfers in  | 735,817               | 1,013,579             | 981,919             | 1,246,291              |
| Transfers (out)   | (735,817)             | (1,013,579)           | (981,919)           | (1,246,291)            |
| Capital lease transaction                               | -                     | -                     | -                   | -                      |
| Issuance of long term debt                              | -                     | -                     | -                   | -                      |
| Payments to refunding bond escrow agent                 | -                     | (46,733,384)          | -                   | -                      |
| Premium on the sale of refunding bonds                  | -                     | 5,001,093             | 136,641             | -                      |
| Issuance of bonds                                       | -                     | 42,190,000            | 9,860,000           | -                      |
| <b>Total other financing sources (uses)</b>             | <u>107,863</u>        | <u>482,624</u>        | <u>10,005,877</u>   | <u>42,995</u>          |
| <b>Special item:</b>                                    |                       |                       |                     |                        |
| Sale of land  | -                     | 600,000               | -                   | -                      |
| <b>Net change in fund balances</b>                      | <u>\$ (5,121,487)</u> | <u>\$ (2,409,354)</u> | <u>\$ 6,671,739</u> | <u>\$ (18,181,504)</u> |
| Capital expenditures                                    | \$ 10,696,086         | \$ 4,971,832          | \$ 10,170,648       | \$ 31,538,729          |
| Debt service as a percentage of noncapital expenditures | 7.32%                 | 6.76%                 | 7.47%               | 7.30%                  |

Source: School District financial records.

| 2017                   | 2016                 | 2015                 | 2014                | 2013                | 2012                  |
|------------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|
| \$ 28,927,911          | \$ 37,002,240        | \$ 27,872,515        | \$ 34,294,811       | \$ 31,261,754       | \$ 31,341,229         |
| 84,822,828             | 64,399,778           | 56,808,384           | 50,921,081          | 48,067,339          | 48,553,938            |
| 457,155                | 463,164              | 157,998              | 1,166               | 1,923               | 9,601                 |
| 1,022,553              | 769,292              | 1,032,757            | 1,126,473           | 566,267             | 724,610               |
| 225,693                | 243,929              | 243,266              | 257,306             | 233,516             | 341,328               |
| 24,401                 | 56,871               | 30,478               | 33,633              | 22,675              | 10,458                |
| 160,457                | 166,004              | 296,116              | 349,214             | 651,126             | 588,504               |
| 326,547                | 391,749              | 367,448              | 262,615             | 46,956              | 110,623               |
| 666,839                | 886,632              | 431,267              | 497,553             | 444,506             | 148,212               |
| 123,796                | 147,764              | 333,563              | 223,265             | 123,851             | 477,276               |
| 43,426                 | 43,605               | -                    | -                   | -                   | -                     |
| 7,707                  | -                    | -                    | -                   | -                   | -                     |
| 71,536                 | 97,832               | -                    | -                   | -                   | -                     |
| <u>116,880,849</u>     | <u>104,668,860</u>   | <u>87,573,792</u>    | <u>87,967,117</u>   | <u>81,419,913</u>   | <u>82,305,779</u>     |
| 47,102,572             | 47,528,539           | 47,816,401           | 49,279,372          | 48,133,204          | 47,192,759            |
| 4,237,609              | 3,944,123            | 3,877,467            | 4,424,408           | 4,379,076           | 4,695,154             |
| 2,764,612              | 2,877,401            | 2,019,362            | 3,417,238           | 3,832,870           | 4,964,134             |
| 70,196                 | 58,127               | 59,556               | 66,159              | 43,835              | 56,405                |
| 4,340,891              | 3,949,199            | 4,278,161            | 4,656,085           | 4,456,818           | 4,517,281             |
| 1,558,948              | 1,460,099            | 1,662,170            | 784,141             | 689,018             | 717,447               |
| 272,019                | 245,965              | 189,919              | 209,442             | 253,527             | 427,734               |
| 6,324,072              | 6,000,716            | 6,371,641            | 7,925,541           | 5,684,561           | 5,454,243             |
| 4,301,151              | 4,049,294            | 3,926,956            | 3,905,361           | 3,689,610           | 3,629,508             |
| 1,166,324              | 992,204              | 1,665,992            | 3,459,367           | 1,257,761           | 3,853,759             |
| 4,765,732              | 4,627,836            | 4,754,045            | 4,754,840           | 4,518,730           | 4,382,701             |
| 1,001,261              | 838,178              | 928,706              | 924,948             | 883,030             | 1,017,934             |
| 45,880,282             | 4,716,122            | 2,216,640            | 433,676             | 8,723               | 397,027               |
| 2,428,067              | 3,338,619            | 3,273,410            | 1,177,325           | 1,033,416           | 927,375               |
| 4,330,759              | 5,032,301            | 3,986,977            | 2,865,082           | 2,921,769           | 2,881,709             |
| -                      | 243,537              | -                    | -                   | -                   | -                     |
| -                      | -                    | -                    | -                   | -                   | -                     |
| <u>130,544,495</u>     | <u>89,902,260</u>    | <u>87,027,403</u>    | <u>88,282,985</u>   | <u>81,785,948</u>   | <u>85,115,170</u>     |
| (13,663,646)           | 14,766,600           | 546,389              | (315,868)           | (366,035)           | (2,809,391)           |
| 42,211                 | 6,419                | 340,087              | 2,358               | 480                 | 10,810                |
| -                      | -                    | -                    | -                   | -                   | -                     |
| 1,204,479              | 1,079,247            | 626,572              | 610,354             | 604,934             | 620,080               |
| (1,204,479)            | (1,079,247)          | (626,572)            | (610,354)           | (604,934)           | (620,080)             |
| -                      | -                    | -                    | 248,273             | -                   | -                     |
| -                      | -                    | 46,600,000           | 2,445,000           | -                   | -                     |
| -                      | (26,510,643)         | -                    | -                   | -                   | -                     |
| -                      | 1,269,181            | 4,510,678            | -                   | -                   | -                     |
| -                      | 25,485,000           | -                    | -                   | -                   | -                     |
| <u>42,211</u>          | <u>249,957</u>       | <u>51,450,765</u>    | <u>2,695,631</u>    | <u>480</u>          | <u>10,810</u>         |
| -                      | -                    | -                    | -                   | -                   | -                     |
| <u>\$ (13,621,435)</u> | <u>\$ 15,016,557</u> | <u>\$ 51,997,154</u> | <u>\$ 2,379,763</u> | <u>\$ (365,555)</u> | <u>\$ (2,798,581)</u> |
| \$ 45,731,277          | \$ 6,394,237         | \$ 3,316,732         | \$ 1,526,035        | \$ 258,984          | \$ 1,442,769          |
| 7.97%                  | 10.02%               | 8.67%                | 4.66%               | 4.85%               | 4.55%                 |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN CALENDAR YEARS  
SCHEDULE 5

