



CITY OF MIDDLETOWN, OHIO

BUTLER COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024



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Columbus, Ohio 43215
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800-282-0370

City Council
City of Middletown
One Donham Plaza
Middletown, Ohio 45042

We have reviewed the *Independent Auditor's Report* of the City of Middletown, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. 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. The City of Middletown is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 08, 2025

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CITY OF MIDDLETOWN, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Passed through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grants/Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	n/a	14.218	\$ 215,170	1,330,602
Total CDBG Entitlement Cluster			215,170	1,330,602
<i>(Passed through Butler County Department of Community Development)</i>				
HOME Investment Partnership Program	B-11-UC-39-0008	14.239	244,710	276,164
Total U.S. Department of Housing and Urban Development			459,880	1,606,766
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Edward Byrne Memorial Justice Assistance Grant Program	n/a	16.738		8,904
Total U.S. Department of Justice				8,904
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Federal Transit Cluster:				
Federal Transit-Formula Grants (Urbanized Area Formula Program):				
Operating Assistance	n/a	20.507		2,983,931
Capital Assistance	n/a	20.507		485,406
Paratransit Grant	n/a	20.507		464,499
Total Federal Transit Cluster				3,933,836
Airport Improvement Program	n/a	20.106		57,698
<i>(Passed through Ohio Department of Public Safety):</i>				
Alcohol Impaired Driving Countermeasures Incentive Grants I	n/a	20.601		4,573
Total U.S. Department of Transportation				3,996,107
<u>U.S. DEPARTMENT OF TREASURY</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	n/a	21.027	79,950	9,553,549
<i>(Passed through Butler County):</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	n/a	21.027		2,712,245
			79,950	12,265,794
Total U.S. Department of Treasury			79,950	12,265,794
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>(Passed through Butler County Board of Health):</i>				
Public Health Emergency Preparedness	00910012PH1524	93.069		21,480
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	00920012WF0123	93.354		67,146
<i>(Passed through Ohio Department of Health):</i>				
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	n/a	93.391		40,000
Total U.S. Department of Health and Human Services				128,626
Total Passed Through to Subrecipients and Federal Expenditures			\$ 539,830	18,006,197

Continued

CITY OF MIDDLETOWN, OHIO
Schedule of Expenditures of Federal Awards - continued
Year Ended December 31, 2024

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 City of Middletown, Ohio (the "City") under programs of the federal government for the year ended December 31, 2024. 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 City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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 City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE D - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT LOANS

The City had established a revolving loan program under the Community Development Block Grant (CDBG) to provide low-interest loans to businesses in order to create jobs for persons from low-to-moderate income households; and to eligible persons to rehabilitate homes. The City has also established a down payment assistance program under the HOME Program (HOME) to provide down payment/closing cost assistance, five-year forgivable loans to income-eligible, qualified home buyers. The City records initial loans amounts as disbursements on the Schedule of Expenditures of Federal Awards in the year of issuance. At December 31, 2024, the City had outstanding loan balances of \$563,203 under the CDBG Program and \$2,842,870 under the HOME Program.

NOTE E - SUBRECIPIENTS

The City passes certain federal awards received from the Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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 Honorable Mayor and Members of City Council
City of Middletown, Ohio:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio ("City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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*.

City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 30, 2025

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 Honorable Mayor and Members of City Council
City of Middletown, Ohio:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Middletown, Ohio's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 30, 2025, 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 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 schedule of expenditures of federal awards is fairly stated in, all material respects, in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 30, 2025

CITY OF MIDDLETOWN, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to 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:	
• ALN 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

CITY OF MIDDLETOWN, OHIO
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2024

Section II – Financial Statement Findings

2024-001 Financial reporting

Effective internal control over financial reporting requires that management establish and maintain procedures to ensure the accuracy, completeness, and reliability of financial statements. 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. This includes the ability to detect and correct material misstatements and to develop reasonable and supportable estimates in accordance with applicable accounting standards, such as those issued by the Governmental Accounting Standards Board.

During the audit, two issues were identified: (1) A material restatement was required in the Water and Sewer Fund due to errors in previously issued financial statements and (2) the estimate related to the implementation of *GASB Statement No. 101, Compensated Absences* lacked sufficient precision.

Although lack of precision for the compensated absences estimate did not result in a material journal entry in the current period, the methodology used to develop the estimate was not adequately refined, increasing the risk error and/or future misstatements.

We recommend the City enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements.

Views of Responsible Officials: *The City recognizes the importance of ensuring the City's financial statements are correct and will continue to enhance internal controls over financial reporting.*

Section III – Federal Award Findings and Questions Costs

None noted.



**City of Middletown
Schedule of Prior Audit Findings
Year Ended December 31, 2024**

2023-001 Financial Reporting

Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles (GAAP). The audit adjustments necessary to correct the financial statements were related to the conversion to GAAP basis as opposed to errors in the City's books. We proposed an audit adjustment to correct fund balance classifications in the Capital Improvement Fund.

Status: Repeated.



CORRECTIVE ACTION PLAN

City of Middletown, Ohio respectfully submits the following corrective action plan for the year ended December 31, 2024.

Name and address of independent public accounting firm:

Clark Schaefer Hackett
One East Fourth St, Suite 1200
Cincinnati, Ohio 45202

Audit period: December 31, 2024

The finding from the December 31, 2024 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Findings-Financial Statement Audit

Material Weakness

2024-001 Financial reporting

Recommendation: It was recommended the City enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements.

Action Taken: We concur with the recommendation, and it will be implemented effective 12/31/2025.

Findings-Federal Award Programs Audits

None noted.

Sincerely,

Samantha Zimmerman
Finance Director

CITY OF



MIDDLETOWN

Annual Comprehensive Financial Report

*For the Year Ended
December 31, 2024*

City of Middletown
One Donham Plaza
Middletown, Ohio

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CITY OF MIDDLETOWN, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2024

**Prepared by
Finance Department**

**Samantha Zimmerman
Finance Director**

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CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2024

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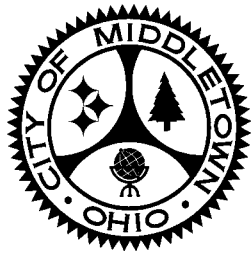
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CITY OF MIDDLETOWN, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2024

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CITY OF
MIDDLETOWN

July 30, 2025

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

We are pleased to present this Annual Comprehensive Financial Report for Middletown, Ohio. This report, for the year ended December 31, 2024, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City.

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

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

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

MIDDLETOWN PROFILE

Population

Middletown is positioned between the major metropolitan areas of Cincinnati and Dayton in southwestern Ohio with a population of approximately 52,291.

Council-Manager Form of Government

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

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

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

City Services

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

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

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

Budgetary Process and Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except Custodial Funds, for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. In November, 2023, City Council adopted the 2024 fiscal year permanent appropriation measure.

The City maintains budgetary control on a non-GAAP budgetary basis by fund/division along with a personnel category and a category labeled other (the state minimum legal level of control). Management

further monitors budgetary performance by establishing lower levels of budgetary control within each fund by department at major object levels, which include personal services, contractual services, commodities, other expenditures, capital outlay, debt service and operating transfers.

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

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

Economic Outlook and Relevant Financial Policies

One of the City's most important responsibilities is the effective management of its resources. As the impacts of the COVID-19 pandemic continue to recede and the local economy stabilizes, the City has shifted its focus toward long-term growth and resilience. Capital investment has emerged as a central priority in the 2025 budget and is expected to remain a key focus in future budget cycles, supporting infrastructure improvements, community development, and sustainable public services.

In May 2022, Middletown voters overwhelmingly passed a one mill property tax levy to finance the building of four new fire stations with a projected cost of \$16.8 million. Fire Headquarters on Yankee Road and Cherry Street and Station 82 on State Route 122 were the first stations completed. These two were completed in early 2025, with open houses and ribbon cuttings occurring in May 2025. Construction on Station 81 on Henry Avenue and Charles Street and Station 85 on Sophie Avenue and Stolz Drive began in 2024 and is expected to be complete in summer of 2025.

Construction of Renaissance Pointe began in 2024. This multi-use entertainment facility and adjoining development kicked off with the groundbreaking of the public infrastructure last June. The main facility will feature three sheets of ice, with an exhibition rink boasting 3,500 fixed seats. The facility will also be available for concerts, trade shows, and other events, and feature shopping alongside the main entertainment facility. The facility's position on State Route 122 will make it an attractive destination for visitors to Middletown. Phase I construction is expected to be complete by summer of 2025.

The City of Middletown has taken a bold stance at the acquisition of the former Towne Mall Galleria in August of 2024. Site control of this area was key at further enhancing the commercial vibrancy of our East End. Public engagement and concept considerations for the site has been completed, with the ultimate goal of creating a large, mixed use commercial development to compliment the growing residential and retail opportunities within the City.

Demolition of the former Paperboard manufacturing facility was completed in last October. With soil remediation and grading continuing on the project through the fall of 2025. Once the site is cleared, it will provide land for new and existing business growth in industrial employers announced significant reinvestment and expansion opportunities in 2024, providing for stable increases in wage growth throughout the City.

Residential development is growing in the City. The Renaissance development in Warren County offers a variety of new home collections and new home construction is nearing completion within the Sawyers Mill neighborhood. New apartments at Echo Ridge are coming online off of Innovation Drive. Numerous single-family attached and detached products are being constructed throughout the City's abundance on infill lots.

The City's 2021 Parks Master Plan launched a series of park improvements the have continued through 2024 and future budget years. The City advanced its smart parks initiative by expanding free Wi-Fi to six major parks and completed several key upgrades: new playground equipment, a shelter, and basketball court improvements at Sherman Park; new bleachers at Goldman Park; updated pickleball courts at Lefferson Park; new sport courts at Oakland Park; and design work for a splash pad at Douglass Park, slated for completion in 2025. These efforts reflect the City's commitment to accessible, high-quality public spaces.

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

The Middletown unemployment rate has increased by 1.5% from 2023 to 2024:

UNEMPLOYMENT RATE (%)			
Yearly Average			
	<u>Middletown</u>	<u>Ohio</u>	<u>U. S.</u>
2023	3.2%	3.5%	3.6%
2024	4.7%	4.5%	4.1%

Property Taxes/Local Income Taxes

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

The City's property tax rate is 6.90 mils or \$6.90 per \$1,000 of taxable valuation. Real property is assessed at 35% of estimated true value every six years. The assessed value of public utility personal property ranges from 25% to 88% for electric transmission and distribution property. General business tangible personal property tax has been phased out. The Senior Citizens Levy, with a one mil tax rate, began in 2013 and expired in five years. This levy was renewed for an additional five years beginning in 2018. The new 25-year Fire Levy will replace the Senior Citizens Levy as of January 1, 2023. The majority of property tax revenues are used by the City's General Fund.

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

<u>Levy</u> <u>Year</u>	<u>Collection</u> <u>Year</u>	<u>Assessed</u> <u>Value</u>	<u>Property Tax</u> <u>Revenues</u> <u>(cash basis)</u>
2019	2020	\$747,047,250	\$4,175,414
2020	2021	\$848,115,520	\$4,680,219
2021	2022	\$866,706,120	\$5,628,272
2022	2023	\$855,118,050	\$5,384,102
2023	2024	\$1,098,204,750	\$6,876,012

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

Local income tax receipts for the past five years are:

<u>Local Income Tax Receipts</u> <u>(Cash Basis)</u>	
2020	\$23,726,882
2021	\$35,134,999
2022	\$33,725,306
2023	\$42,418,678
2024	\$37,133,553

Tax Abatements

As of December 31, 2024, the City provides tax abatements through two programs—Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements—as authorized under the Ohio Revised Code. These programs are vital economic development tools that support business retention, encourage capital investment, and promote the revitalization of underutilized or deteriorated properties.

Enterprise Zone Agreements are designed to attract and expand commercial and industrial operations through property tax exemptions on qualifying new investments. These incentives, approved by City Council and, when required, the local school district, offer up to 100% tax abatement for a period of up to 15 years. Similarly, CRA Agreements aim to stimulate redevelopment by providing property tax exemptions for improvements to existing residential, commercial, and industrial properties in designated areas.

In 2024, the City abated approximately \$5.52 million in property taxes under the Enterprise Zone program and approximately \$65,000 under CRA agreements. These abatements supported projects that transformed underused sites and attracted significant private investment. Notable projects included the redevelopment of previously vacant and underutilized commercial properties and the construction of a 475-megawatt power generation facility and a 612,589 square foot speculative industrial building. These investments are expected to generate substantial long-term benefits, including job creation, increased economic activity, and future property tax revenues as abatements expire.

The City views these programs as essential to advancing its strategic goals for sustainable growth and economic competitiveness. All agreements undergo an annual review by a Tax Incentive Review Council to ensure compliance and continued alignment with community development objectives.

FINANCIAL INFORMATION

Accounting Controls

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

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

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

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

Cash Management

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

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

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

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

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

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

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark Schaefer Hackett performed the City’s 2024 audit. The Independent Auditors’ Report on the City’s basic financial statements is included in the financial section of this Annual Comprehensive Financial Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Middletown for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023.

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

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

Acknowledgements

The 2024 Annual Comprehensive Financial Report of the City of Middletown is the result of the combined efforts of the City’s Finance Department, Hurst, Kelly & Company, and Clark Schaefer Hackett, which was the City’s auditor.

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

Respectfully submitted,

DEPARTMENT OF FINANCE

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

Samantha Zimmerman
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Middletown
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF MIDDLETOWN, OHIO

Principal Officials January 1, 2024

Legislative

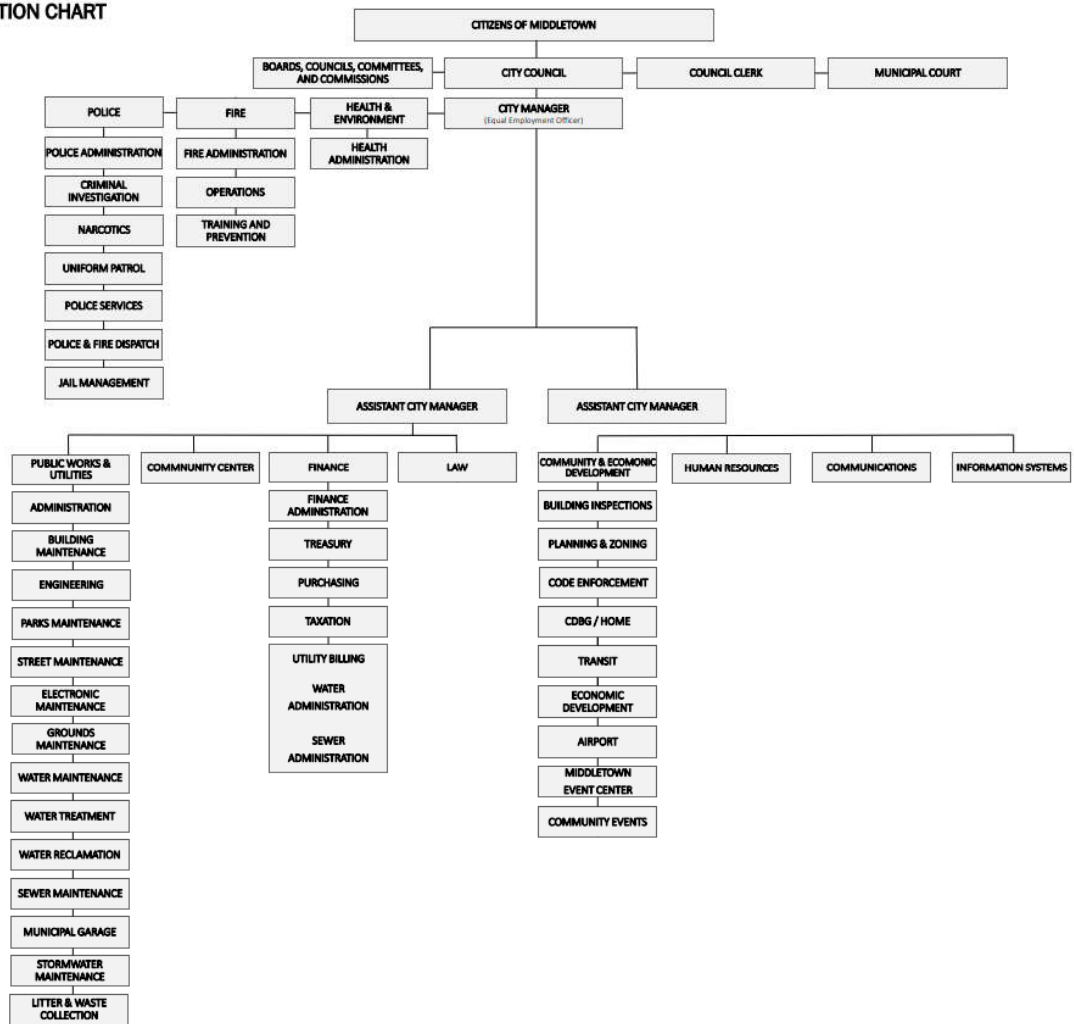
Mayor..... Elizabeth Slamka
Vice Mayor Zachary M. Ferrell
City Council Member.....Jennifer L. Carter
City Council Member.....Paul A. Horn
City Council Member.....Steven L. West

Executive/Administrative

City Manager Paul J. Lolli
Assistant City Manager..... Nathan E. Cahall
Assistant City Manager Ashley N. Combs
Development Services Director Devra S. Wells
Assistant Economic Development Director.....Lisha M. Morlan
Director of Court Services Steven P. Longworth
Finance DirectorSamantha J. Zimmerman
Fire Chief.....Thomas L. Snively
General CounselAshley M. Bretland
Health Commissioner.....Jacquelyn D. Phillips
Information Systems DirectorTroy S. Anderton
Police Chief Eric W. Crank
Public Works & Utilities Director..... Scott D. Tadych



CITY OF MIDDLETOWN, OHIO
ORGANIZATION CHART



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Middletown, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Ohio, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025 on our consideration of the City of Middletown, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Middletown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Middletown's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 30, 2025

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

This discussion and analysis provides key information from management highlighting the overall financial performance of the City of Middletown for the year ended December 31, 2024. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter on page i, and the City's financial statements, which begin on page 24.

I. USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

This annual report consists of a series of financial statements.

The Basic Financial Statements

- Financial Statements for the City as Whole. The Statement of Net Position and the Statement of Activities (pages 24 and 25) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- Individual Fund Financial Statements. Fund financial statements also reflect the City's operations in more detail than the government-wide financial statements by providing information about the City's major funds. For governmental funds, these statements tell how these services were financed in the short-term as well as what remains for future spending. These statements begin on page 26.
- Fiduciary Financial Statements. The fiduciary statements (page 40) provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes provide helpful information explaining the City's significant accounting procedures and providing greater detail regarding financial statement components (pages 42 to 91).

Required Supplementary Information

- Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedule is presented for the General Fund (pages 92 to 95), the Health Fund (page 96), the Street Levy Fund (page 97), the ARPA Fund (page 98), the Fire Station Levy Fund (page 99), and the Butler County ARPA Fund (page 100) that compare actual results to the original and final budget for this fund.
- Schedules pertaining to the net pension liability, net OPEB liability/(asset) and contributions to the pension funds begin on page 101.

A. Reporting the City as a Whole

Government-wide statements

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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

B. Reporting the City's Most Significant Funds

Fund financial statements

The City accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the fund financial statements that begin on page 26. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the City as a whole. Some funds are required to be established by State Law. However, the City Council establishes many other funds to help control and manage money for particular purposes, like water, storm water, sewer, and solid waste activities. City Council may also establish separate funds to show that it is meeting legal responsibilities for using certain taxes, grants, or other money, such as grants and contributions received for community and economic development activities. The City's two kinds of funds –*governmental and proprietary* - use different accounting methods.

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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

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

C. The City as Fiscal Agent

Reporting the City's Custodial Responsibilities

The City is responsible in a custodial capacity for other assets that can only be used for designated beneficiaries. The financial statements for these funds are reported on page 40. During 2024, the City had two custodial funds. The Municipal Court fund accounts for the activities of the Municipal Court collections which are due to other agencies and to certain individuals. The Joint Economic Development District I Fund records and accounts for the collection and disbursement of tax revenue with Liberty Township and the City of Mason. The City acts as the collection agent for these separate activities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations.

II. THE CITY AS A WHOLE

A. Net position at year-end

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City adopted GASB Statement 75 in 2018, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

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

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

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

The following table presents a condensed summary of the City's overall financial position at December 31, 2024 and 2023 (in thousands).

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 1
Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	Restated 2023	2024	Restated 2023
Current and other assets	\$ 120,089	\$ 135,287	\$ 63,218	\$ 51,064	\$ 183,307	\$ 186,351
Capital assets	<u>165,579</u>	<u>128,885</u>	<u>146,342</u>	<u>123,555</u>	<u>311,921</u>	<u>252,440</u>
Total assets	285,668	264,172	209,560	174,619	495,228	438,791
Deferred outflows of resources	23,401	26,664	1,507	2,184	24,908	28,848
Long-term liabilities	138,032	135,576	37,541	12,741	175,573	148,317
Other liabilities	<u>31,852</u>	<u>34,070</u>	<u>4,230</u>	<u>4,343</u>	<u>36,082</u>	<u>38,413</u>
Total liabilities	169,884	169,646	41,771	17,084	211,655	186,730
Deferred inflows of resources	13,090	16,205	97	79	13,187	16,284
Net position:						
Net investments in capital assets	105,097	91,270	112,501	114,997	217,598	206,267
Restricted	29,013	22,632	-	-	29,013	22,632
Unrestricted	<u>(8,015)</u>	<u>(8,937)</u>	<u>56,698</u>	<u>44,644</u>	<u>48,683</u>	<u>35,707</u>
Total position	<u>\$ 126,095</u>	<u>\$ 104,965</u>	<u>\$ 169,199</u>	<u>\$ 159,641</u>	<u>\$ 295,294</u>	<u>\$ 264,606</u>

As of December 31, 2024, the City's ending net position was \$295,294 compared to \$264,606 in 2023, an increase of \$30,688 or 11.6%. Governmental activities increased by 20.1% or \$21,130 and business-type activities increased 6.0% or \$9,558 in 2024 over 2023 totals.

Governmental activities net position increased by \$21,130 in 2024, a slight decrease from the \$24,822 increase in 2023. Governmental activities net position has continued to improve as the general economic conditions improve in the post-COVID economy. The overall increase in 2024 over 2023, is primarily related to the increased service charges and grants received by the City and continued controlled operating expenses. The only decrease in the past ten years for business-type activities occurred in 2014 by \$83 which was due to a loss on the sale of the golf course.

B. Governmental and Business-type Activities during 2024

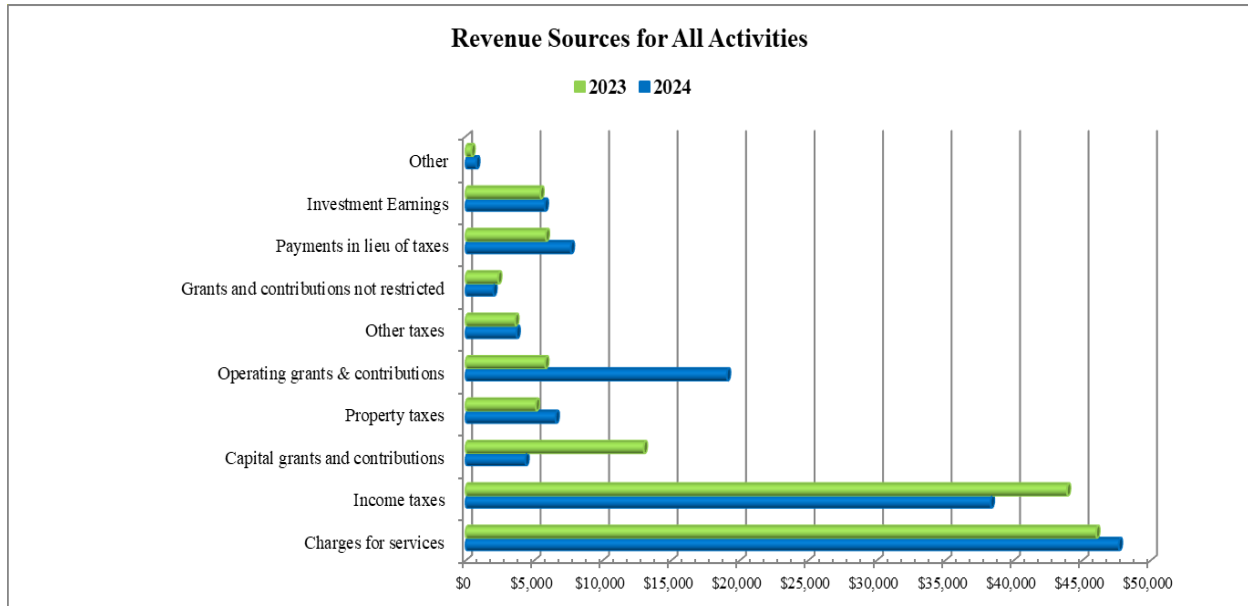
Table 2, (in thousands) presents a condensed summary of the City's activities during 2024 and 2023 and the resulting changes in net position.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 2
Statement of Activities
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	Restated 2023	2024	Restated 2023
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ 11,432	\$ 12,753	\$ 36,238	\$ 33,271	\$ 47,670	\$ 46,024
Operating grants & contributions	15,485	4,853	3,579	946	19,064	5,799
Capital grants and contributions	<u>3,422</u>	<u>5,478</u>	<u>935</u>	<u>4,712</u>	<u>4,357</u>	<u>10,190</u>
Total program revenues	30,339	23,084	40,752	38,929	71,091	62,013
<u>General revenues:</u>						
Income taxes	38,324	43,889	0	0	38,324	43,889
Property taxes	6,562	5,118	0	0	6,562	5,118
Other taxes	3,708	3,615	0	0	3,708	3,615
Payments in lieu of taxes	7,669	5,846	0	0	7,669	5,846
Grants and contributions not restricted	2,014	2,366	0	0	2,014	2,366
Investment earnings	3,966	4,183	1,800	1,265	5,766	5,448
Other	<u>310</u>	<u>359</u>	<u>453</u>	<u>58</u>	<u>763</u>	<u>417</u>
Total general revenues	<u>62,553</u>	<u>65,376</u>	<u>2,253</u>	<u>1,323</u>	<u>64,806</u>	<u>66,699</u>
Total revenues	92,892	88,460	43,005	40,252	135,897	128,712
Expenses						
Public safety	38,403	34,482	0	0	38,403	34,482
Public health	1,020	882	0	0	1,020	882
Leisure activities	2,876	1,369	0	0	2,876	1,369
Community environment	6,416	3,145	0	0	6,416	3,145
Highways and streets	5,694	7,877	0	0	5,694	7,877
General government	14,547	13,554	0	0	14,547	13,554
Interest on long-term debt	2,697	2,209	0	0	2,697	2,209
Water	0	0	10,806	9,872	10,806	9,872
Sewer	0	0	10,767	12,280	10,767	12,280
Transit	0	0	4,636	2,553	4,636	2,553
Solid Waste	0	0	4,181	3,995	4,181	3,995
Storm Water	0	0	2,044	1,783	2,044	1,783
Airport	<u>0</u>	<u>0</u>	<u>1,122</u>	<u>934</u>	<u>1,122</u>	<u>934</u>
Total expenses	<u>71,653</u>	<u>63,518</u>	<u>33,556</u>	<u>31,417</u>	<u>105,209</u>	<u>94,935</u>
Increase in net position before transfers	21,239	24,942	9,449	8,835	30,688	33,777
Transfers	(109)	(120)	109	120	0	0
Increase in net position	21,130	24,822	9,558	8,955	30,688	33,777
Beginning net position, restated	<u>104,965</u>	<u>80,143</u>	<u>159,641</u>	<u>150,686</u>	<u>264,606</u>	<u>230,829</u>
Ending net position	<u>\$126,095</u>	<u>\$104,965</u>	<u>\$169,199</u>	<u>\$ 159,641</u>	<u>\$295,294</u>	<u>\$264,606</u>

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**



Governmental Activities Financial Analysis

In 2024, total revenues for governmental activities increased by 5.0%, rising from \$88,460 in 2023 to \$92,892 in 2024. This growth was driven primarily by a substantial increase in operating grants and contributions, which more than tripled from \$4,853 in 2023 to \$15,485 in 2024, reflecting a strong year for state and federal grant awards.

Charges for services, the largest source of program-specific revenue for governmental operations, decreased 10.4%, from \$12,753 in 2023 to \$11,432 in 2024, indicating a slight decline in demand or collection for certain user-based services such as EMS or other public safety fees. Meanwhile, capital grants and contributions fell by 37.5%, from \$5,478 in 2023 to \$3,422 in 2024, reflecting the typical year-to-year fluctuation in infrastructure-related grant funding.

Among general revenues, income tax receipts decreased by \$5,565 or 12.7%, from \$43,889 in 2023 to \$38,324 in 2024. This decline follows an unusually high 2023 total that included significant one-time business income tax revenue of \$2,400 and \$3,000, collected in 2023. Beginning January 1, 2021, City income tax increased by 0.25% (previously 1.75%) to 2.0% with the passage of a ten-year street levy in November, 2020. Although income taxes have been on a steady rise since 2013, this revenue source saw a slight decline of just 1% in 2018 and a decline of 5.9% in 2020 due to the COVID-19 health pandemic. Prior to years 2018 and 2020, a stronger economy has contributed to the increased income tax revenue.

Property tax revenue, however, rose 28.2%, from \$5,118 in 2023 to \$6,562 in 2024, supported by rising property values, new construction revenue and a stronger economy. In 2023, the Senior Citizens levy was replaced by a Fire Station levy of the same millage that will be used to fund the construction of four new fire stations in the city. Other general revenues, such as payment in lieu of taxes and other taxes, also experienced modest increases, contributing to overall general revenue of \$62,553, slightly below 2023's \$65,376.

**CITY OF MIDDLETOWN
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Total governmental expenses increased by 12.8%, rising from \$63,518 in 2023 to \$71,653 in 2024. The largest spending categories were Public Safety, coming in at \$38,403, General Government at \$14,547, and Community Environment at \$6,416, which doubled from the prior year.

Despite rising expenses, governmental activities still generated a net position increase of \$21,130, bringing the ending governmental net position to \$126,095, up from \$104,965 in 2023.

Business-Type Activities Financial Analysis

Total revenues for business-type activities remained stable year-over-year, at \$43,005 in 2024 compared to \$40,252 in 2023. Charges for services – primarily from utilities and transit – grew by 8.9%, from \$33,271 in 2023 to \$36,238 in 2024, reflecting modest rate adjustments and increased usage following a 2023 utility rate study.

Operating grants and contributions nearly quadrupled to \$3,579, while capital grants and contributions dropped significantly from \$4,712 in 2023 to \$935 in 2024, consistent with the project-specific nature of these grants. General revenues in this category, such as investment earnings and miscellaneous income, rose to \$2,253 in 2024, up from \$1,323 in 2023, driven by favorable investment returns and a broader revenue base.

Total expenses for business-type activities increased to \$33,556 from \$31,417 the prior year. The largest costs were Water coming in at \$10,806, Sewer at \$10,767, and finally Transit at \$4,636, a significant increase from 2023.

Despite the higher expenses and reduced capital grant funding, business-type activities still generated a net position increase of \$9,558, resulting in an ending net position of \$169,199, up from \$159,641 in 2023.

1) Governmental activities during 2024

Table 3 provides a summary of the total cost of services for the City’s governmental activities and the extent to which those costs were offset by program revenues. Program revenues include charges for services, operating grants, and capital grants that are directly associated with specific functions.

In 2024, total governmental activity expenses were \$71,653, with \$30,339 (or 42.3%) funded through program revenues. This reflects a continued positive trend from prior years, with cost recovery improving from 36.3% in 2023, and aligning closely with the City’s five-year average of approximately 40.0%. The remaining \$41,314, or 57.7%, was funded through general revenues, including taxes and unrestricted grants.