| <b>Tax<br/>Year</b> | <b>Real Property<br/>Assessed<br/>Value</b> | <b>Public<br/>Utilities Personal<br/>Assessed<br/>Value</b> | <b>Total<br/>Assessed<br/>Value</b> | <b>Total<br/>Estimated<br/>Actual Value</b> | <b>Total<br/>Direct<br/>Rate</b> | <b>Ratio</b> |
|---------------------|---|---|-------------------------------------|---|----------------------------------|--------------|
| 2020                | \$ 758,168,900                              | \$ 88,595,480   | \$ 846,764,380                      | \$ 2,505,220,059                            | \$ 50.14                         | 33.80%       |
| 2019                | 641,609,960                                 | 104,504,500   | 746,114,460                         | 2,207,439,231                               | 52.48                            | 33.80%       |
| 2018                | 639,907,020                                 | 65,992,060  | 705,899,080                         | 2,088,458,817                               | 54.08                            | 33.80%       |
| 2017                | 641,556,630                                 | 61,948,170  | 703,504,800                         | 2,081,375,148                               | 54.15                            | 33.80%       |
| 2016                | 604,441,470                                 | 58,917,790  | 663,359,260                         | 1,962,601,361                               | 54.40                            | 33.80%       |
| 2015                | 603,512,220                                 | 57,446,810  | 660,959,030                         | 1,955,500,089                               | 54.54                            | 33.80%       |
| 2014                | 603,212,590                                 | 56,477,890  | 659,690,480                         | 1,884,829,943                               | 54.51                            | 35.00%       |
| 2013                | 657,709,970                                 | 54,597,780  | 712,307,750                         | 2,035,165,000                               | 48.95                            | 35.00%       |
| 2012                | 665,572,990                                 | 50,710,520  | 716,283,510                         | 2,046,524,314                               | 47.16                            | 35.00%       |
| 2011                | 673,961,050                                 | 51,549,940  | 725,510,990                         | 2,072,888,543                               | 47.16                            | 35.00%       |

**Source:** State of Ohio Department of Taxation

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 10 percent, 2 1/2 percent and homestead exemption exemptions before being billed.

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN CALENDAR YEARS  
SCHEDULE 6

| Calendar<br>Year | District Direct Rates |           |        |                              |         |         | Overlapping Rates |                  |
|------------------|-----------------------|-----------|--------|------------------------------|---------|---------|-------------------|------------------|
|                  | Voted                 |           |        | Permanent<br>Improvement (3) | Unvoted | Total   | Butler<br>County  | Warren<br>County |
|                  | General               | Emergency | Bond   |                              |         |         |                   |                  |
| 2020             | \$36.22               | \$ -      | \$8.50 | \$ 2.40                      | \$ 3.02 | \$50.14 | \$ 9.22           | \$ 6.28          |
| 2019             | 38.56                 | -         | 8.50   | 2.40                         | 3.02    | 52.48   | 9.72              | 6.28             |
| 2018             | 39.66                 | -         | 9.00   | 2.40                         | 3.02    | 54.08   | 9.72              | 6.28             |
| 2017             | 39.73                 | -         | 9.00   | 0.50                         | 4.92    | 54.15   | 9.72              | 6.28             |
| 2016             | 40.73                 | -         | 8.25   | 0.50                         | 4.92    | 54.40   | 9.72              | 7.78             |
| 2015             | 40.87                 | -         | 8.25   | 0.50                         | 4.92    | 54.54   | 9.72              | 7.78             |
| 2014             | 18.27                 | 22.83     | 8.25   | -                            | 5.16    | 54.51   | 9.72              | 7.78             |
| 2013             | 18.27                 | 20.77     | 4.75   | -                            | 5.16    | 48.95   | 9.72              | 7.78             |
| 2012             | 18.27                 | 18.98     | 4.75   | -                            | 5.16    | 47.16   | 9.72              | 7.78             |
| 2011             | 18.27                 | 18.98     | 4.75   | -                            | 5.16    | 47.16   | 9.72              | 7.78             |

**Source:** County Auditor

**Note:** Rates may only be raised by obtaining the approval of the voters at a public election.

**(1)** - Includes Franklin Township, Franklin Township - Joint Medical Services, Warren-Clinton Community Mental Health and Health Levy.

**(2)** - Includes Turtlecreek Township and the Turtlecreek Township - Warren-Clinton Community Mental Health Levy.

**(3)** - Includes inside millage of \$1.90 that has been moved to the permanent improvement fund and \$0.50 that is reported in the classroom facilities maintenance fund.

N/A - Information not available.

**Overlapping Rates**

|    | <b>Franklin<br/>Township (1)</b> | <b>Turtlecreek<br/>Township (2)</b> | <b>City of<br/>Middletown</b> | <b>Butler County<br/>Joint Vocational<br/>School</b> | <b>Metroparks</b> | <b>Midpointe<br/>Library</b> | <b>Total<br/>Overlapping<br/>Rates</b> | <b>Total<br/>Overlapping<br/>and Direct<br/>Rates</b> |
|----|----------------------------------|-------------------------------------|-------------------------------|--|-------------------|------------------------------|--|---|
| \$ | 3.87                             | \$ 9.12                             | \$ 6.90                       | \$ 1.93  | \$ 0.70           | \$ 0.75                      | \$ 38.77                               | \$ 88.91  |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.70              | 0.75                         | 39.27                                  | 91.75   |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.70              | 0.75                         | 39.27                                  | 93.35   |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.70              | 0.75                         | 39.27                                  | 93.42   |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.50              | 0.75                         | 40.57                                  | 94.97   |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.50              | 0.75                         | 40.57                                  | 95.11   |
|    | 3.87                             | 9.12                                | 6.90                          | 1.93   | 0.50              | 0.75                         | 40.57                                  | 95.08   |
|    | 3.87                             | 9.12                                | 6.72                          | 1.93   | 0.50              | 0.75                         | 40.39                                  | 89.34   |
|    | 3.87                             | 9.12                                | 5.90                          | 1.93   | N/A               | N/A                          | 38.32                                  | 85.48   |
|    | 3.87                             | 9.12                                | 5.90                          | 1.93   | N/A               | N/A                          | 38.32                                  | 85.48   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS (1)  
SCHEDULE 7

| Calendar Year | Taxes Levied for the Calendar Year (1) | Collected within the Calendar Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    | Outstanding Delinquent Taxes (3) | Percentage Outstanding Delinquent Taxes to Tax Levied |
|---------------|--|--|--------------------|---------------------------------|---------------------------|--------------------|----------------------------------|---|
|               |  | Amount (2)                                     | Percentage of Levy |                                 | Amount                    | Percentage of Levy |                                  |   |
| 2020          | \$ 37,504,958                          | \$ 35,079,027                                  | 93.53%             | \$ 2,120,286                    | \$ 37,199,314             | 99.19%             | \$3,205,791                      | 8.55%   |
| 2019          | 34,568,813                             | 32,833,669                                     | 94.98%             | 1,523,858                       | 34,357,527                | 99.39%             | 4,082,031                        | 11.81%  |
| 2018          | 35,219,281                             | 32,891,247                                     | 93.39%             | 1,810,499                       | 34,701,746                | 98.53%             | 4,158,922                        | 11.81%  |
| 2017          | 36,787,345                             | 34,938,752                                     | 94.97%             | 1,770,703                       | 36,709,455                | 99.79%             | 4,003,024                        | 10.88%  |
| 2016          | 36,050,347                             | 30,546,560                                     | 84.73%             | 1,676,407                       | 32,222,967                | 89.38%             | 4,683,274                        | 12.99%  |
| 2015          | 35,954,046                             | 30,512,832                                     | 84.87%             | 1,749,741                       | 32,262,573                | 89.73%             | 4,291,273                        | 11.94%  |
| 2014          | 35,954,046                             | 29,625,371                                     | 82.40%             | 1,667,238                       | 31,292,609                | 87.04%             | 4,125,765                        | 11.48%  |
| 2013          | 31,531,399                             | 29,625,371                                     | 93.96%             | 2,033,122                       | 31,658,493                | 100.40%            | 3,898,991                        | 12.37%  |
| 2012          | 30,713,002                             | 28,911,321                                     | 94.13%             | 2,421,728                       | 31,333,049                | 102.02%            | 4,619,013                        | 15.04%  |
| 2011          | 32,633,101                             | 31,682,293                                     | 97.09%             | 1,736,442                       | 33,418,735                | 102.41%            | 5,357,474                        | 16.42%  |

Source: Butler County Auditor's Office

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.

Note: The District understands that the information presented in the "collection from subsequent years" is not presented as required; however, this is how the information is supplied by the respective County Auditor. The amount in this column will sometimes result in the percentage of levy exceeding 100% for the respective calendar year.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT CALENDAR YEAR AND NINE YEARS AGO  
SCHEDULE 8

|                                  |    | <b>2020</b>               |   |
|----------------------------------|----|---------------------------|---|
| <b>Taxpayer</b>                  |    | <b>Assessed<br/>Value</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> |
| Duke Energy Ohio Inc.            | 1  | \$ 56,462,410             | 6.67%   |
| NTE Ohio LLC                     | 2  | 12,780,770                | 1.51%   |
| AK Steel Corp.                   | 3  | 10,314,820                | 1.22%   |
| Dynegy Dicks Creek, LLC          | 4  | 5,802,030                 | 0.69%   |
| AJB Realty LLC                   | 5  | 4,823,630                 | 0.57%   |
| Texas Eastern Transmission Corp. | 6  | 4,646,220                 | 0.55%   |
| Boymel Family LLC                | 7  | 4,602,060                 | 0.54%   |
| Rockies Express Pipeline LLC     | 8  | 3,910,300                 | 0.46%   |
| CTR Partnership LP               | 9  | 3,374,080                 | 0.40%   |
| Precision Strip Inc.             | 10 | 3,340,520                 | 0.39%   |
|                                  |    | \$ 110,056,840            | 13.00%  |

|                               |    | <b>2011</b>               |   |
|-------------------------------|----|---------------------------|---|
| <b>Taxpayer</b>               |    | <b>Assessed<br/>Value</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> |
| Duke Energy Ohio Inc.         | 1  | \$ 27,110,340             | 3.74%   |
| AK Steel Corporation          | 2  | 12,847,010                | 1.77%   |
| Rockies Express Pipeline      | 3  | 4,543,090                 | 0.63%   |
| Precision Shop, Inc.          | 4  | 4,154,670                 | 0.57%   |
| Faith Village East Apartments | 5  | 3,903,420                 | 0.54%   |
| Southwestern Ohio Steel Inc.  | 6  | 3,874,760                 | 0.53%   |
| Boymel Sam                    | 7  | 3,500,010                 | 0.48%   |
| Meijer Stores Unlimited       | 8  | 3,031,590                 | 0.42%   |
| Liberty Retirement Properties | 9  | 2,563,510                 | 0.35%   |
| Kroger Limited Partners       | 10 | 2,452,690                 | 0.34%   |
| Total                         |    | \$ 67,981,090             | 9.37%   |