The table below highlights cost recovery by function for 2024:

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Table 3
Governmental Activities
(in thousands)**

	<u>Total cost of</u>	<u>Program</u>	<u>Revenues as a %</u>	<u>Net Cost of</u>
	<u>Services</u>	<u>Revenues</u>	<u>of Total Costs</u>	<u>Services</u>
Public safety	\$ 38,403	\$ 8,127	21.2%	\$ 30,276
Public health	1,020	1,047	102.6%	(27)
Leisure activities	2,876	1,275	44.3%	1,601
Community environment	6,416	13,034	203.1%	(6,618)
Highways and streets	5,694	1,667	29.3%	4,027
General government	14,547	5,189	35.7%	9,358
Interest on long-term debt	<u>2,697</u>	<u>-</u>	<u>0.0%</u>	<u>2,697</u>
Total	<u>\$ 71,653</u>	<u>\$ 30,339</u>	<u>42.3%</u>	<u>\$ 41,314</u>

Public Safety remains the City's most expensive governmental function, with costs totaling \$38,403 in 2024. Only 21.2% of these costs were offset by program revenues, which is consistent with prior years (22.1% in 2023 and 21.3% in 2022). The remaining costs continue to be funded primarily by income and property taxes. Public Safety revenues include EMS billing and law enforcement service fees.

Public Health recovered 102.6% of their costs in 2024, with \$1,047 in program revenues exceeding expenditures by a small margin. This marks the fourth consecutive year in which Public Health revenues exceeded costs, though the surplus has narrowed significantly from the 106.3% recovery in 2023 and 248.2% in 2022. The decline reflects the expected phase-out of pandemic-related federal grant funding.

Community Environment, which encompasses activities such as housing assistance, neighborhood stabilization, and community development programs, continued to rely heavily on federal and state grants. In 2024, it generated \$13,034 in program revenues, more than double its \$6,416 in costs, resulting in a recovery rate of 203.1%. This is an increase from 168.9% in 2023 and reflects successful grant acquisition for federally supported housing and neighborhood revitalization projects.

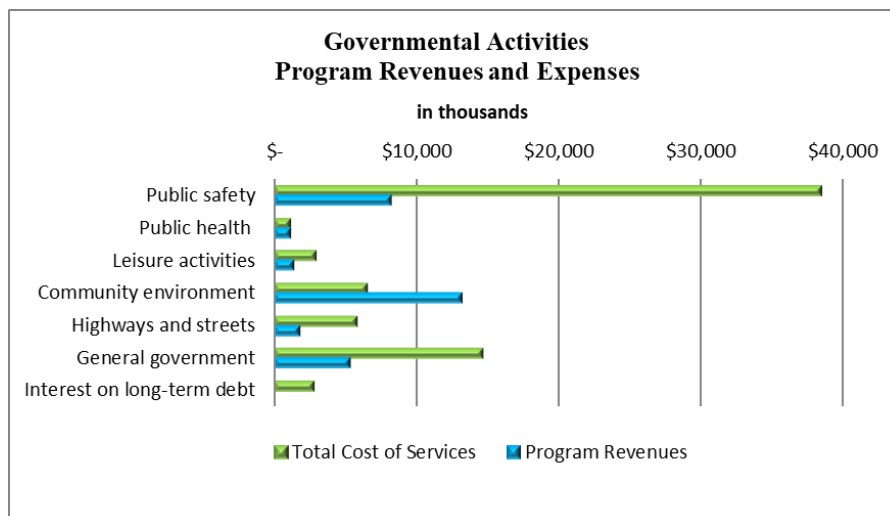
The Highways and Streets program recovered 29.3% of its costs in 2024, compared to 60.6% in 2023 and 147.1% in 2022. The decline is due primarily to the timing of infrastructure grants, which have historically been tied to specific multi-year capital improvement projects. Without major grant-funded roadwork in 2024, revenue recovery reverted closer to its pre-2022 levels.

Leisure Activities recouped 44.3% of their costs in 2024, a significant increase from 2023 when revenues covered only 5.3% of expenses. This improvement is attributed to increased parks and recreation programming and facility rentals. Despite modest gains, overall fluctuations remain limited due to the continued outsourcing of community center operations.

General Government services, which include administrative and support functions, recouped 35.7% of their total costs through program revenues. This is consistent with recent trends and reflects stable cost-sharing arrangements and internal service reimbursements.

As in previous years, Interest on Long-Term Debt generated no program revenues and was fully funded by general revenue sources. Total interest expense in 2024 was \$2,697.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**



2) Business-type activities during 2024

Table 4 presents the operating results for the City's business-type activities for the year ended December 31, 2024. The City operates six enterprise funds that provide water, sewer, solid waste, storm water, transit, and airport services to residents and businesses. These activities are intended to be self-supporting through user fees and service charges.

In 2024, total expenses for all business-type activities were \$33,556, while program revenues totaled \$40,752, resulting in a net operating surplus of \$7,196. Overall, business-type operations recouped 121.4% of their total costs, up slightly from 2023's 132.8% recoupment rate. These surpluses are retained to support future infrastructure improvements, capital investments, and debt service requirements.

The following table (in thousands) summarizes the business-type activities during 2024:

**Table 4
Business-type Activities
(in thousands)**

	<u>Total Cost of Services</u>	<u>Program Revenues</u>	<u>Revenues as % of Total Costs</u>	<u>Net Revenue from Operations</u>
Water	\$10,806	\$12,575	116.4%	\$1,769
Sewer	10,767	16,065	149.2%	5,298
Solid waste	4,181	4,520	108.1%	339
Airport	1,122	716	63.8%	(406)
Transit	4,636	4,384	94.6%	(252)
Storm Water	2,044	2,492	121.9%	448
Total	<u>\$33,556</u>	<u>\$40,752</u>	<u>121.4%</u>	<u>\$7,196</u>

Water and Sewer operations continued to perform strongly in 2024, generating a combined net revenue of \$7,067. The Sewer Fund alone accounted for \$5,298 in net operating revenue, covering 149.2% of its costs. This performance reflects the impact of prior-year rate increases and ongoing demand for services. The Water Fund covered 116.4% of its operating costs and produced \$1,769 in net revenue. A rate study

**CITY OF MIDDLETOWN
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FOR THE YEAR ENDED DECEMBER 31, 2024**

conducted in 2023 led to updated water and sewer rates effective in 2024, which contributed to these positive results.

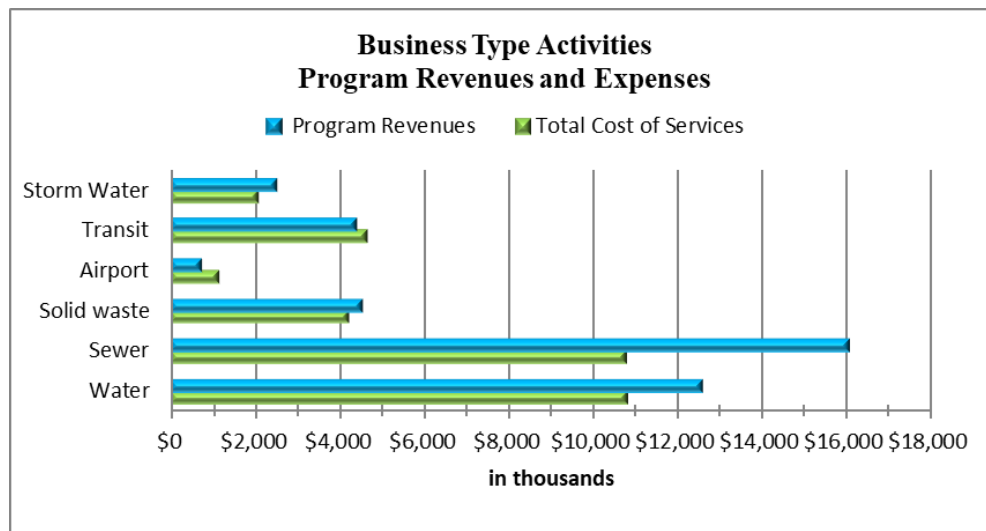
The Solid Waste Fund reported a net operating surplus of \$339, recovering 108.1% of its costs. This is consistent with the Fund’s performance in 2023 (108.8% recoupment), which benefited from a \$2.00 per month rate increase. A further \$2.50 per month increase is expected for 2025 to offset rising service contract costs, helping to maintain fiscal stability in the fund.

The Storm Water Fund continued to exceed break-even operations with a 121.9% recovery of costs and a net operating revenue of \$448 in 2024. While program revenue decreased from 2023 levels, it remained sufficient to cover operational expenses due to stable user fees and controlled capital spending. Revenues fluctuate annually based on capital project activity and are influenced by a fee increase implemented in 2020.

The Transit Fund recouped 94.6% of its costs in 2024, ending the year with a modest deficit of \$252. This compares to a \$1,198 surplus in 2023, which was significantly boosted by transit bus grant funding. Transit operations continue to rely on a mix of user fees and external grants to bridge funding gaps. The Fund’s performance remains strong relative to historical results, though the absence of capital-related grant inflows in 2024 reduced its surplus margin.

The Airport Fund recorded an operating shortfall of \$406, covering only 63.8% of its costs in 2024. While aviation fuel sales remain a key revenue stream, they have not yet produced a break-even outcome for the fund. This continues a trend of deficits in recent years, including (\$109) in 2023 and (\$138) in 2022. The City continues to evaluate additional revenue-generating opportunities and grant support to stabilize the Airport Fund’s financial position.

The City’s business-type activities remain financially strong overall, with four of the six enterprise operations producing net revenues in 2024. These surpluses are essential to funding long-term capital improvements and system maintenance. Strategic rate adjustments and ongoing efficiency measures have helped maintain stable operations. Continued monitoring of cost recovery in the Transit and Airport funds will be necessary, especially as external grant funding fluctuates from year to year.



CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

III. THE CITY'S INDIVIDUAL FUNDS

A. Governmental funds

The City's governmental financial statements, prepared on the modified accrual basis of accounting, begin on page 26. The City maintains fifty-six governmental funds, of which eight are considered major funds based on their financial activity and significance. As of December 31, 2024, these major funds reported total assets of \$82,263, reflecting the City's strategic use of funding across capital, debt service, and operational programs. The following table (in thousands) summarizes the activities of these major funds:

Table 5
Financial Highlights
Major Governmental Funds
(in thousands)

	General Fund	Special Assessment Debt Service Fund	Capital Improvements Fund	Health Fund	Street Levy Fund	ARPA Fund	ARPA - Butler County Fund	Fire Station Levy Fund
Total assets	\$ 44,402	\$ 477	\$ 6,488	\$ 609	\$ 9,128	\$ 3,910	\$ 3,677	\$ 13,572
Total liabilities	(11,281)	-	(444)	(105)	-	(3,910)	(3,677)	(1,274)
Deferred inflow of resources	(9,124)	(216)	(1,035)	-	(407)	-	-	(1,060)
Fund balance	<u>\$ 23,997</u>	<u>\$ 261</u>	<u>\$ 5,009</u>	<u>\$ 504</u>	<u>\$ 8,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,238</u>
Unassigned fund balance	<u>\$ 15,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues	\$ 44,458	\$ 88	\$ 2,504	\$ 781	\$ 5,071	\$ 10,500	\$ 2,876	\$ 2,239
Expenditures	(48,426)	(192)	(3,249)	(894)	(4,664)	(10,500)	(2,876)	(17,477)
Other financing sources/uses	(1,283)	-	-	-	-	-	-	-
Net change in fund balance	<u>\$ (5,251)</u>	<u>\$ (104)</u>	<u>\$ (745)</u>	<u>\$ (113)</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,238)</u>

General Fund. The General Fund ended 2024 with a fund balance of \$23,997, a decrease of \$5,251 from the prior year. This decline contrasts with the \$8,669 increase in 2023, primarily due to a decrease in income tax revenue. In 2023, the City received significant one-time income tax revenue totaling approximately \$5,400. As a result, General Fund revenue growth moderated despite continued strength in core tax collections and stable service charges. Revenues totaled \$44,458, but expenditures outpaced revenues at \$48,426. Additionally, other financing uses totaled \$1,283, further contributing to the fund balance decline. Despite the deficit, the General Fund continues to serve as the City's primary operating fund and maintains a strong unassigned fund balance of \$15,563, demonstrating continued financial flexibility and strong fiscal management.

Special Assessment Debt Service Fund. The Special Assessment Debt Service Fund ended 2024 with a fund balance of \$261, a slight decrease from 2023. This fund receives payments from property owners for special assessments and remits those funds to bondholders. Activity in this fund remained relatively stable, with total revenues of \$88 and expenditures of \$192.

Capital Improvement Fund. The Capital Improvement Fund had a year-end fund balance of \$5,009, a decrease of \$745 from 2023. The fund primarily supports infrastructure upgrades and relies heavily on grant funding. In 2024, \$2,504 in revenues were received, largely from state and federal grants for street and facility improvements. Expenditures of \$3,249 were related to ongoing capital projects initiated in previous years.

Health Fund. The Health Fund closed 2024 with a fund balance of \$504, down \$113 from the prior year. Revenues totaled \$781, while expenditures were \$894. The decrease reflects the winding down of COVID-19-related grant revenues. The fund supports operations of the City's Health Department and is primarily funded through state public health subsidies.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Street Levy Fund. The Street Levy Fund, supported by the 0.25% income tax increase passed in 2020, had a fund balance of \$8,721 at year-end 2024. The fund received \$5,071 in revenues and expended \$4,664 for the continued maintenance and reconstruction of city streets. The \$407 increase in fund balance positions the City to continue aggressive street paving efforts in future years.

ARPA Fund (American Rescue Plan Act of 2021 Fund). The ARPA Fund was established to account for federal stimulus dollars allocated directly to the City. These funds are in response to the economic fallout of the COVID-19 pandemic in the United States and will provide needed relief to support the public health response and lay the foundation for a strong and equitable economic recovery. In 2024, the fund recorded \$10,500 in revenue, all of which was expended during the year for public health response, infrastructure improvements, and economic recovery efforts.

Butler County ARPA Fund. The Butler County ARPA Fund was established to account for revenues and expenses related to ARPA funds awarded to the City through Butler County. Like the City's direct ARPA allocation, these funds will be used in the same manner.

Fire Station Levy Fund. The Fire Station Levy Fund ended 2024 with a fund balance of \$11,238, following the second year of construction activities funded by the 1-mill property tax levy approved in 2022. The fund received \$2,239 in revenue, while expenditures totaled \$17,477, primarily related to the engineering and construction contracts for the four new fire stations. The significant \$15,238 reduction in fund balance reflects the front-loaded nature of capital project spending.

B. Proprietary funds

1) Enterprise funds

The following table (in thousands) presents a summary of financial activity for the City's major enterprise funds for 2024. This information does not include the consolidation of internal service fund activity.

Table 6
Financial Highlights
Enterprise Funds
(in thousands)

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Solid Waste Fund</u>
Total assets	\$ 61,534	\$ 113,857	\$ 19,408	\$ 1,823
Total deferred outflows of resources	571	670	123	13
Total liabilities	(12,948)	(27,448)	(534)	(1,095)
Total deferred inflows of resources	<u>(37)</u>	<u>(43)</u>	<u>(8)</u>	<u>(1)</u>
Total net position	<u>\$ 49,120</u>	<u>\$ 87,036</u>	<u>\$ 18,989</u>	<u>\$ 740</u>
Unrestricted net position	<u>\$ 15,662</u>	<u>\$ 32,750</u>	<u>\$ 3,276</u>	<u>\$ 341</u>
Operating revenues	\$ 12,606	\$ 16,085	\$ 2,426	\$ 4,521
Operating expenses	(10,783)	(10,654)	(2,044)	(4,181)
Net non-operating revenues (expenses)	485	1,020	135	-
Net contributions and transfers	<u>(45)</u>	<u>(45)</u>	<u>70</u>	<u>-</u>
Net change in net position	<u>\$ 2,263</u>	<u>\$ 6,406</u>	<u>\$ 587</u>	<u>\$ 340</u>

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Water Fund. The Water Fund ended 2024 with a total net position of \$49,120, an increase of \$2,263 from the prior year. This increase was driven by continued strength in operating revenues, totaling \$12,606, which outpaced operating expenses of \$10,783. The funds unrestricted net position of \$15,662 provides a healthy cushion for future capital investments. A new utility rate study was completed in 2023, and rate increases went into effect in 2024, marking the first adjustment since the last 7.5% increase in 2017. These adjustments are essential to support ongoing water infrastructure needs.

Sewer Fund. The Sewer Fund concluded 2024 with a total net position of \$87,036, an increase of \$6,406 from 2023. Operating revenues were \$16,085, while operating expenses totaled \$10,654, resulting in a strong net operating margin. The increase reflects continued investments tied to the City's Long-Term Control Plan and other major capital projects. The fund's unrestricted net position of \$32,750 ensures it is well-positioned to address future infrastructure upgrades and environmental compliance requirements. Continual sewer rate increases have provided the necessary revenue to fund these projects.