**Source:** Butler County Auditor's Office



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
SCHEDULE 9

| Fiscal Year | Governmental Activities (a) |                 |                         |                | Total Primary Government | Ratio of Total Debt to Estimated Actual Value (d) |
|-------------|-----------------------------|-----------------|-------------------------|----------------|--------------------------|---|
|             | Construction Bond           | Refunding Bonds | Long-Term Capital Notes | Capital Leases |                          |   |
| 2021        | \$ 11,322,824               | \$ 92,843,389   | \$ 505,000              | \$ -           | \$ 104,671,213           | 4.18%   |
| 2020        | 11,873,529                  | 96,091,999      | 560,000                 | -              | 108,525,528              | 4.92%   |
| 2019        | 56,869,573                  | 51,529,945      | 739,298                 | -              | 109,138,816              | 5.23%   |
| 2018        | 47,130,288                  | 53,708,314      | 912,616                 | 26,544         | 101,777,762              | 4.89%   |
| 2017        | 47,932,955                  | 54,991,657      | 1,080,229               | 78,446         | 104,083,287              | 5.30%   |
| 2016        | 48,825,622                  | 56,139,983      | 1,372,934               | 128,808        | 106,467,347              | 5.44%   |
| 2015        | 50,423,289                  | 56,623,125      | 3,192,685               | 177,676        | 110,416,775              | 5.86%   |
| 2014        | 1,680,000                   | 56,864,375      | 3,407,487               | 911,284        | 62,863,146               | 3.09%   |
| 2013        | 2,325,000                   | 57,095,625      | 1,127,569               | 1,005,254      | 61,553,448               | 3.01%   |
| 2012        | 2,930,000                   | 57,258,498      | 1,288,149               | 1,258,090      | 62,734,737               | 3.03%   |

**Source:** School District financial records

- (a) See notes to the financial statements regarding the District's outstanding debt information.
- (b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, per capita, population and enrollment information.
- (d) Assessed values are on a calendar year basis (i.e. fiscal year 2021 is calendar year 2020).

| <b>Percentage of Personal Income (b)</b> | <b>Total Debt Per Capita (b)</b> | <b>Total Bonded Debt</b> | <b>Less: Restricted for Debt Service</b> | <b>Net Bond Debt</b> | <b>Ratio of Net Bonded Debt to Estimated Actual Value (d)</b> | <b>Net General Bonded Debt Per Capita (b)</b> |
|--|----------------------------------|--------------------------|--|----------------------|---|---|
| 9.41%                                    | \$ 2,145                         | \$ 104,166,213           | \$ 416,736                               | \$ 103,749,477       | 4.14%   | \$ 2,126                                      |
| 10.07%                                   | 2,224                            | 107,965,528              | -  | 107,965,528          | 4.89%   | 2,212   |
| 10.36%                                   | 2,234                            | 108,399,518              | 1,583,805                                | 106,815,713          | 5.11%   | 2,186   |
| 10.03%                                   | 2,085                            | 100,838,602              | -  | 100,838,602          | 4.84%   | 2,066   |
| 10.53%                                   | 2,135                            | 102,924,612              | -  | 102,924,612          | 5.24%   | 2,111   |
| 10.80%                                   | 2,183                            | 104,965,605              | 75,672                                   | 104,889,933          | 5.36%   | 2,151   |
| 11.24%                                   | 2,271                            | 107,046,414              | 731,993                                  | 106,314,421          | 5.64%   | 2,186   |
| 6.40%                                    | 1,293                            | 58,544,375               | 1,643,946                                | 56,900,429           | 2.80%   | 1,170   |
| 6.36%                                    | 1,266                            | 59,420,625               | 1,375,567                                | 58,045,058           | 2.84%   | 1,194   |
| 6.54%                                    | 1,289                            | 60,188,498               | 1,484,273                                | 58,704,225           | 2.83%   | 1,206   |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021  
SCHEDULE 10

| <b>Governmental Unit</b>          | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable (1)</b> | <b>Estimated<br/>Share of<br/>Direct and<br/>Overlapping<br/>Debt</b> |
|-----------------------------------|-----------------------------|--|---|
| Overlapping Debt:                 |                             |  |   |
| Butler County                     | \$ 12,612,870               | 7.97%  | \$ 1,005,246  |
| Warren County                     | 24,170,000                  | 0.95%  | 229,615   |
| City of Middletown                | 7,966,620                   | 95.72%   | 7,625,649   |
| Butler Technology & Career Center | 400,000                     | 7.42%  | 29,680  |
| Subtotal, Overlapping Debt        | <u>45,149,490</u>           |  | <u>8,890,189</u>  |
| District Direct Debt              | <u>104,671,213</u>          | 100.00%  | <u>104,671,213</u>  |
| Total Direct and Overlapping Debt | <u><u>149,820,703</u></u>   |  | <u><u>113,561,402</u></u>   |