Storm Water Fund. The Storm Water Fund reported a net position of \$18,989, rising by \$587 from 2023. Operating revenues of \$2,426 exceeded expenses of \$2,044, supporting the fund's mission to address stormwater management and infrastructure resilience. The fund has benefitted from prior rate increases, including a \$0.75 monthly increase in 2021, and continues to fund capital work tied to drainage improvements and regulatory compliance. The unrestricted net position stands at \$3,276, reflecting capacity for future planning and contingencies.

Solid Waste Fund. The Solid Waste Fund ended 2024 with a net position of \$740, up \$340 from the prior year. Operating revenues of \$4,521 slightly exceeded operating expenses of \$4,181, maintaining financial stability in a high-cost environment. A \$2 monthly solid waste fee increase was implemented in 2023 to offset rising service contract costs. Another \$2.50 monthly solid waste fee increase is planned for 2025. The fund's unrestricted net position of \$341 offers modest flexibility as the City continues to monitor market pricing and contract terms for refuse collection services.

2) Internal service funds

Net position in the City's two internal service funds, are shown collectively on page 35.

The City's Employee Benefits Fund ended 2024 with a total net position of \$2,117. This was an increase of \$341 from the 2023 total net position of \$1,776. These changes are due to control of expenses related to employee medical claims. The rising cost of health insurance puts a burden on the City's budget; however, the City has increased efforts to reduce costs with the help of an employee/management sponsored health care committee. This fund maintains a required reserve for payments of claims for the time period of sixty days.

The Municipal Garage Fund ended 2024 with a total net position of \$9,785, a \$221 decrease from the 2023 total net position of \$10,006. Funds are being set aside for future vehicle purchases according to a multi-year plan developed by the fleet manager. Procurement activity was below typical levels in 2023, largely due to continued supply chain disruptions and elevated demand following the COVID-19 pandemic. As availability improved, vehicle purchases increased in 2024 to address deferred needs from the prior year.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

IV. BUDGETED ACTIVITY AND ACTUAL RESULTS

The schedules comparing the City's original and final General Fund budget to actual includes both revenue and expenditures beginning on page 92. There were significant variances for the General Fund's actual results compared to budget in 2024. Revenue saw an increase over budget by \$488 and actual expenses were \$3,040 less than the budgeted amount. The General Fund's original appropriation of \$38,661 was amended to \$50,998 with supplemental appropriations and de-appropriations. The General Fund's actual expenditures on a budget basis were \$47,959.

Original 2024 appropriations were increased during the year by \$62,543 for all funds. The majority of the supplemental appropriations included the following:

- \$10,150 for the purchase of real property known as Towne Mall
- \$9,869 for construction expense related to four new Fire Station construction project
- \$6,711 for design and construction related to the Robert 'Sonny' Hill Community Center project
- \$5,506 for bond anticipation notes issued for infrastructure costs related to the Renaissance Pointe project at Union Rd and State Route 122
- \$5,200 income tax additional receipts to be transferred to General Fund, Fire & Police Pension Funds, Public Safety Fund and Street Levy Fund
- \$4,876 for the purchase of real property related to Renaissance Pointe project at Union Rd and State Route 122
- \$3,750 for design and construction expense related to Renaissance Pointe project on Union Road and State Route 122
- \$3,000 for capital expense related to public aquatics park
- \$2,825 for additional TIF revenue for reimbursements
- \$1,762 for capital expense related to park facilities
- \$1,248 for police and fire wages to be used for ARPA revenue replacement
- \$844 for installation of the North Union Road sewer extension
- \$800 for neighborhood revitalization efforts
- \$800 Public Safety income tax additional receipts transferred to General Fund
- \$650 for implementation of a Home Improvement Repair Program (HIRP)
- \$567 for construction costs related to the realignment of Taxilane B1 at the Airport

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

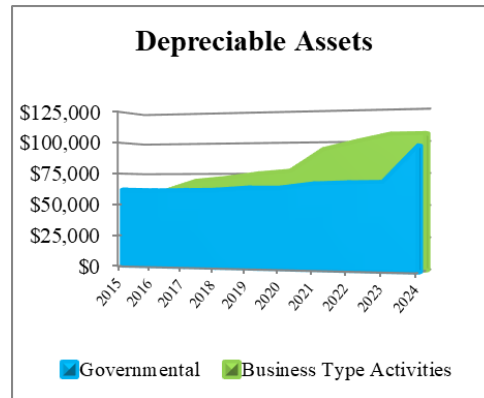
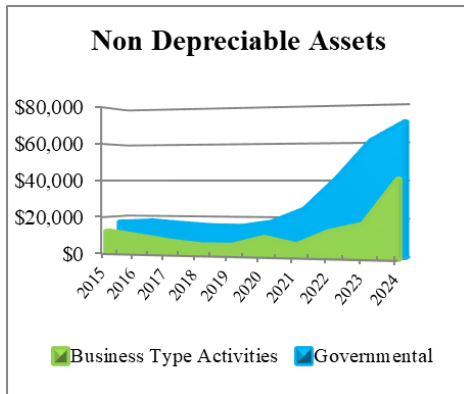
Capital assets are divided into two categories – depreciable and non-depreciable. Land and construction-in-progress are the only non-depreciable assets recorded for the City of Middletown. Construction-in-progress will be categorized with depreciable assets once the improvement project is completed with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

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 26,116	\$ 3,898	\$ 30,014
Land improvements	280	416	696
Buildings	9,728	14,496	24,224
Equipment	9,728	12,151	21,879
Infrastructure	75,271	78,313	153,584
Construction in Progress	44,456	37,068	81,524
Total	<u>\$ 165,579</u>	<u>\$ 146,342</u>	<u>\$ 311,921</u>

(Asset amounts shown in thousands)



The City had approximately \$311,922 in capital assets at the end of 2024 and \$252,440 in capital assets at year end of 2023.

1) Governmental activities non-depreciable assets:

- a. Land – Total of capital assets at year-end was \$26,116.
- b. Construction in progress – Total for 2024 is \$44,456, \$30,504 of which was added in 2024:

- \$17,513 for new fire station construction
- \$4,553 for renaissance arena project
- \$2,756 for paperboard site clean-up
- \$1,252 for Community Center upgrade and renovation
- \$1,190 for OPWC road improvements
- \$766 for replacement of HVAC at city building
- \$455 for city building emergency generator
- \$329 for park public wi-fi
- \$322 for police interceptor vehicles
- \$292 for Sherman Park improvements

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

- \$191 for Oakland Park improvements
- \$170 for local street improvements
- \$150 for the city building plaza drain repair
- \$104 for an International Truck and Chassis for Water Distribution
- \$68 for four Dodge Durango's and upfit for police
- \$67 for accounting and utility billing software upgrade
- \$57 for window replacement at the city building
- \$42 for boiler replacement at the Middletown Event Center
- \$40 for 2025 urban paving program
- \$39 for new fire engine equipment
- \$33 for camera servers and cameras in City Building
- \$22 for police body worn cameras
- \$21 for police cruiser cameras
- \$19 for local resurfacing program
- \$16 for Goldman Park improvements
- \$13 for Douglass Park improvements
- \$11 for uniform patrol ballistic shields
- \$7 for six traffic controllers
- \$6 for Towne Mall camera security system

\$30,953 in governmental activities from construction in progress were placed into service in 2024. The majority, of which, was related to the completion of the street levy paving project.

2) Governmental activities for depreciable assets:

- a. Land improvements – a total of \$586 was added for improvements to the Pickleball courts at Lefferson Park
- b. Buildings – a total of \$2,339 was added in 2024. This includes the acquisition of the now Middletown Event Center (formerly Central Connections), police locker room remodel, concrete column repairs at the city building, and sliding doors at the city building
- c. Equipment – a total of \$1,869 was added in 2024 for equipment with the majority of purchases being \$1,434 in vehicles and garage equipment
- d. Infrastructure – an additional \$30,150 was added for 2024. This consisted mainly of street improvements as well as the completion of the street levy paving project in the amount of \$27,350. An additional \$104 is included for contributed roadway capital in the Renaissance section 11 subdivision.

3) Business-type activities non-depreciable assets:

- a. Land – Total of capital assets at year-end was \$3,898
- b. Construction in progress – Total additions for 2024 is \$26,929. The current largest additions are:
 - \$18,646 for the downtown CSO storage basin
 - \$2,459 for the lime pond rehabilitation
 - \$2,332 for the Flemming Rd water main replacement
 - \$1,042 for the water treatment plant and Yankee Rd pump station generators
 - \$803 for the 18th Ave water main replacement
 - \$412 for MTU equipment and install
 - \$320 for airport ramp expansion
 - \$157 for raw water transmission main replacement
 - \$135 for water reclamation facility post aeration system design
 - \$128 for city building plaza drain repair
 - \$123 for stormwater master plan
 - \$122 for renaissance arena project
 - \$120 for taxiway B1 alignment project at Airport

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

- \$98 for potable well 20 pumping system
 - \$32 for public works and utilities asset management software
- 4) Business type activities depreciable assets:
- a. Land improvements – There were no addition of land improvements in 2024
 - b. Buildings – a total of \$959; boiler replacement at the Water Reclamation Facility and other smaller improvements at the Water Treatment Plant
 - c. Equipment – A total of \$2,756 was added for 2024. The following projects were some of the largest additions:
 - \$1,485 for BCRTA vehicles and buses
 - \$905 for water reclamation secondary electrical improvements
 - \$179 for water meters
 - \$104 for a deicing machine and equipment for the Airport
 - d. Infrastructure – In 2024, there was an increase of \$1,634 in infrastructure assets. The following projects were some of the largest additions:
 - \$1,151 for east interceptor sewer rehabilitation
 - \$280 for the 14th Ave overflow pip rehabilitation
 - \$191 for Renaissance Section 11 contributed capital

Capital asset activity for the year is presented in Note 7 on pages 59 through 60.

B. Debt

In April 2024, the City issued \$4,900 of special obligation nontax revenue bond anticipation notes for the purpose of paying the costs of the acquisition by the City of approximately 30 acres of real property along Union Road and State Route 122 for a multi-use development known as the Renaissance Arena District project.

In June 2024, the City issued \$5,500 of general obligation tax exempt bond anticipation notes for the purpose of funding the infrastructure improvements associated with the Renaissance Arena District project.

In August 2024, the City issued \$7,450 of special obligation taxable bond anticipation notes for the purpose of paying the costs associated with the acquisition of the Towne Mall and related structures.

Long term obligations are presented on pages 80 through 83 in Note 11.

Short term notes payable is presented on page 91 in Note 24.

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

For 2025, the City will continue the robust plan to make capital investments in infrastructure and equipment. Along with Long Term Control Plan projects, paving, sewer system upgrades and water distribution system upgrades are the major capital improvement projects for 2025. Street paving projects will continue to be and are still high priority after years of limited funding and neglect.

The City of Middletown enters fiscal year 2025 in a position of moderate economic growth, supported by stable revenue streams and strategic investment in capital improvements. Income tax revenues, a primary

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

funding source for the General Fund, are projected to increase by 2.6% over the prior year, reinforcing the City's financial foundation.

Key indicators:

- Income Tax Revenues: Represent 40.5% of General Fund revenues and 48.89% when combined with the Public Safety Levy.
- Charges for Services: Forecasted to increase by 17.3%, attributed primarily to higher Emergency Services and Administrative Fees.
- Interest Income: Expected to reach \$745,400, a significant increase from the prior year due to strong investment performance.

The City anticipates continued upward pressure on utility revenues following the 2023 utility rate study, which recommended increases to fund operational and capital needs in water and sewer infrastructure over the next five years.

General Fund Overview:

- 2025 Budgeted Revenues: \$44.03 million
- 2025 Budgeted Expenditures: \$54.96 million
- Projected Ending Balance (12/31/2025): \$35.49 million

Although expenditures exceed current-year revenues, the General Fund remains in compliance with the State of Ohio's balanced budget requirements due to the substantial fund balance carried forward from 2024.

Expenditure Highlights:

- Debt Service: Primary driver of the 22.2% increase in General Fund expenditures.
- Public Safety: \$31.8 million allocated, reflecting a 20.5% decrease due to reductions in Fire Station Levy funding after major capital disbursements in prior years.
- Capital Improvements: Total budget of \$51.9 million, a 66.6% increase from 2024, includes:
 - \$32.9 million – Enterprise Funds (Water, Sewer, Storm Water, Airport)
 - \$11.2 million – Capital Improvement Fund (focused on street paving and infrastructure)
 - \$770,000 – Computer Replacement Fund (technology upgrades)
 - \$435,000 – Airport Improvement Fund (facility upgrades)

Significant Statistics/Changes for 2025 Budget:

- Keep public safety, economic development, neighborhood development, sustainable finances, revitalization and street improvement priorities
- A 5% across-the-board wage adjustment for all non-union employees
- Income tax revenue is projected to increase 4.7% over the 2024 budget
- A 3.5% increase for the City's share of health insurance
- No City funding to Transit Fund – typically \$120
- Continued City funding to Municipal Court Fund - \$635 in 2025
- Continued City funding to the Health Fund - \$250 in 2025
- Restoration of City funding to the Conservancy Fund - \$75 in 2025
- Reduced funding to Computer Replacement Fund - \$250 in 2025
- No City funding to Airport Fund – typically \$200

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Middletown's 2025 financial plan reflects a balanced approach to growth, fiscal responsibility, and investment in core services. The City is leveraging improved revenues and strategic capital spending to enhance infrastructure, maintain public safety, and support economic development, all while preserving a strong fund balance and stable investment portfolio.

VII. REQUESTS FOR ADDITIONAL INFORMATION

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

DEPARTMENT OF FINANCE



Samantha Zimmerman
Finance Director



CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash, deposits and investments	\$ 98,088,217	\$ 56,409,696	\$ 154,497,913
Receivables (net of allowance for uncollectibles):			
Income taxes	7,545,000	-	7,545,000
Property taxes	7,120,743	-	7,120,743
Payments in lieu of taxes	1,745,179	-	1,745,179
Accounts	1,173,511	3,730,972	4,904,483
Loans	612,799	-	612,799
Intergovernmental	2,716,093	476,057	3,192,150
Special assessments	666,785	-	666,785
Inventory of supplies	1,341,400	934,432	2,275,832
Internal balances	(1,524,524)	1,524,524	-
Net OPEB Asset	604,508	141,932	746,440
Capital assets			
Non-depreciable	70,571,796	40,965,836	111,537,632
Depreciable, net	95,006,827	105,376,220	200,383,047
Total assets	285,668,334	209,559,669	495,228,003
Deferred outflows of resources			
Deferred charge on refunding	-	17,412	17,412
Pension related	20,884,476	1,368,143	22,252,619
OPEB related	2,516,343	121,780	2,638,123
Total deferred outflows of resources	23,400,819	1,507,335	24,908,154
Liabilities			
Accounts payable	4,987,106	1,316,536	6,303,642
Accrued wages and benefits	1,597,906	208,493	1,806,399
Other accrued liabilities	1,427,686	5,014	1,432,700
Accrued interest payable	663,374	15,186	678,560
Due to other governments	625,973	2,304	628,277
Due to other individuals	400,000	962,839	1,362,839
Unearned revenue	6,358,080	-	6,358,080
Notes payable	7,450,000	-	7,450,000
Non current liabilities:			
Due within one year	8,341,574	1,718,682	10,060,256
Due in more than one year:			
Net pension liability	65,086,395	4,066,271	69,152,666
Net OPEB liability	3,609,913	-	3,609,913
Other amounts due in more than one year	69,335,949	33,475,486	102,811,435
Total liabilities	169,883,956	41,770,811	211,654,767
Deferred inflows of resources			
Revenues levied for the next year	8,383,619	-	8,383,619
Pension related	1,403,369	10,673	1,414,042
OPEB related	3,303,421	86,358	3,389,779
Total deferred inflows of resources	13,090,409	97,031	13,187,440
Net Position			
Net investment in capital assets	105,097,344	112,500,989	217,598,333
Restricted for capital projects	1,640,154	-	1,640,154
Restricted for debt service	4,330,750	-	4,330,750
Restricted for community development	2,156,211	-	2,156,211
Restricted for public safety	8,426,467	-	8,426,467
Restricted for roads	11,231,977	-	11,231,977
Restricted for public health	1,226,140	-	1,226,140
Restricted for other purposes	800	-	800
Unrestricted	(8,015,055)	56,698,173	48,683,118
Total net position	\$ 126,094,788	\$ 169,199,162	\$ 295,293,950

See accompanying notes to the basic financial statements.

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Functions/Programs							
Governmental activities:							
Public safety	\$ 38,402,540	\$ 6,470,964	\$ 1,655,706	\$ -	\$ (30,275,870)		\$ (30,275,870)
Public health and welfare	1,019,834	390,481	657,284	-	27,931		27,931
Leisure time activities	2,875,577	27,080	1,248,173	-	(1,600,324)		(1,600,324)
Community environment	6,416,635	221,704	10,950,782	1,860,602	6,616,453		6,616,453
Highways and streets	5,693,579	104,680	-	1,561,683	(4,027,216)		(4,027,216)
General government	14,547,527	4,216,689	972,868	-	(9,357,970)		(9,357,970)
Interest on long-term debt	2,697,602	-	-	-	(2,697,602)		(2,697,602)
Total governmental activities	<u>\$ 71,653,294</u>	<u>\$ 11,431,598</u>	<u>\$ 15,484,813</u>	<u>\$ 3,422,285</u>	<u>\$ (41,314,598)</u>		<u>\$ (41,314,598)</u>
Business-type activities:							
Water	\$ 10,805,540	\$ 12,574,597	\$ -	\$ -	\$ -	\$ 1,769,057	\$ 1,769,057
Sewer	10,766,996	16,064,574	-	-	-	5,297,578	5,297,578
Solid Waste	4,180,825	4,520,499	-	-	-	339,674	339,674
Airport	1,122,239	655,629	-	60,610	-	(406,000)	(406,000)
Transit	4,636,018	-	3,579,129	804,521	-	(252,368)	(252,368)
Storm Water	2,044,392	2,422,788	-	69,729	-	448,125	448,125
Total business-type activities	<u>33,556,010</u>	<u>36,238,087</u>	<u>3,579,129</u>	<u>934,860</u>	<u>-</u>	<u>7,196,066</u>	<u>7,196,066</u>
Total	<u>\$ 105,209,304</u>	<u>\$ 47,669,685</u>	<u>\$ 19,063,942</u>	<u>\$ 4,357,145</u>	<u>\$ (41,314,598)</u>	<u>\$ 7,196,066</u>	<u>\$ (34,118,532)</u>
General revenues:							
Taxes:							
Income taxes					\$ 38,324,541	\$ -	\$ 38,324,541
Property taxes					6,562,347	-	6,562,347
Other taxes					3,707,812	-	3,707,812
Payments in lieu of taxes					7,668,893	-	7,668,893
Grants and contributions not restricted to specific programs					2,013,775	-	2,013,775
Investment earnings					3,966,451	1,800,313	5,766,764
Miscellaneous					310,088	452,791	762,879
Transfers					(109,424)	109,424	-
Total general revenues and transfers					<u>62,444,483</u>	<u>2,362,528</u>	<u>64,807,011</u>
Change in net position					21,129,885	9,558,594	30,688,479
Net position beginning of year, as previously reported							
Error correction - see note 23					-	(2,805,846)	(2,805,846)
Net position beginning of year, as restated					<u>104,964,903</u>	<u>159,640,568</u>	<u>264,605,471</u>
Net position end of year					<u>\$ 126,094,788</u>	<u>\$ 169,199,162</u>	<u>\$ 295,293,950</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDDLETOWN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Special Assessment Debt Service	Capital Improvements	Health
Assets:				
Cash and equity in pooled cash, deposits and investments	\$ 28,251,785	\$ 261,407	\$ 5,436,680	\$ 539,728
Receivables (net of allowance for uncollectibles):				
Income taxes	6,769,000	-	-	-
Property taxes	4,308,216	-	980,696	-
Accounts	798,549	-	16,401	33,624
Loans	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Special assessments	-	215,730	-	-
Due from other funds	3,510,110	-	-	-
Due from other governments	706,800	-	54,233	35,263
Inventory of supplies	57,596	-	-	-
Total assets	\$ 44,402,056	\$ 477,137	\$ 6,488,010	\$ 608,615
Liabilities:				
Accounts payable	\$ 687,435	\$ -	\$ 225,146	\$ 28,494
Accrued wages and benefits	1,459,257	-	-	23,827
Other accrued liabilities	1,157,136	-	218,417	52,133
Due to other funds	24,316	-	-	152
Due to other governments	502,624	-	-	-
Due to individuals	-	-	-	-
Unearned revenue	-	-	-	-
Notes payable	7,450,000	-	-	-
Total liabilities	11,280,768	-	443,563	104,606
Deferred inflows of resources:				
Revenues levied for the next year and unavailable revenue	9,123,708	215,730	1,034,929	-
Total deferred inflows of resources	9,123,708	215,730	1,034,929	-
Fund balances:				
Nonspendable	3,567,706	-	-	-
Restricted	-	261,407	1,641,277	504,009
Committed	27,550	-	1,773,200	-
Assigned	4,839,686	-	1,595,041	-
Unassigned	15,562,638	-	-	-
Total fund balances	23,997,580	261,407	5,009,518	504,009
Total liabilities, deferred inflows of resources and fund balances	\$ 44,402,056	\$ 477,137	\$ 6,488,010	\$ 608,615

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

Street Levy	ARPA	ARPA - Butler County	Fire Station Levy	Non Major Governmental Funds	Total Governmental Funds
\$ 8,351,564	\$ 3,910,140	\$ 3,677,130	\$ 12,512,059	\$ 26,782,728	\$ 89,723,221
776,000	-	-	-	-	7,545,000
-	-	-	1,048,006	783,825	7,120,743
-	-	-	-	208,939	1,057,513
-	-	-	-	612,799	612,799
-	-	-	-	1,745,179	1,745,179
-	-	-	-	451,055	666,785
-	-	-	-	-	3,510,110
-	-	-	11,974	1,907,823	2,716,093
-	-	-	-	893,107	950,703
\$ 9,127,564	\$ 3,910,140	\$ 3,677,130	\$ 13,572,039	\$ 33,385,455	\$ 115,648,146
\$ -	\$ 1,061,054	\$ 168,136	\$ 1,274,158	\$ 682,158	\$ 4,126,581
-	-	-	-	98,352	1,581,436
-	-	-	-	-	1,427,686
-	-	-	-	1,664,029	1,688,497
-	-	-	-	123,349	625,973
-	-	-	-	400,000	400,000
-	2,849,086	3,508,994	-	-	6,358,080
-	-	-	-	-	7,450,000
-	3,910,140	3,677,130	1,274,158	2,967,888	23,658,253
407,000	-	-	1,059,980	4,432,293	16,273,640
407,000	-	-	1,059,980	4,432,293	16,273,640
-	-	-	-	814,520	4,382,226
8,720,564	-	-	11,237,901	21,398,046	43,763,204
-	-	-	-	4,578,525	6,379,275
-	-	-	-	556,623	6,991,350
-	-	-	-	(1,362,440)	14,200,198
8,720,564	-	-	11,237,901	25,985,274	75,716,253
\$ 9,127,564	\$ 3,910,140	\$ 3,677,130	\$ 13,572,039	\$ 33,385,455	\$ 115,648,146

**CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

Total governmental fund balances	\$ 75,716,253
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Amounts reported for governmental activities in the statement of net position are different due to the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	165,578,623
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows in the funds:

Income taxes receivable	4,596,000
Intergovernmental and other receivables	3,294,021

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

4,488,575

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

General obligation bonds and notes	(44,917,000)
Revenue bonds	(19,991,000)
Special assessment bonds	(2,347,000)
Compensated absences	(7,712,731)
Pension obligation payable	(892,968)
Accrued interest on long-term debt	(663,374)
Premium on bonds	(1,656,840)

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

Deferred outflows - pension	20,884,476
Deferred outflows - OPEB	2,516,343
Deferred inflows - pension	(1,403,369)
Deferred inflows - OPEB	(3,303,421)
Net OPEB asset	604,508
Net pension liability	(65,086,395)
Net OPEB liability	(3,609,913)

Net position of governmental activities	\$ 126,094,788
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See accompanying notes to the basic financial statements.



CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2024

	General	Special Assessment Debt Service	Capital Improvements	Health
Revenues:				
Property taxes	\$ 3,758,401	\$ -	\$ 917,476	\$ -
Municipal income taxes	27,905,765	-	-	200,000
Payment in lieu of taxes	-	-	-	-
Intergovernmental revenues	1,846,063	-	1,104,903	190,564
Charges for services	6,506,984	-	6,637	390,481
Fees, licenses, and permits	627,850	-	-	-
Fines and forfeits	18,050	-	-	-
Special assessments	41,098	88,228	-	-
Investment income	1,884,497	-	222,032	-
Miscellaneous	1,869,206	-	253,244	-
Total revenues	44,457,914	88,228	2,504,292	781,045
Expenditures:				
Current				
Public safety	26,116,452	-	1,316,453	-
Public health and welfare	-	-	-	893,569
Leisure time activities	1,096,104	-	408,361	-
Community environment	12,302,132	-	150,000	-
Highways and streets	-	-	1,363,321	-
General government	6,390,145	-	-	-
Miscellaneous	1,881,204	-	11,340	-
Debt service				
Principal retirement	125,000	175,000	-	-
Interest and fiscal charges	514,548	17,533	-	-
Total expenditures	48,425,585	192,533	3,249,475	893,569
Excess of revenues over (under) expenditures	(3,967,671)	(104,305)	(745,183)	(112,524)
Other financing sources (uses):				
Transfers-in	-	-	-	-
Transfers-out	(1,282,968)	-	-	-
Issuance of notes	-	-	-	-
Total other financing sources (uses)	(1,282,968)	-	-	-
Net change in fund balances	(5,250,639)	(104,305)	(745,183)	(112,524)
Fund balance, beginning of year	29,248,219	365,712	5,754,701	616,533
Fund balance, end of year	\$ 23,997,580	\$ 261,407	\$ 5,009,518	\$ 504,009

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

Street Levy		ARPA	ARPA - Butler County	Fire Station Levy	Non Major Governmental Funds	Total Governmental Funds				
\$	-	\$	-	\$	1,050,542	\$	713,509	\$	6,439,928	
	4,587,921		-		-		4,577,855		37,271,541	
	-		-		-		7,668,893		7,668,893	
	-	10,500,465	2,875,956	23,422	6,174,039		6,174,039		22,715,412	
	-	-	-	-	100		100		6,904,202	
	-	-	-	-	10,500		10,500		638,350	
	-	-	-	-	1,961,716		1,961,716		1,979,766	
	-	-	-	-	730,978		730,978		860,304	
	482,615	-	-	1,164,914	212,393		212,393		3,966,451	
	-	-	-	-	1,025,593		1,025,593		3,148,043	
	5,070,536	10,500,465	2,875,956	2,238,878	23,075,576				91,592,890	
	-	1,295,048	-	16,440,686	6,850,453		6,850,453		52,019,092	
	-	-	-	-	-		-		893,569	
	-	1,248,173	-	-	-		-		2,752,638	
	-	6,984,376	2,875,956	-	3,081,463		3,081,463		25,393,927	
	1,334,666	-	-	-	2,462,098		2,462,098		5,160,085	
	-	795,676	-	-	523,829		523,829		7,709,650	
	-	177,192	-	12,135	5,318,532		5,318,532		7,400,403	
	2,989,000	-	-	275,000	5,820,000		5,820,000		9,384,000	
	340,104	-	-	749,220	851,625		851,625		2,473,030	
	4,663,770	10,500,465	2,875,956	17,477,041	24,908,000				113,186,394	
	406,766	-	-	(15,238,163)	(1,832,424)		(1,832,424)		(21,593,504)	
	-	-	-	-	2,873,544		2,873,544		2,873,544	
	-	-	-	-	(1,700,000)		(1,700,000)		(2,982,968)	
	-	-	-	-	10,400,000		10,400,000		10,400,000	
	-	-	-	-	11,573,544				10,290,576	
	406,766	-	-	(15,238,163)	9,741,120		9,741,120		(11,302,928)	
	8,313,798	-	-	26,476,064	16,244,154		16,244,154		87,019,181	
\$	8,720,564	\$	-	\$	-	\$	11,237,901	\$	25,985,274	
									\$	75,716,253

CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds	\$ (11,302,928)
<i>Amounts reported for governmental activities in the statement of activities are different due to the following:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays were more than depreciation in the current period:	
Capital outlay, net	44,493,736
Depreciation expense	(7,800,300)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds:	
Income taxes	1,053,000
Intergovernmental and other revenues	246,713
Governmental Funds report premiums as other financing sources, whereas these amounts are deferred and amortized in the statement of activities:	
Amortization of bond premiums	45,971
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds:	
Long-term note proceeds	(10,400,000)
Long-term note principal retirement	4,900,000
Bond principal retirement	4,484,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	(270,543)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	(1,911,304)
Unfunded pension liability	97,741
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expenses) of the internal service funds is reported with governmental activities.	
	(395,558)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	4,965,928
OPEB	75,827
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB assets and liabilities are reported as pension/OPEB expense in the statement of activities.	
Pension	(6,998,873)
OPEB	(153,525)
Change in net position of governmental activities	\$ 21,129,885

See accompanying notes to the basic financial statements.



CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

Business Type Activities - Enterprise Funds					
	Water		Sewer		Storm Water
Assets					
Current assets:					
Equity in pooled cash and investments	\$	16,483,733	\$	33,074,518	\$ 3,378,974
Receivables					
Accounts		1,418,390		1,822,245	259,341
Due from other funds		-		-	-
Intergovernmental		-		-	-
Inventory of supplies		649,432		240,434	44,566
Total current assets		18,551,555		35,137,197	3,682,881
Noncurrent assets:					
Net OPEB asset		54,423		62,187	11,737
Capital assets:					
Construction in progress		11,624,632		24,244,660	669,800
Land		1,315,164		171,108	504,612
Land improvements		15,200		346,193	36,046
Infrastructure assets		45,787,834		74,593,327	17,752,042
Buildings		16,882,329		17,239,214	69,270
Equipment		8,553,875		17,632,811	527,570
Less: Accumulated depreciation		(41,251,047)		(55,570,142)	(3,845,656)
Total capital assets (net of accumulated depreciation)		42,927,987		78,657,171	15,713,684
Total noncurrent assets		42,982,410		78,719,358	15,725,421
Total assets		61,533,965		113,856,555	19,408,302
Deferred outflows of resources:					
Deferred charge on refunding		-		17,412	-
Pension related		524,613		599,448	113,134
OPEB related		46,697		53,357	10,071
Total deferred outflows of resources		571,310		670,217	123,205
Liabilities					
Current liabilities:					
Accounts payable		370,811		438,698	58,399
Accrued wages and benefits		83,532		99,845	20,646
Other accrued liabilities		-		-	-
Accrued interest payable		4,350		10,836	-
Due to other funds		10,221		2,779	4,690
Due to other governments		2,304		-	-
Due to individuals		962,839		-	-
General obligation bonds payable		240,000		740,000	-
Compensated absences (short term portion)		242,625		417,428	67,399
Total current liabilities		1,916,682		1,709,586	151,134
Long-term liabilities:					
General obligation bonds payable		1,127,173		2,803,759	-
Loans payable		8,192,880		20,900,204	-
Premium on debt		-		-	-
Lease obligation		-		-	-
Compensated absences		152,199		252,514	46,757
Net pension liability		1,559,207		1,781,629	336,246
Net OPEB liability		-		-	-
Total long-term liabilities		11,031,459		25,738,106	383,003
Total liabilities		12,948,141		27,447,692	534,137
Deferred inflows of resources:					
Pension related		4,093		4,675	883
OPEB related		33,112		37,837	7,142
Total deferred inflows of resources:		37,205		42,512	8,025
Net position					
Net investment in capital assets		33,457,993		54,286,098	15,713,684
Unrestricted		15,661,936		32,750,470	3,275,661
Total net position	\$	49,119,929	\$	87,036,568	\$ 18,989,345