**Sources:** Ohio Municipal Advisory Council (OMAC)

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government

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**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
SCHEDULE 11

|   | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| Assessed Valuation of District (1)  | \$ 846,764,380       | \$ 746,114,460       | \$ 705,899,080       | \$ 703,504,800       |
| <u>Overall direct debt limit</u>  |                      |                      |                      |                      |
| Direct debt limitation<br>9% of assessed valuation                        | 76,208,794           | 67,150,301           | 63,530,917           | 63,315,432           |
| Amount available in<br>bond retirement fund                               | 7,302,289            | 5,798,846            | 6,201,282            | 4,990,614            |
| Gross indebtedness (2)  | <u>44,495,000</u>    | <u>46,925,000</u>    | <u>49,290,000</u>    | <u>50,245,000</u>    |
| Legal margin<br>within 9% limitation                                      | <u>\$ 39,016,083</u> | <u>\$ 26,024,147</u> | <u>\$ 20,442,199</u> | <u>\$ 18,061,046</u> |
| Total net debt applicable<br>to the limit as a<br>percentage of the limit | 53.28%               | 64.33%               | 70.68%               | 73.56%               |
| <u>Unvoted direct debt limitation</u>                                     |                      |                      |                      |                      |
| Unvoted debt limitation<br>0.1% of assessed valuation                     | <u>\$ 846,764</u>    | <u>\$ 746,114</u>    | <u>\$ 705,899</u>    | <u>\$ 703,505</u>    |

**Source:** School District financial records

- (1) - Assessed values are on a calendar year basis (i.e. fiscal year 2021 is calendar year 2020)
- (2) - The general obligation bonds issued in fiscal year 2015, 2018 and 2019 were a voted bond issue allowing the total outstanding balance to be excluded from the legal debt margin calculation.

| <u>2017</u>           | <u>2016</u>           | <u>2015</u>           | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>\$ 663,359,260</u> | <u>\$ 660,959,030</u> | <u>\$ 659,690,480</u> | <u>\$ 712,307,750</u> | <u>\$ 716,283,510</u> | <u>\$ 725,510,990</u> |
| 59,702,333            | 59,486,313            | 59,372,143            | 64,107,698            | 64,465,516            | 65,295,989            |
| 4,344,381             | 5,141,164             | 5,446,025             | 1,617,246             | 1,332,329             | 1,307,781             |
| <u>50,935,000</u>     | <u>53,215,000</u>     | <u>57,947,487</u>     | <u>59,253,771</u>     | <u>57,737,823</u>     | <u>62,734,737</u>     |
| <u>\$ 13,111,714</u>  | <u>\$ 11,412,477</u>  | <u>\$ 6,870,681</u>   | <u>\$ 6,471,173</u>   | <u>\$ 8,060,022</u>   | <u>\$ 3,869,033</u>   |
| 79.53%                | 82.34%                | 89.40%                | 90.15%                | 87.75%                | 94.19%                |
| <u>\$ 663,359</u>     | <u>\$ 660,959</u>     | <u>\$ 659,690</u>     | <u>\$ 712,308</u>     | <u>\$ 716,284</u>     | <u>\$ 725,511</u>     |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
SCHEDULE 12

| <u>Year</u> | <u>Population (1)</u> | <u>Personal<br/>Income<br/>(Thousands of<br/>Dollars) (1)</u> | <u>Per Capita<br/>Personal<br/>Income (1)</u> | <u>Unemployment<br/>Rate (1)</u> |
|-------------|-----------------------|---|---|----------------------------------|
| 2020        | 48,807                | \$ 1,112,458  | \$ 22,793                                     | 4.6%                             |
| 2019        | 48,807                | 1,078,147   | 22,090  | 4.5%                             |
| 2018        | 48,861                | 1,053,473   | 21,622  | 4.0%                             |
| 2017        | 48,813                | 1,014,627   | 20,786  | 3.7%                             |
| 2016        | 48,760                | 988,365   | 20,270  | 4.0%                             |
| 2015        | 48,760                | 985,476   | 20,345  | 4.3%                             |
| 2014        | 48,630                | 982,281   | 20,199  | 5.4%                             |
| 2013        | 48,630                | 982,281   | 20,199  | 7.8%                             |
| 2012        | 48,630                | 968,285   | 19,911  | 8.6%                             |
| 2011        | 48,660                | 959,385   | 19,716  | 10.1%                            |

Sources:

(1) - Information is taken from the City of Middletown annual financial report as it encompasses 91% of the District and specific information related to the District is not available.

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

MAJOR EMPLOYERS  
CURRENT CALENDAR YEAR AND NINE YEARS AGO  
SCHEDULE 13

**2020**

| <b>Major Employers</b>  | <b>Number of<br/>Employees</b> | <b>Percentage<br/>of Total<br/>Employment</b> |
|-------------------------|--------------------------------|---|
| AK Steel                | 2,630                          | 13.42%  |
| Atrium Medical Center   | 1,719                          | 8.77%   |
| Middletown City Schools | 857                            | 4.37%   |
| PAC Worldwide Corp      | 774                            | 3.95%   |
| Kroger                  | 758                            | 3.87%   |
| Walmart                 | 581                            | 2.96%   |
| McDonalds               | 464                            | 2.37%   |
| Meijer                  | 447                            | 2.28%   |
| Miami University        | 444                            | 2.27%   |
| City of Middletown      | 434                            | 2.21%   |
|                         | <u>9,108</u>                   |   |
| Total City Employment   | <u>19,600</u>                  |   |

**2011**

| <b>Employer</b>                 | <b>Number of<br/>Employees</b> | <b>Percentage<br/>of Total<br/>Employment</b> |
|---------------------------------|--------------------------------|---|
| AK Steel                        | 2,540                          | 13.44%  |
| Atrium Medical Center           | 2,025                          | 10.71%  |
| CBS Temporary Services, LLC     | 1,582                          | 8.37%   |
| Middletown City School District | 1,266                          | 6.70%   |
| CM Temporary Services, Inc.     | 952                            | 5.04%   |
| Crown Services 36 LLC           | 897                            | 4.75%   |
| McGraw/Kokosing                 | 615                            | 3.25%   |
| Garden Manor Extended Care      | 548                            | 2.90%   |
| Kokosing Construction           | 532                            | 2.81%   |
| Miami University                | 485                            | 2.57%   |
|                                 | <u>11,442</u>                  |   |
| Total City Employment           | <u>18,900</u>                  |   |

Source: City of Middletown annual financial report for December 31, 2020.