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

Business Type Activities - Enterprise Funds			Governmental Activities -	
Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds	
\$ 1,192,426	\$ 2,280,045	\$ 56,409,696	\$ 8,364,996	
230,707	289	3,730,972	115,998	
-	-	-	81,103	
-	476,057	476,057	-	
-	-	934,432	390,697	
1,423,133	2,756,391	61,551,157	8,952,794	
1,199	12,386	141,932	10,300	
-	528,904	37,067,996	679,958	
382,600	1,524,356	3,897,840	195,750	
8,500	727,699	1,133,638	-	
12,300	1,880,468	140,025,971	-	
74,652	3,449,039	37,714,504	1,079,322	
-	10,807,755	37,522,011	16,984,597	
(78,903)	(10,274,156)	(111,019,904)	(14,769,658)	
399,149	8,644,065	146,342,056	4,169,969	
400,348	8,656,451	146,483,988	4,180,269	
1,823,481	11,412,842	208,035,145	13,133,063	
-	-	17,412	-	
11,553	119,395	1,368,143	99,289	
1,028	10,627	121,780	8,839	
12,581	130,022	1,507,335	108,128	
350,298	98,330	1,316,536	860,525	
296	4,174	208,493	16,470	
-	5,014	5,014	-	
-	-	15,186	-	
710,000	1,175,026	1,902,716	-	
-	-	2,304	-	
-	-	962,839	-	
-	-	980,000	-	
-	11,230	738,682	47,570	
1,060,594	1,293,774	6,131,770	924,565	
-	-	3,930,932	-	
-	-	29,093,084	-	
-	-	-	-	
-	-	-	-	
-	-	451,470	112,414	
34,339	354,850	4,066,271	295,101	
-	-	-	-	
34,339	354,850	37,541,757	407,515	
1,094,933	1,648,624	43,673,527	1,332,080	
91	931	10,673	776	
732	7,535	86,358	6,269	
823	8,466	97,031	7,045	
399,149	8,644,065	112,500,989	4,169,969	
341,157	1,241,709	53,270,933	7,732,097	
\$ 740,306	\$ 9,885,774	\$ 165,771,922	\$ 11,902,066	

Adjustment to reflect consolidation of internal service fund activities	3,427,240
Total net position from above	165,771,922
Net position of business-type activities	\$ 169,199,162

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Business Type Activities - Enterprise Funds					
	Water		Sewer		Storm Water
Operating revenues:					
Charges for services	\$	12,574,597	\$	16,064,574	\$ 2,422,788
Other operating revenue		31,532		20,526	3,084
Total operating revenues		12,606,129		16,085,100	2,425,872
Operating expenses:					
Personal services		3,097,895		4,049,069	863,050
Contractual services		3,630,596		3,273,807	475,494
Commodities		2,222,567		549,430	70,635
Depreciation		1,419,143		2,181,086	452,171
Other operating expenses		412,386		600,806	183,042
Total operating expenses		10,782,587		10,654,198	2,044,392
Operating income (loss)		1,823,542		5,430,902	381,480
Non-operating revenues (expenses):					
Interest revenue		531,675		1,132,762	135,876
Interest expense and fiscal charges		(47,069)		(112,798)	-
Operating grants		-		-	-
Other		-		-	-
Total non-operating revenues (expenses)		484,606		1,019,964	135,876
Income (loss) before contributions and transfers		2,308,148		6,450,866	517,356
Capital contributions		-		-	69,729
Transfers-in		-		-	-
Transfers-out		(45,288)		(45,288)	-
Change in net position		2,262,860		6,405,578	587,085
Total net position, beginning of year, as previously reported		47,955,559		82,338,346	18,402,260
Error correction - see note 23		(1,098,490)		(1,707,356)	-
Total net position, beginning of year, as restated		46,857,069		80,630,990	18,402,260
Total net position, end of year	\$	49,119,929	\$	87,036,568	\$ 18,989,345

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

Business Type Activities - Enterprise Funds			Governmental Activities -	
Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds	
\$ 4,520,499	\$ 655,629	\$ 36,238,087	\$ 10,070,993	
134	289	55,565	117,443	
4,520,633	655,918	36,293,652	10,188,436	
40,535	202,122	8,252,671	707,634	
4,134,433	3,855,184	15,369,514	7,285,975	
-	13,650	2,856,282	1,052,872	
2,357	1,286,576	5,341,333	1,163,732	
3,500	400,725	1,600,459	89,267	
4,180,825	5,758,257	33,420,259	10,299,480	
339,808	(5,102,339)	2,873,393	(111,044)	
-	-	1,800,313	231,624	
-	-	(159,867)	-	
-	3,579,129	3,579,129	-	
-	397,226	397,226	-	
-	3,976,355	5,616,801	231,624	
339,808	(1,125,984)	8,490,194	120,580	
-	865,131	934,860	-	
-	200,000	200,000	-	
-	-	(90,576)	-	
339,808	(60,853)	9,534,478	120,580	
400,498	9,946,627	159,043,290	11,781,486	
-	-	(2,805,846)	-	
400,498	9,946,627	156,237,444	11,781,486	
\$ 740,306	\$ 9,885,774	\$ 165,771,922	\$ 11,902,066	

Adjustment to reflect consolidation of Internal Service

Fund Activities

\$ 24,116

Changes in net position of enterprise funds

9,534,478

Changes in net position of business-type activities

\$ 9,558,594

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2024**

	Business Type Activities - Enterprise Funds						Governmental Activities -
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities:							
Cash received from customers	\$ 12,396,087	\$ 15,612,276	\$ 2,367,355	\$ 4,517,814	\$ 655,529	\$ 35,549,061	\$ -
Cash payments to suppliers for goods and services	(5,729,832)	(4,308,791)	(776,197)	(4,118,763)	(4,427,683)	(19,361,266)	(8,557,378)
Cash payments to employees for services	(2,495,324)	(2,944,661)	(731,907)	(31,946)	(192,496)	(6,396,334)	(527,933)
Cash received from interfund services provided	-	-	-	-	-	-	10,158,028
Cash payments for interfund services used	(580,233)	(551,371)	(157,908)	(8,516)	(295,966)	(1,593,994)	(94,208)
Net cash provided (used) by operating activities	3,590,698	7,807,453	701,343	358,589	(4,260,616)	8,197,467	978,509
Cash flows from non-capital financing activities:							
Operating grants	-	-	-	-	3,711,032	3,711,032	-
Interfund loan receipts/(payments)	-	-	-	-	567,261	567,261	-
Transfers-in from other funds	-	-	-	-	200,000	200,000	-
Transfers-out to other funds	(45,288)	(45,288)	-	-	-	(90,576)	-
Net cash provided (used) by non-capital financing activities	(45,288)	(45,288)	-	-	4,478,293	4,387,717	-
Cash flows from capital and related financing activities:							
Proceeds from issuance of bonds	-	-	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-	-	-
Proceeds from issuance of note	-	-	-	-	-	-	-
Proceeds from issuance of loans	7,094,390	19,192,848	-	-	-	26,287,238	-
Sale of capital assets	-	-	-	-	-	-	-
Purchase of capital assets	(7,338,020)	(19,991,315)	(321,467)	-	(477,293)	(28,128,095)	(1,727,593)
Interest expense and fiscal charges	(61,400)	(161,217)	-	-	-	(222,617)	-
Repayment of debt principal	(230,000)	(715,000)	-	-	-	(945,000)	-
Repayment of capital lease obligation	-	-	-	-	-	-	-
Capital contributions	496,754	365,371	90,813	-	-	952,938	-
Capital grants	-	-	-	-	1,262,357	1,262,357	-
Net cash used by capital and related financing activities	(38,276)	(1,309,313)	(230,654)	-	785,064	(793,179)	(1,727,593)
Cash flows from investing activities:							
Interest income	531,675	1,132,762	135,876	-	-	1,800,313	303,126
Net cash provided by investing activities	531,675	1,132,762	135,876	-	-	1,800,313	303,126
Net change in cash and cash equivalents	4,038,809	7,585,614	606,565	358,589	1,002,741	13,592,318	(445,958)
Cash and pooled investments, beginning of year	12,444,924	25,488,904	2,772,409	833,837	1,277,304	42,817,378	8,810,954
Cash and pooled investments, end of year	\$ 16,483,733	\$ 33,074,518	\$ 3,378,974	\$ 1,192,426	\$ 2,280,045	\$ 56,409,696	\$ 8,364,996

continued

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2024

Business Type Activities - Enterprise Funds							Governmental Activities -
	Water	Sewer	Storm Water	Solid Waste Disposal	Non Major Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 1,823,542	\$ 5,430,902	\$ 381,480	\$ 339,808	\$ (5,102,339)	\$ 2,873,393	\$ (111,044)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	1,419,143	2,181,086	452,171	2,357	1,286,576	5,341,333	1,163,732
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:							
Decrease (increase) in accounts receivable (net)	(279,714)	(46,916)	11,212	(2,819)	(289)	(318,526)	8,360
Decrease (increase) in inventory of supplies	365,256	(8,266)	(22,263)	-	-	334,727	15,247
Decrease (increase) in due from other funds	-	-	-	-	-	-	32,734
Decrease (increase) in net OPEB asset	(54,423)	(62,187)	(11,737)	(1,199)	(12,386)	(141,932)	(10,300)
Decrease (increase) in deferred outflows of resources - pension related	192,181	219,595	41,444	4,233	43,737	501,190	36,372
Decrease (increase) in deferred outflows of resources - OPEB related	65,119	74,409	14,043	1,434	14,820	169,825	12,325
Increase (decrease) in accounts payable	140,496	(145,659)	(186,615)	19,170	(446,244)	(618,852)	(216,013)
Increase (decrease) in accrued wages and benefits	31,291	37,876	10,530	34	151	79,882	8,511
Increase (decrease) in other accrued liabilities	-	-	-	-	(100)	(100)	-
Increase (decrease) in due to other funds	1,098	(1,454)	2,168	-	4,376	6,188	-
Increase (decrease) in compensated absences payable	99,030	357,854	52,277	-	(3,151)	506,010	76,645
Increase (decrease) in due to other governments	79	-	-	-	-	79	-
Increase (decrease) in due to individuals	(11,300)	-	-	-	-	(11,300)	-
Increase (decrease) in net pension liability	(170,214)	(194,495)	(36,707)	(3,749)	(38,738)	(443,903)	(32,215)
Increase (decrease) in net OPEB liability	(37,741)	(43,125)	(8,139)	(831)	(8,589)	(98,425)	(7,143)
Increase (decrease) in deferred inflows of resources - pension related	(11,397)	(13,023)	(2,458)	(251)	(2,594)	(29,723)	(2,157)
Increase (decrease) in deferred inflows of resources - OPEB related	18,252	20,856	3,937	402	4,154	47,601	3,455
Total adjustments	1,767,156	2,376,551	319,863	18,781	841,723	5,324,074	1,089,553
Net cash provided (used) by operating activities	\$ 3,590,698	\$ 7,807,453	\$ 701,343	\$ 358,589	\$ (4,260,616)	\$ 8,197,467	\$ 978,509

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

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Custodial Funds
Assets	
Cash and equity in pooled cash, deposits and investments	\$ 306,207
Cash and cash equivalents in segregated accounts	367,780
Total assets	<u>673,987</u>
Liabilities	
Due to individuals	175,232
Due to other governments	498,755
Total liabilities	<u>673,987</u>
Net Position	
Total net position	<u>\$ -</u>

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

**CITY OF MIDDLETOWN, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds
Additions	
Taxes collected for distribution	\$ 3,956,866
Fines, licenses and permits for distribution	2,486,057
Total additions	<u>6,442,923</u>
Deductions	
Distributions to other governments	4,764,184
Distributions on behalf of others	1,678,739
Total deductions	<u>6,442,923</u>
Net increase (decrease) in fiduciary net position	-
Net Position - beginning of year	-
Net Position - end of year	<u>\$ -</u>

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

Blended Component Unit

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

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

Related Organization

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

Included within the reporting entity:

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

B. BASIS OF PRESENTATION

Government-wide Financial Statements

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

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

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

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

Net position is reported as restricted when constraints placed upon its use are either: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

the restriction on their use. When both restricted and non-restricted resources are available for use, it is the City's policy to use non-restricted resources first, and then restricted resources, as they are needed.

Fund Financial Statements

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

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

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

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

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

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

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

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

ARPA Fund (American Rescue Plan Act of 2021 Fund) – To account for revenue and expenses related to the Act. These funds are in response to the economic fallout of the

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

COVID-19 pandemic in the United States and will provide needed relief to support the public health response and lay the foundation for a strong and equitable economic recovery.

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

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

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

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

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

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

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

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

Fiduciary Funds. The City's only fiduciary funds are custodial funds which account for assets held on behalf of others. The government-wide statements exclude the fiduciary funds of the City. The Municipal Court fund which accounts for the activities of the Municipal Court collections which are due to other agencies and to certain individuals. The Joint Economic Development District I Fund records and accounts for the collection and disbursement of tax revenue with Liberty Township and the City of Mason. The City acts as the collection agent for these separate activities.

C. BASIS OF ACCOUNTING

Governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are included on the balance sheet. Operating

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

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

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

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

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

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

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

Fiduciary Funds. The City's only fiduciary funds are custodial funds, which consist of Municipal Court and Joint Economic Development District I (JEDD). Custodial funds are fiduciary in nature and are used to account for assets held in a purely custodial capacity. These funds use the economic resources measurement focus and are accounted for using the accrual basis of accounting.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

D. CASH, DEPOSITS, AND INVESTMENTS

Cash resources of individual funds, except for petty cash and specific accounts used to administer various activities are combined to form a pool of cash, deposits, and investments which is managed by the City Treasurer. Deposits and investments in the pool consist of certificates of deposit, investments in the State of Ohio STAROhio Investment Pool, U. S. Treasury and agency securities, and money market funds containing only U. S. Treasury and agency securities. Investments in U.S. Treasury securities, measured at amortized cost and are reported at fair value, which is based on quoted market prices. Interest earned on pooled cash, deposits, and investments is distributed to the City's General Fund except as stipulated by ordinance or statute. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For the fiscal year ended December 31, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice to PFA is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

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

E. CASH AND CASH EQUIVALENTS IN SEGREGATED ACCOUNTS

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

G. INVENTORY OF SUPPLIES

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

H. CAPITAL ASSETS

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

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

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

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

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

I. FUND BALANCES

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

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

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

Assigned. The assigned fund balance classification is intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by Council or a City Official delegated that authority by resolution or by State Statute. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

J. INTERFUND TRANSACTIONS

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

During the year, the City records local income tax receipts and the subsequent distribution of these receipts to the appropriate City funds in the City Income Tax Fund. The income tax distributions are made by the Income Tax Fund based upon the City's appropriation resolutions

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

and are recorded as transfers. On the year-end financial statements, all transfers of income tax revenues are classified as municipal income revenue of the appropriate funds and, therefore, do not appear in this report as transfers. Funds receiving municipal income tax revenue are the General Fund, the Auto & Gas Tax Fund, the Municipal Court Fund, the Health Fund, the Police Pension Fund, the Fire Pension Fund, the Public Safety Fund, the Street Levy Fund, the General Obligation Debt Service Fund, the Termination Pay Fund, and the Computer Replacement Fund.

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

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

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

INTERFUND TRANSFERS

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$0	\$1,282,968
Non Major Governmental Funds	\$2,873,544	\$1,700,000
Enterprise Funds:		
Water Fund	\$0	\$45,288
Sewer Fund	\$0	\$45,288
Non Major Enterprise Funds	\$200,000	\$0
TOTAL	\$3,073,544	\$3,073,544

A brief description of transfers includes:

- \$1,857,968 to the Economic Development Bond Fund for debt payments
- \$540,576 to the Computer Replacement Fund for anticipated computer replacements for the General, Water and Sewer Funds
- \$300,000 to the Nuisance Abatement Fund for nuisance and demolition
- \$200,000 to the Airport Fund for general operating expenses
- \$175,000 to the Downtown Improvements Fund for downtown improvements

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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K. INTERGOVERNMENTAL REVENUES

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

L. COMPENSATED ABSENCES

The City follows the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered, accumulates, and it is more likely than not that the City will compensate the employees for the benefits through paid time off or some other means.

Accumulated Unpaid Vacation

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

Accumulated Unpaid Paid Time Off

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

Accumulated Unpaid Sick Leave

All Union City employees (except tour firefighters), earn sick leave at the rate of ten hours per calendar month of service. Tour firefighters earn sick leave at the rate of thirteen and one-half hours per calendar month of service. Sick leave usage is recorded for all employees at the time it is used. Upon retirement from the City, non-public safety employees with twenty-five years of service or greater are paid for one-half their accumulated unused sick leave up to a maximum of 464 hours. Employees who are eligible to retire, but do not have twenty-five years of service, are paid for one-third of their sick leave up to a maximum of 264 hours. All other employees who leave City employment receive payment for one-third of the accumulated sick leave over 280 hours up to a maximum of 264 hours.

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

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

At December 31, 2024, the total liability of the City for compensated absences was \$9,062,867.

CITY OF MIDDLETOWN
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M. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and PILOTs, pension, OPEB and unavailable revenue. Property taxes and PILOTs represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental

**CITY OF MIDDLETOWN
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activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position and are explained in the pension and OPEB footnotes.

P. ESTIMATES

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

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

BUDGETARY PROCEDURES

Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The Budget Commission certifies its action to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if a new source of revenue is identified or actual revenue exceeds current estimates. The amounts reported on the budgetary statement reflect the amounts in the final Amended Certificate of Estimated Resources issued for 2024.

Appropriations

An appropriation measure to control expenditures is enacted before January 1 of each year for the period from January 1 to December 31. The appropriation resolution may be adjusted and/or supplemented during the year by action of City Council as new information becomes available, but fund appropriations may not exceed estimated resources. Supplemental appropriation measures enacted during 2024 increased the original 2024 Appropriation Resolution by \$62,543,279 for all budgeted funds. The majority of these supplemental appropriations are due to the following factors:

- \$10,150,000 for the purchase of real property known as Towne Mall
- \$9,868,896 for construction expense related to four new Fire Station construction project

**CITY OF MIDDLETOWN
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- \$6,710,637 for design and construction related to the Robert ‘Sonny’ Hill Community Center project
- \$5,505,552 for bond anticipation notes issued for infrastructure costs related to the Renaissance Pointe project at Union Rd and State Route 122
- \$5,200,000 income tax additional receipts to be transferred to General Fund, Fire & Police Pension Funds, Public Safety Fund and Street Levy Fund
- \$4,875,742 for the purchase of real property related to Renaissance Pointe project at Union Rd and State Route 122
- \$3,750,000 for design and construction expense related to Renaissance Pointe project on Union Road and State Route 122
- \$3,000,000 for capital expense related to public aquatics park
- \$2,825,000 for additional TIF revenue for reimbursements
- \$1,762,000 for capital expense related to park facilities
- \$1,248,084 for police and fire wages to be used for ARPA revenue replacement
- \$844,275 for installation of the North Union Road sewer extension
- \$800,000 for neighborhood revitalization efforts
- \$800,000 Public Safety income tax additional receipts transferred to General Fund
- \$650,000 for implementation of a Home Improvement Repair Program (HIRP)
- \$567,261 for construction costs related to the realignment of Taxilane B1 at the Airport

Budgeted Level of Expenditures

In Ohio, the legal level of control is the level at which the local government’s legislative authority passes the appropriation measure with the minimum of appropriation measures classified separately for each office, department, division, and within each, the amount appropriated for personal services. City Council, Middletown’s legislative authority, approved the 2024 budget which is classified by fund, department, division and/or program, and by major category of personnel and other. City Council may alter amounts allocated to various funds during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the final amounts appropriated for 2024, including all supplemental appropriations and modifications.

Encumbrances

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

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. However, the budgetary schedules for funds that had outstanding encumbrances at December 31, 2023, reflect an "Appropriation for prior year encumbrances."

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

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

Cash deposits and investments of the City as of December 31, 2024, are comprised of the following:

Deposits	
Petty Cash	\$5,575
Certificate of Deposit	\$4,149,134
Demand deposit accounts	<u>\$22,057,817</u>
Subtotal deposits	<u>\$26,212,526</u>
Investments	
Money Market Funds	\$149,294
U.S. Government and Agency	\$74,266,425
Municipal Bond	\$988,423
STAR Ohio	<u>\$53,555,232</u>
Subtotal investments	<u>\$128,959,374</u>
Total	<u>\$155,171,900</u>

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

Deposits

Custodial Credit Risk

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

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

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

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

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

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

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

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

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

At year-end, 20.2% (\$5,448,699) of the City's bank balance of \$26,862,491 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining was covered by pooled collateral.

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NOTES TO FINANCIAL STATEMENTS
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The City's investments at December 31, 2024 are summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity Years</u>
U.S. Government and Agency	\$54,723,175	1.86
Municipal Bond	\$988,423	2.62
US Treasury Notes	\$19,543,250	2.95
STAR Ohio	\$53,555,232	n/a
US Money Market Funds	<u>\$149,294</u>	n/a
	<u>\$128,959,374</u>	

Fair Value Measurement

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

Credit Risk

It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top two ratings by nationally recognized statistical rating organizations. The City's investments in the U.S. Money Market Funds were rated AAAm by Standard & Poor's. Investments in STAR Ohio were rated AAAm by Standard & Poor's. U.S. Government and Agency and U.S. Treasury Notes were rated AA+ by Standard & Poor's. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City is required to disclose the amount of investments with any one issuer that represent five percent or more of total investments. Investments issued by the U.S. government, and investments in external investment pools are excluded from this requirement.

Custodial Credit Risk

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

Interest Rate Risk

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

NOTE 4 – COMPLIANCE AND ACCOUNTABILITY

The General Fund provides advances and transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. At December 31, 2024 (using the current financial resource measurement focus), the following funds had a deficit fund balance:

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Community Development	(\$4,730)
Neighborhood Stabilization Program	(\$36,953)
Conservancy District	(\$31,237)
Central Avenue Sidewalk Curb and Gutter Program	(\$42,007)
2019 Sidewalk Curb and Gutter Program	(\$138,265)
2020 Sidewalk Curb and Gutter Program	(\$496,548)
2021 Sidewalk Curb and Gutter Program	(\$111,575)
2022 Sidewalk Curb and Gutter Program	(\$273,959)
2023 Sidewalk Curb and Gutter Program	(\$227,166)

NOTE 5 - PROPERTY TAXES

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

The assessed value upon which the 2024 taxes were collected was \$1,098,204,750. The full tax rate for all City operations for the fiscal year ended December 31, 2024, was \$6.625 per \$1,000 of assessed valuation.

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

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

Property taxes receivable represents real and public utility taxes and outstanding delinquencies that are measurable as of December 31, 2024. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2024 operations. The receivable is therefore offset by a credit to deferred inflow of resources.

NOTE 6 - INCOME TAX

The City levies an income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities inside the City. This income tax rate includes the Public Safety income tax levy of .25% passed by the voters in November 2007 which became effective January 1, 2008 and was effective for a period of five years. This levy was renewed permanently in August 2012 by the voters. An additional 0.25% was added January 1, 2021 with the passage of a ten-year Street Levy for road

CITY OF MIDDLETOWN
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improvements within the City. Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates with the largest corporations remitting monthly.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

<i>GOVERNMENTAL ACTIVITIES</i>				
<i><u>Capital Asset</u></i>	<i><u>Beginning Balance</u></i>	<i><u>Increase</u></i>	<i><u>Decrease</u></i>	<i><u>Ending Balance</u></i>
Capital assets, not being depreciated:				
Land	\$16,045,404	\$10,070,585	\$0	\$26,115,989
Construction in progress	\$44,904,414	\$30,504,771	(\$30,953,378)	\$44,455,807
Total capital assets, not being depreciated	\$60,949,818	\$40,575,356	(\$30,953,378)	\$70,571,796
Capital assets, being depreciated:				
Land improvements	\$845,313	\$585,537	\$0	\$1,430,850
Buildings	\$31,949,887	\$2,339,267	\$0	\$34,289,154
Equipment	\$39,455,648	\$1,868,799	(\$1,047,799)	\$40,276,648
General infrastructure	\$229,166,612	\$30,149,657	\$0	\$259,316,269
Total capital assets, being depreciated	<u>\$301,417,460</u>	<u>\$34,943,260</u>	<u>(\$1,047,799)</u>	<u>\$335,312,921</u>
Totals at Historical Cost	\$362,367,278	\$75,518,616	(\$32,001,177)	\$405,884,717
Less accumulated depreciation:				
Land improvements	\$612,558	\$538,540	\$0	\$1,151,098
Buildings	\$23,926,536	\$634,811	\$0	\$24,561,347
Equipment	\$29,420,279	\$2,104,614	(\$976,297)	\$30,548,596
General infrastructure	\$179,522,718	\$4,522,335	\$0	\$184,045,053
Total depreciation	\$233,482,091	\$7,800,300	(\$976,297)	\$240,306,094
Total capital assets, being depreciated, net	\$67,935,369	\$27,142,960	(\$71,502)	\$95,006,827
Capital Assets, Net	\$128,885,187	\$67,718,316	(\$31,024,880)	\$165,578,623

Depreciation was charged to governmental functions as follows:

Community environment	\$150,624
General government	\$2,263,755
Leisure time activities	\$93,986
Public health and welfare	\$14,304
Public safety	\$893,203
Highways and streets	\$4,384,428
Total	\$7,800,300

CITY OF MIDDLETOWN
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<i>BUSINESS-TYPE ACTIVITIES</i>				
<i>Capital Asset</i>	<i><u>Beginning Balance</u></i>	<i><u>Increase</u></i>	<i><u>Decrease</u></i>	<i><u>Ending Balance</u></i>
Capital assets, not being depreciated:				
Land	\$3,897,840	\$0	\$0	\$3,897,840
Construction in progress	\$14,288,343	\$26,929,017	(\$4,149,364)	\$37,067,996
Total capital assets, not being depreciated	\$18,186,183	\$26,929,017	(\$4,149,364)	\$40,965,836
Capital assets, being depreciated:				
Land improvements	\$1,133,638	\$0	\$0	\$1,133,638
Buildings	\$36,755,760	\$958,744	\$0	\$37,714,504
Equipment	\$35,012,241	\$2,755,959	(\$246,189)	\$37,522,011
General infrastructure	\$138,392,232	\$1,633,739	\$0	\$140,025,971
Total capital assets, being depreciated	\$211,293,871	\$5,348,442	(\$246,189)	\$216,396,124
Totals at Historical Cost	\$229,480,054	\$32,277,459	(\$4,395,553)	\$257,361,960
Less accumulated depreciation:				
Land improvements	\$667,541	\$49,239	\$0	\$716,780
Buildings	\$22,451,042	\$768,159	\$0	\$23,219,201
Equipment	\$23,852,390	\$1,764,793	(\$246,189)	\$25,370,994
General infrastructure	\$58,953,787	\$2,759,142	\$0	\$61,712,929
Total depreciation	\$105,924,760	\$5,341,333	(\$246,189)	\$111,019,904
Total capital assets, being depreciated, net	\$105,369,111	\$7,109	\$0	\$105,376,220
Capital Assets, Net	\$123,555,294	\$26,936,126	(\$4,149,364)	\$146,342,056

Depreciation was charged to Enterprise Funds as follows:

Water	\$1,419,143
Sewer	\$2,181,086
Storm Water	\$452,171
Solid Waste	\$2,357
Airport	\$298,262
Transit	\$988,314
Total	<u>\$5,341,333</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a hybrid defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. While members (e.g. City employees) may elect the member-directed plan, and previously could elect the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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	State and Local	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee	10.00%	*	**
2024 Actual Contribution Rates			
Employer:			
Pension	14.00%	18.10%	18.10%
Post-employment Health Care Benefits	0.00%	0.00%	0.00%
Total Employer	14.00%	18.10%	18.10%
Employee	10.00%	12.00%	13.00%

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,187,324 for 2024. Of this amount, \$182,277 is reported as accrued wages and benefits payable at December 31, 2024.

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

City full-time police and fire fighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2024 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$3,194,518 for 2024. Of this amount, \$266,210 is reported as accrued wages and benefits payable at December 31, 2024.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2024, the specific liability of the City was \$892,968 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 21,384,865	\$ 47,767,801	\$ 69,152,666
Proportion of the Net Pension Liability:			
Current Measurement Date	0.081683%	0.494420%	
Prior Measurement Date	<u>0.080296%</u>	<u>0.470937%</u>	
Change in Proportionate Share	<u>0.001387%</u>	<u>0.023483%</u>	
 Pension Expense	 \$ 2,332,288	 \$ 5,110,063	 \$ 7,442,351

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 4,316,378	\$ 5,134,743	\$ 9,451,121
Changes in employer proportion and differences between contributions and proportionate share of contributions	341,961	2,369,970	2,711,931
Differences between expected and actual experience	349,518	1,506,867	1,856,385
Change in Assumptions	-	2,851,340	2,851,340
Entity contributions subsequent to the measurement date	<u>2,187,324</u>	<u>3,194,518</u>	<u>5,381,842</u>
Total Deferred Outflows of Resources	<u>\$ 7,195,181</u>	<u>\$ 15,057,438</u>	<u>\$ 22,252,619</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 502,394	\$ 502,394
Change in Assumptions	-	690,956	690,956
Changes in employer proportion and differences between contributions and proportionate share of contributions	<u>56,124</u>	<u>164,568</u>	<u>220,692</u>
	<u>\$ 56,124</u>	<u>\$ 1,357,918</u>	<u>\$ 1,414,042</u>

The City reported \$5,381,842 as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2025	\$ 1,260,668	\$ 2,609,341	\$ 3,870,009
2026	1,551,232	2,934,317	4,485,549
2027	2,754,469	4,108,847	6,863,316
2028	(614,636)	248,477	(366,159)
2029	-	604,020	604,020
Total	<u>\$ 4,951,733</u>	<u>\$ 10,505,002</u>	<u>\$ 15,456,735</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	<u>Current Measurement Period</u>	<u>Prior Measurement Period</u>
Measurement and Valuation Date	December 31, 2023	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (includes wage inflation at 2.75%)	2.75% to 10.75% (includes wage inflation at 2.75%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2024, then 2.05% simple	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2023, then 2.05% simple

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

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

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00%	4.27%
Real Estate	13.00%	4.46%
Private Equity	15.00%	7.52%
International Equities	20.00%	5.16%
Risk Parity	2.00%	4.38%
Other investments	5.00%	3.46%
Total	<u>100.00%</u>	

During 2023, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

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	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Entity's proportionate share of the net pension liability	\$ 33,665,648	\$ 21,384,865	\$ 11,170,967

Actuarial Assumptions – OPF

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

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

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2021
Investment Rate of Return	7.50%	7.50%
Cost of Living Increases	2.20% Per Year Simple	2.20% Per Year Simple
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality

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

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Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60%	4.10%
Non-US Equity	12.40%	4.90%
Private Markets	10.00%	7.30%
Core Fixed Income*	25.00%	2.40%
High Yield Fixed Income	7.00%	4.10%
Private Credit	5.00%	6.80%
U.S Inflation Linked Bonds*	15.00%	2.10%
Midstream Energy Infrastructure	5.00%	5.80%
Real Assets	8.00%	6.00%
Gold	5.00%	3.50%
Private Real Estate	12.00%	5.40%
Commodities	2.00%	3.50%
Total	<u>125.00%</u>	

Note: Assumptions are geometric

* levered 2.5x

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

Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.50 percent, or one percentage point higher, 8.50 percent, then the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Entity's proportionate share of the net pension liability	\$ 63,272,003	\$ 47,767,801	\$ 34,874,539

NOTE 9 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/(Asset)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan, a defined benefit plan; the Combined Plan, a hybrid defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of another post-employment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. For 2023, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan and the employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023 was 2.0% and 4.0%, respectively

The City’s contractually required contribution was \$0 for 2024.