**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS  
SCHEDULE 14

| <u>Type</u>  | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Instruction  |               |               |               |               |               |               |               |               |               |               |
| Classroom teachers                                   | 331.70        | 305.00        | 308.59        | 311.58        | 315.65        | 306.00        | 351.00        | 367.00        | 368.00        | 324.29        |
| Special education teachers and tutors                | 97.80         | 99.00         | 95.80         | 103.35        | 91.01         | 77.48         | 38.00         | 40.00         | 49.00         | 78.68         |
| Educational aides                                    | -             | -             | -             | -             | -             | -             | -             | 1.00          | 1.00          | 2.00          |
| Special education aides and attendants               | 96.00         | 87.00         | 80.00         | 70.00         | 61.00         | 64.00         | 59.00         | 68.00         | 62.00         | 58.00         |
| Total Instruction                                    | <u>525.50</u> | <u>491.00</u> | <u>484.39</u> | <u>484.93</u> | <u>467.66</u> | <u>447.48</u> | <u>448.00</u> | <u>476.00</u> | <u>480.00</u> | <u>462.97</u> |
| Support Services                                     |               |               |               |               |               |               |               |               |               |               |
| Support personnel                                    |               |               |               |               |               |               |               |               |               |               |
| Librarians, nurses,<br>counselors, visiting teachers | 64.50         | 49.00         | 49.00         | 48.00         | 42.95         | 46.12         | 43.00         | 52.00         | 52.00         | 80.23         |
| Principals   | 19.00         | 17.00         | 17.00         | 17.00         | 17.00         | 15.00         | 17.00         | 10.00         | 11.00         | 15.00         |
| Central office administration                        | 12.00         | 13.00         | 14.00         | 14.00         | 11.20         | 13.00         | 10.00         | 10.00         | 11.00         | 11.00         |
| Secretaries and clerical                             | 39.00         | 37.00         | 39.00         | 39.00         | 38.00         | 38.00         | 39.00         | 38.00         | 40.00         | 44.60         |
| Custodial  | 36.00         | -             | -             | -             | -             | -             | -             | -             | -             | 31.00         |
| Maintenance and mechanics                            | 11.00         | -             | -             | -             | -             | -             | -             | -             | -             | 7.00          |
| Total Support Services                               | <u>181.50</u> | <u>116.00</u> | <u>119.00</u> | <u>118.00</u> | <u>109.15</u> | <u>112.12</u> | <u>109.00</u> | <u>110.00</u> | <u>114.00</u> | <u>188.83</u> |
| Total  | <u>707.00</u> | <u>607.00</u> | <u>603.39</u> | <u>602.93</u> | <u>576.81</u> | <u>559.60</u> | <u>557.00</u> | <u>586.00</u> | <u>594.00</u> | <u>651.80</u> |

2020-2021 brought custodial and maintenance bank in house and hired additional staff using ESSER Stimulus funds

**Source:** School District records

**N/A** = Information not available

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
SCHEDULE 15

| <b>Fiscal Year</b> | <b>Enrollment</b> | <b>Operating Expenditures (1)</b> | <b>Cost per pupil (2)</b> | <b>Percent Change</b> | <b>Expenses (3)</b> | <b>Cost per pupil (4)</b> |
|--------------------|-------------------|-----------------------------------|---------------------------|-----------------------|---------------------|---------------------------|
| 2021               | 5,970             | \$ 91,445,592                     | \$ 15,318                 | 5.13%                 | \$ 101,574,052      | \$ 17,014                 |
| 2020               | 6,232             | 90,797,273                        | 14,570                    | 7.71%                 | 100,235,063         | 16,084                    |
| 2019               | 6,537             | 88,421,964                        | 13,526                    | 2.68%                 | 86,259,429          | 13,196                    |
| 2018               | 6,537             | 86,116,890                        | 13,174                    | 8.66%                 | 59,714,260          | 9,135                     |
| 2017               | 6,426             | 77,905,387                        | 12,123                    | 4.47%                 | 83,771,965          | 13,036                    |
| 2016               | 6,598             | 76,571,681                        | 11,605                    | 1.42%                 | 81,378,374          | 12,334                    |
| 2015               | 6,777             | 77,550,376                        | 11,443                    | -10.66%               | 81,716,004          | 12,058                    |
| 2014               | 6,543             | 83,806,902                        | 12,809                    | 7.54%                 | 87,559,212          | 13,382                    |
| 2013               | 6,534             | 77,822,040                        | 11,910                    | -4.45%                | 83,309,473          | 12,750                    |
| 2012               | 6,491             | 80,909,059                        | 12,465                    | -3.56%                | 85,322,225          | 13,145                    |

**Source:** School District records

- (1) - Operating expenditure is total expenditures minus facilities acquisition and construction, capital outlay and debt service from schedule 4
- (2) - Operating expenditure by enrollment
- (3) - Expenses is total expenses from schedule 2
- (4) - Expenses by enrollment
- (5) - The District entered a new program for fiscal year 2014 where everyone is provided a free breakfast or lunch and the District receives a higher reimbursement rate.

| <b>Percent Change</b> | <b>Teaching Staff</b> | <b>Pupil/Teacher Ratio</b> | <b>of Free or Reduced Lunches (5)</b> |
|-----------------------|-----------------------|----------------------------|---------------------------------------|
| 5.78%                 | 528                   | 11                         | 100.00%                               |
| 21.89%                | 491                   | 13                         | 100.00%                               |
| 44.45%                | 485                   | 13                         | 100.00%                               |
| -29.93%               | 485                   | 13                         | 100.00%                               |
| 5.70%                 | 454                   | 14                         | 100.00%                               |
| 2.29%                 | 432                   | 15                         | 100.00%                               |
| -9.90%                | 448                   | 15                         | 100.00%                               |
| 4.96%                 | 426                   | 15                         | 100.00%                               |
| -3.00%                | 490                   | 13                         | 72.10%                                |
| -6.28%                | 462                   | 14                         | 72.10%                                |

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
SCHEDULE 16

| School                                    | 2021   | 2020   | 2019   | 2018   | 2017   |
|---|--------|--------|--------|--------|--------|
| <b>Elementary Schools</b>                 |        |        |        |        |        |
| Amanda Elementary (1961)                  |        |        |        |        |        |
| Square feet                               | 66,970 | 66,970 | 66,970 | 66,970 | 66,970 |
| Capacity (students)                       | 510    | 567    | 567    | 510    | 553    |
| Enrollment                                | 324    | 431    | 414    | 420    | 410    |
| Percent of Capacity (3)                   | 64%    | 76%    | 73%    | 82%    | 74%    |
| Site Acreage                              | 17     | 17     | 17     | 17     | 17     |
| New Central Academy Elementary (1966)     |        |        |        |        |        |
| Square feet                               | 42,000 | 42,000 | 42,000 | 42,000 | 42,000 |
| Capacity (students)                       | 398    | 398    | 398    | 398    | 400    |
| Enrollment                                | 213    | 347    | 342    | 354    | 325    |
| Percent of Capacity (3)                   | 54%    | 87%    | 86%    | 89%    | 81%    |
| Site Acreage                              | 7      | 7      | 7      | 7      | 7      |
| New Creekview Elementary (2007)           |        |        |        |        |        |
| Square feet                               | 59,970 | 59,970 | 59,970 | 59,970 | 59,970 |
| Capacity (students)                       | 567    | 567    | 567    | 567    | 525    |
| Enrollment                                | 303    | 422    | 457    | 482    | 461    |
| Percent of Capacity (3)                   | 53%    | 74%    | 81%    | 85%    | 88%    |
| Site Acreage                              | 12     | 12     | 12     | 12     | 12     |
| Highview Elementary (2007)                |        |        |        |        |        |
| Square feet                               | 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| Capacity (students)                       | 575    | 575    | 575    | 575    | 575    |
| Enrollment                                | 307    | 487    | 471    | 476    | 439    |
| Percent of Capacity (3)                   | 53%    | 85%    | 82%    | 83%    | 76%    |
| Site Acreage                              | 5      | 5      | 5      | 5      | 5      |
| Net Mayfield Elementary (2008)            |        |        |        |        |        |
| Square feet                               | 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| Capacity (students)                       | 624    | 624    | 624    | 624    | 575    |
| Enrollment                                | 352    | 481    | 459    | 486    | 531    |
| Percent of Capacity (3)                   | 56%    | 77%    | 74%    | 78%    | 92%    |
| Site Acreage                              | 5      | 5      | 5      | 5      | 5      |
| Miller Ridge Elementary (2008)            |        |        |        |        |        |
| Square feet                               | 59,970 | 59,970 | 59,970 | 59,970 | 59,970 |
| Capacity (students)                       | 498    | 498    | 498    | 498    | 525    |
| Enrollment                                | 300    | 424    | 472    | 455    | 472    |
| Percent of Capacity (3)                   | 60%    | 85%    | 455    | 91%    | 90%    |
| Site Acreage                              | 37     | 37     | 37     | 37     | 37     |
| Rosa Parks Elementary (2007)              |        |        |        |        |        |
| Square feet                               | 60,923 | 60,923 |        | 60,923 | 60,923 |
| Capacity (students)                       | 651    | 651    | 60,923 | 651    | 575    |
| Enrollment                                | 392    | 541    | 651    | 578    | 590    |
| Percent of Capacity (3)                   | 60%    | 83%    | 569    | 89%    | 103%   |
| Site Acreage                              | 8      | 8      | 8      | 8      | 8      |
| New Wildwood Elementary (1959) (4) (2008) |        |        |        |        |        |
| Square feet                               | 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| Capacity (students)                       | 630    | 630    | 630    | 630    | 575    |
| Enrollment                                | 403    | 543    | 568    | 556    | 563    |
| Percent of Capacity (3)                   | 64%    | 86%    | 90%    | 88%    | 98%    |
| Site Acreage                              | 4      | 4      | 4      | 4      | 4      |

| 2016   | 2015   | 2014   | 2013   | 2012   |
|--------|--------|--------|--------|--------|
| 66,970 | 66,970 | 66,970 | 66,970 | 66,970 |
| 553    | 518    | 518    | 518    | 518    |
| 426    | 515    | 476    | 471    | 490    |
| 77%    | 99%    | 92%    | 91%    | 94%    |
| 17     | 17     | 17     | 17     | 17     |
| 42,000 | 42,000 | 42,000 | 42,000 | 42,000 |
| 400    | 350    | 350    | 350    | 350    |
| 326    | 316    | 360    | 382    | 414    |
| 82%    | 90%    | 103%   | 109%   | 118%   |
| 7      | 7      | 7      | 7      | 7      |
| 59,970 | 59,970 | 59,970 | 59,970 | 59,970 |
| 525    | 503    | 503    | 503    | 503    |
| 458    | 575    | 453    | 470    | 423    |
| 87%    | 114%   | 90%    | 93%    | 84%    |
| 12     | 12     | 12     | 12     | 12     |
| 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| 575    | 503    | 503    | 503    | 503    |
| 458    | 478    | 426    | 436    | 427    |
| 80%    | 95%    | 85%    | 87%    | 84%    |
| 5      | 5      | 5      | 5      | 5      |
| 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| 575    | 503    | 503    | 503    | 503    |
| 518    | 552    | 505    | 475    | 469    |
| 90%    | 110%   | 100%   | 94%    | 93%    |
| 5      | 5      | 5      | 5      | 5      |
| 59,970 | 59,970 | 59,970 | 59,970 | 59,970 |
| 525    | 503    | 503    | 503    | 503    |
| 457    | 510    | 467    | 495    | 515    |
| 87%    | 101%   | 93%    | 98%    | 102%   |
| 37     | 37     | 37     | 37     | 37     |
| 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| 575    | 503    | 503    | 503    | 503    |
| 555    | 772    | 699    | 595    | 608    |
| 97%    | 153%   | 139%   | 118%   | 120%   |
| 8      | 8      | 8      | 8      | 8      |
| 60,923 | 60,923 | 60,923 | 60,923 | 60,923 |
| 575    | 503    | 503    | 503    | 503    |
| 540    | 612    | 543    | 612    | 564    |
| 94%    | 122%   | 108%   | 122%   | 112%   |
| 4      | 4      | 4      | 4      | 4      |

(Continued)

**MIDDLETOWN CITY SCHOOL DISTRICT  
BUTLER COUNTY, OHIO**

SCHOOL BUILDING INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
SCHEDULE 16

| School                           | 2021    | 2020    | 2019    | 2018    | 2017    |
|----------------------------------|---------|---------|---------|---------|---------|
| <b>Middle Schools</b>            |         |         |         |         |         |
| Steven Vail Middle (1923)        |         |         |         |         |         |
| Square feet                      | (16)    | (16)    | 221,160 | 221,160 | 221,160 |
| Capacity (students)              | (16)    | (16)    | 1,435   | 1,435   | 1,435   |
| Enrollment                       | (16)    | (16)    | 936     | 966     | 865     |
| Percent of Capacity (3)          | (16)    | (16)    | 65%     | 67%     | 60%     |
| Site Acreage                     | (16)    | (16)    | 3       | 3       | 3       |
| George M. Verity Middle (1968)   |         |         |         |         |         |
| Square feet                      | (13)    | (13)    | (13)    | (13)    | (13)    |
| Capacity (students)              | (13)    | (13)    | (13)    | (13)    | (13)    |
| Enrollment                       | (13)    | (13)    | (13)    | (13)    | (13)    |
| Percent of Capacity (3)          | (13)    | (13)    | (13)    | (13)    | (13)    |
| Site Acreage                     | (13)    | (13)    | (13)    | (13)    | (13)    |
| Middletown Middle School         |         |         |         |         |         |
| Square feet                      | 133,719 | 133,719 | (15)    | (15)    | (15)    |
| Capacity (students)              | 1,435   | 900     | (15)    | (15)    | (15)    |
| Enrollment                       | 755     | 993     | (15)    | (15)    | (15)    |
| Percent of Capacity (3)          | 53%     | 110%    | (15)    | (15)    | (15)    |
| Site Acreage                     | 3       | 3       | (15)    | (15)    | (15)    |
| <b>High Schools</b>              |         |         |         |         |         |
| Middletown High (1969)(2018)(14) |         |         |         |         |         |
| Square feet                      | 311,052 | 224,000 | 224,000 | 224,000 | 363,627 |
| Capacity (students)              | 1,800   | 1,800   | 1,800   | 1,800   | 2,178   |
| Enrollment                       | 1,231   | 1,401   | 1,348   | 1,388   | 1,430   |
| Percent of Capacity (3)          | 68%     | 78%     | 75%     | 77%     | 66%     |
| Site Acreage                     | 8       | 5       | 8       | 8       | 8       |

**Source:** District records

(3) - Enrollment divided by Capacity

(4) - Annexed 1993

(13) - Sold building in 2015

(14) - High School Renovated in 2017-2018, Manchester torn down in 2018

(15) - Middletown Middle School opened in 2019-2020 school year

(16) - Steven Val Middle School was demolished during fiscal year 2020.

| 2016    | 2015    | 2014    | 2013    | 2012    |
|---------|---------|---------|---------|---------|
| 221,160 | 221,160 | 221,160 | 221,160 | 221,160 |
| 1,435   | 1,576   | 1,576   | 1,576   | 1,576   |
| 895     | 1,042   | 841     | 785     | 825     |
| 62%     | 66%     | 53%     | 50%     | 52%     |
| 3       | 3       | 3       | 3       | 3       |
| (13)    | 81,589  | 81,589  | 81,589  | 81,589  |
| (13)    | 653     | 653     | 653     | 653     |
| (13)    | -       | -       | -       | -       |
| (13)    | 0%      | 0%      | 0%      | 0%      |
| (13)    | 39      | 39      | 39      | 39      |
| (15)    | (15)    | (15)    | (15)    | (15)    |
| (15)    | (15)    | (15)    | (15)    | (15)    |
| (15)    | (15)    | (15)    | (15)    | (15)    |
| (15)    | (15)    | (15)    | (15)    | (15)    |
| (15)    | (15)    | (15)    | (15)    | (15)    |
| 363,627 | 363,627 | 363,627 | 363,627 | 363,627 |
| 2,178   | 2,178   | 2,178   | 2,178   | 2,178   |
| 1,447   | 1,404   | 1,773   | 1,813   | 1,804   |
| 66%     | 64%     | 81%     | 83%     | 82%     |
| 8       | 8       | 8       | 8       | 8       |

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# OHIO AUDITOR OF STATE KEITH FABER



**MIDDLETOWN CITY SCHOOL DISTRICT**

**BUTLER COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 2/24/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)