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24.0 percent of covered payroll for police employer

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units and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. Active members do not make contributions to the OPEB plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2024, the portion of the employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$75,827 for 2024. Of this amount, \$6,319 is reported as accrued wages and benefits payable at December 31, 2024.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023 and was determined by rolling forward the total OPEB liability as of January 1, 2023 to December 31, 2023. The City's proportion of the net OPEB liability/(asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of Net OPEB Liability (Asset)	\$ (746,440)	\$ 3,609,913	\$ 2,863,473
Proportion of Net OPEB Liability (Asset):			
Current Measurement Date	0.082706%	0.494420%	
Prior Measurement Date	0.082094%	0.470937%	
Change in Proportionate Share	<u>0.000612%</u>	<u>0.023483%</u>	
OPEB (Negative) Expense	\$ (120,594)	\$ 251,188	\$ 130,594

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At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 448,280	\$ 253,116	\$ 701,396
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	328,371	328,371
Differences between expected and actual experience	-	163,957	163,957
Change in Assumptions	192,171	1,176,401	1,368,572
Entity contributions subsequent to the measurement date	-	75,827	75,827
Total Deferred Outflows of Resources	<u>\$ 640,451</u>	<u>\$ 1,997,672</u>	<u>\$ 2,638,123</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 106,240	\$ 627,637	\$ 733,877
Change in Assumptions	320,872	2,216,801	2,537,673
Changes in employer proportion and differences between contributions and proportionate share of contributions	27,053	91,176	118,229
	<u>\$ 454,165</u>	<u>\$ 2,935,614</u>	<u>\$ 3,389,779</u>

\$75,827 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (or an increase in the net OPEB asset) in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2025	\$ (38,644)	\$ 31,037	\$ (7,607)
2026	27,352	(140,578)	(113,226)
2027	348,946	(64,551)	284,395
2028	(151,368)	(255,692)	(407,060)
2029	-	(272,510)	(272,510)
Thereafter	-	(311,475)	(311,475)
Total	<u>\$ 186,286</u>	<u>\$ (1,013,769)</u>	<u>\$ (827,483)</u>

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Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members.

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

	<u>Current Measurement Period</u>	<u>Prior Measurement Period</u>
Actuarial Valuation Date	December 31, 2022	December 31, 2021
Rolled-Forward Measurement Date	December 31, 2023	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Single Discount Rate	5.70%	5.22%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	3.77%	4.05%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes Wage Inflation at 2.75%)	2.75% to 10.75% (Includes Wage Inflation at 2.75%)
Health Care Cost Trend Rate	5.50% Initial, 3.50% Ultimate in 2038	5.50% Initial, 3.50% Ultimate in 2036

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

A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash

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flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00%	4.27%
Real Estate Investment Trusts	5.00%	4.68%
International Equities	25.00%	5.16%
Risk Parity	3.00%	4.38%
Other Investments	5.00%	2.43%
Total	100.00%	

During 2023, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0% for 2023.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability

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(asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 410,222	\$ (746,440)	\$ (1,704,571)

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Entity's proportionate share of the net OPEB liability (asset)	\$ (777,436)	\$ (746,440)	\$ (711,272)
OPERS			

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

Actuarial Assumptions – OP&F

The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

	<u>Current Measurement Date</u>	<u>Prior Measurement Date</u>
Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2021
Investment Rate of Return	7.50%	7.50%
Cost of Living Adjustments	2.20% Simple Per Year	2.20% Simple Per Year
Salary Increases	3.50% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25%	3.25%
Projected Depletion Year of OPEB Assets	2038	2036
Single Discount Rate	4.07%	4.27%
Municipal Bond Rate	3.38%	3.65%

Healthy Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A

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forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60%	4.10%
Non-US Equity	12.40%	4.90%
Private Markets	10.00%	7.30%
Core Fixed Income*	25.00%	2.40%
High Yield Fixed Income	7.00%	4.10%
Private Credit	5.00%	6.80%
U.S Inflation Linked Bonds*	15.00%	2.10%
Midstream Energy Infrastructure	5.00%	5.80%
Real Assets	8.00%	6.00%
Gold	5.00%	3.50%
Private Real Estate	12.00%	5.40%
Commodities	2.00%	3.50%
	125.00%	

Note: Assumptions are geometric

* levered 2.5x

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

Total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well

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as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.07 percent, or one percentage point higher, 5.07 percent, then the current rate:

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Entity's proportionate share of the net OPEB liability	\$ 4,446,411	\$ 3,609,913	\$ 2,905,417

NOTE 10 - INCURRED BUT NOT REPORTED CLAIMS - HEALTH PLAN

The City of Middletown has a self-insured health plan that is accounted for in the Employee Benefits Fund. All full-time employees of the City are eligible to enroll in this plan which is administered by an independent Third-Party Plan Administration Company. Claims incurred but not reported as of December 31, 2024, were calculated by the Plan Administrator based upon the City's claims experience over the past twelve months. The accounts payable liability recorded in the Employee Benefits Fund at year-end for claims incurred but not reported was \$628,339.

Year	Beginning of Fiscal Year Liability	Current Year Claims & Changes In Estimate	Claim Payments	Balance At Fiscal Year End
2022	\$605,040	\$6,168,651	\$6,127,938	\$645,753
2023	\$645,753	\$6,768,531	\$6,689,968	\$724,316
2024	\$724,316	\$6,526,175	\$6,622,152	\$628,339

NOTE 11 – LONG TERM OBLIGATIONS

Long-term obligations of the City as of December 31, 2024 are as follows:

A. GOVERNMENTAL ACTIVITIES

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2024
2004 Roosevelt Ave. Improvements	\$45,000	\$0	\$45,000	\$0	\$0	\$2,475
2017 Towne Blvd. Improvements	\$190,000	\$0	\$95,000	\$95,000	\$95,000	\$8,550
2007 Cincinnati Dayton Rd Sewer	\$32,000	\$0	\$10,000	\$22,000	\$11,000	\$1,520
2014 Lefferson Road	\$75,000	\$0	\$5,000	\$70,000	\$5,000	\$3,938
2014 S Main St Lighting	\$20,000	\$0	\$20,000	\$0	\$0	\$1,050
2021 Made Industrial Drive Improvements	\$2,160,000	\$0	\$0	\$2,160,000	\$60,000	\$99,360
Total Special Assessment Bonds	\$2,522,000	\$0	\$175,000	\$2,347,000	\$171,000	\$116,893

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	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2024
<i>General Obligation Bonds:</i>						
2017 Towne Blvd/SR 122/I-75	\$100,000	\$0	\$50,000	\$50,000	\$50,000	\$4,730
2017 Refunding Bonds	\$2,425,000	\$0	\$360,000	\$2,065,000	\$375,000	\$108,700
2010 Greentree Health Science Academy	\$2,490,000	\$0	\$280,000	\$2,210,000	\$285,000	\$152,690
2015 AK Steel Holding Corp Project	\$1,415,000	\$0	\$90,000	\$1,325,000	\$95,000	\$66,068
2015 Bender Tract	\$1,135,000	\$0	\$140,000	\$995,000	\$150,000	\$50,508
2022 Various Purpose Bonds - Ladder Truck	\$1,122,000	\$0	\$125,000	\$997,000	\$130,000	\$33,548
2022 Fire Facilities Bonds	\$16,750,000	\$0	\$275,000	\$16,475,000	\$290,000	\$749,220
2023 Fire Facilities Bonds	\$10,400,000	\$0	\$0	\$10,400,000	\$190,000	\$481,000
Premiums	\$1,702,811	\$0	\$45,971	\$1,656,840	\$0	
Total General Obligation Bonds	\$37,539,811	\$0	\$1,365,971	\$36,173,840	\$1,565,000	\$1,646,464
<i>General Obligation Notes Payable:</i>						
2023 Variours Purpose Notes	\$4,900,000	\$0	\$4,900,000	\$0	\$0	\$0
April 16, 2024 Various Purpose Notes	\$0	\$4,900,000	\$0	\$4,900,000	\$0	\$0
June 19, 2024 Various Purpose Notes	\$0	\$5,500,000	\$0	\$5,500,000	\$0	\$0
Total General Obligation Notes Payable	\$4,900,000	\$10,400,000	\$4,900,000	\$10,400,000	\$0	\$0
<i>Revenue Obligation Bonds (Voted):</i>						
2021 Income Tax Street Improvements	\$22,980,000	\$0	\$2,989,000	\$19,991,000	\$3,084,000	\$340,104
Total Revenue Obligation Bonds (Voted)	\$22,980,000	\$0	\$2,989,000	\$19,991,000	\$3,084,000	\$340,104
Compensated Absences	\$5,884,766	\$4,362,945	\$2,374,996	\$7,872,715	\$3,423,833	\$0
Police & Fire Pension						
Unfunded Accrued Liability	\$990,709	\$0	\$97,741	\$892,968	\$97,741	\$0
Total Governmental Activities	\$74,817,286	\$14,762,945	\$11,902,708	\$77,677,523	\$8,341,574	\$2,103,461

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

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B. BUSINESS TYPE ACTIVITIES

	Balance, Beginning of Year, Restated	Additions	Reductions	Balance, End of Year	Principal Due Within One Year	Interest Paid in 2024
<i>General Obligation Bonds:</i>						
2017 Sewer	\$1,950,000	\$0	\$455,000	\$1,495,000	\$475,000	\$92,750
2014 Wastewater Energy Improvements	\$420,000	\$0	\$65,000	\$355,000	\$65,000	\$16,800
2014 Water Energy Improvements	\$1,535,000	\$0	\$230,000	\$1,305,000	\$240,000	\$61,400
2022 Various Purpose Bonds - Sewer Plant	\$1,728,000	\$0	\$195,000	\$1,533,000	\$200,000	\$51,667
Premium	\$288,121	\$0	\$65,189	\$222,932	\$0	\$0
Total General Obligation Bonds Payable	\$5,921,121	\$0	\$1,010,189	\$4,910,932	\$980,000	\$222,617
<i>General Obligation Notes Payable:</i>						
OWDA Loans - Sewer (1)	\$1,707,356	\$19,192,848	\$0	\$20,900,204	\$0	\$0
OWDA Loans - Water (1)	\$1,098,490	\$7,094,390	\$0	\$8,192,880	\$0	\$0
Total General Obligation Notes Payable	\$2,805,846	\$26,287,238	\$0	\$29,093,084	\$0	\$0
Compensated Absences	\$684,142	\$840,070	\$334,060	\$1,190,152	\$738,682	\$0
Total Business Type Activities	\$9,411,109	\$27,127,308	\$1,344,249	\$35,194,168	\$1,718,682	\$222,617

(1) The OWDA loans are currently in "open" status with project costs still being incurred and loan proceeds being drawn down. As such, no amortization schedule has been established as of the date of the financial statements.

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

The City's legal debt margin was \$74,226,727 at December 31, 2024. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2024 are as follows:

GOVERNMENTAL ACTIVITIES			
Police and Fire Pension Debt Schedule 12/31/24			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$52,217	\$45,524	\$97,741
2026	\$52,217	\$45,524	\$97,741
2027	\$52,217	\$45,524	\$97,741
2028	\$52,217	\$45,524	\$97,741
2029	\$52,217	\$45,524	\$97,741
2030-2033	\$208,868	\$182,096	\$390,964
2034	\$7,149	\$6,150	\$13,299
Total	\$477,102	\$415,866	\$892,968

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GOVERNMENTAL ACTIVITIES						
General Obligation and Assessment Bonds Schedule 12/31/24						
	General Obligation & Special Revenue Bonds			Special Assessment Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$4,649,000	\$1,913,997	\$6,562,997	\$171,000	\$107,190	\$278,190
2026	\$4,769,000	\$1,800,715	\$6,569,715	\$76,000	\$99,845	\$175,845
2027	\$4,926,000	\$1,674,852	\$6,600,852	\$70,000	\$96,300	\$166,300
2028	\$5,095,000	\$1,544,604	\$6,639,604	\$75,000	\$92,932	\$167,932
2029	\$5,277,000	\$1,413,766	\$6,690,766	\$75,000	\$89,450	\$164,450
2030-2034	\$8,817,000	\$5,569,901	\$14,386,901	\$450,000	\$389,873	\$839,873
2035-2039	\$4,470,000	\$4,361,100	\$8,831,100	\$505,000	\$278,760	\$783,760
2040-2044	\$5,500,000	\$3,180,050	\$8,680,050	\$925,000	\$148,580	\$1,073,580
2045-2049	\$6,845,000	\$1,836,350	\$8,681,350	\$0	\$0	\$0
2050-2053	\$4,160,000	\$332,828	\$4,492,828	\$0	\$0	\$0
Total	\$54,508,000	\$23,628,163	\$78,136,163	\$2,347,000	\$1,302,930	\$3,649,930

BUSINESS TYPE ACTIVITIES			
General Obligation Bonds Schedule - 12/31/24			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$980,000	\$182,237	\$1,162,237
2026	\$1,021,000	\$145,057	\$1,166,057
2027	\$1,067,000	\$101,347	\$1,168,347
2028	\$564,000	\$55,559	\$619,559
2029	\$585,000	\$35,210	\$620,210
2030-2031	\$471,000	\$21,229	\$492,229
Total	\$4,688,000	\$540,639	\$5,228,639

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

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

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

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NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The City's inter-fund receivables and payables at the end of 2024 were comprised of operating advances from the General Fund to other operating funds (\$3,510,110) and payments to the Municipal Garage Fund by the City operating funds for 2024 services (\$81,103). Inter-fund balances as of December 31, 2024 are as follows:

Fund	Receivables	Payables
Governmental Funds:		
General Fund	\$3,510,110	\$24,315
Health Fund	\$0	\$152
Non major government funds	\$0	\$1,664,030
Total governmental funds	\$3,510,110	\$1,688,497
Enterprise Funds:		
Water	\$0	\$10,221
Sewer	\$0	\$2,779
Storm Water	\$0	\$4,690
Solid Waste	\$0	\$710,000
Non major enterprise funds	\$0	\$1,175,026
Total enterprise funds	\$0	\$1,902,716
Internal Service Funds		
Internal service funds	\$81,103	\$0
Total internal service funds	\$81,103	\$0
Total all funds	\$3,591,213	\$3,591,213

NOTE 13 - CONTINGENT LIABILITY

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

For the period January 1, 2024, to December 31, 2024, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial to the financial statements as a whole.

NOTE 14 - RISK MANAGEMENT

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2024, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2023, the most recently available information:

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

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

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

Contributions to PEP	
2022	\$785,833
2023	\$754,502
2024	\$882,921

After one year of membership, a member may withdraw on each anniversary of the date joining PEP provided they provide written notice to PEP sixty days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 15 - SIGNIFICANT CONTRACTUAL OBLIGATIONS & ENCUMBRANCE COMMITMENTS

A. Contractual Commitments

As of December 31, 2024, the City has entered into the following major contracts and agreements for the purpose of infrastructure improvements or services related to the operations of the city:

Vendor	Purpose	Amount Remaining
PEPPER CONSTRUCTION CO OF OHIO LLC	FIRE HQ & SATELLITE STATIONS (23-11) #81 & #85	\$6,932,282
PEPPER CONSTRUCTION CO OF OHIO LLC	FIRE HQ & SATELLITE STATIONS (23-11) #82 & #83	\$6,658,569
UNIVERSAL CONTRACTING CORPORATION	SONNY HILL COMMUNITY CENTER RENOVATION (24-01)	\$6,136,186
LOVELAND EXCAVATING & PAVING INC	RENAISSANCE POINTE - PHASE I	\$4,909,891
GLENWOOD ELECTRIC INC	WTP & YANKEE RD PUMP STATION GENERATORS	\$1,995,250
STAUFFER SITE SERVICES LLC	NORTH UNION ROAD SANITARY SEWER EXTENSION (24-04)	\$844,275
STRAND ASSOCIATES INCE	STORMWATER MASTER PLAN ENGINEERING STUDY	\$622,036
BARRETT PAVING MATERIALS INC	2021 LOCAL STREET IMPROVEMENTS (21-01)	\$606,873
KT HOLDEN CONSTRUCTION	RECONSTRUCTION OF TAXIWAY B1 (24-06)	\$505,652
BUTLER TECHNOLOGY & CAREER	BUTLER TECH AVIATION HANGAR	\$500,000
		<u>\$29,711,014</u>

B. Encumbrance Commitments

At December 31, 2024, the City had encumbrance commitments of the following:

Fund	Encumbrance Balance
Fire Station Levy Fund	\$10,883,755
Economic Development Bond Service Fund	\$4,950,625
American Rescue Plan Act Fund	\$3,910,140
Butler County ARPA Fund	\$3,597,350
Water Capital Reserve Fund	\$3,119,667
Sewer Capital Reserve Fund	\$2,285,219
Municipal Garage Fund	\$1,590,438
Capital Improvement Fund	\$1,360,857
General Fund	\$1,245,037
Storm Water Capital Reserve Fund	\$874,134
Street Levy Fund	\$629,551
Community Development Act 1974 Fund	\$579,433
Airport Improvement Fund	\$540,038
Auto & Gas Tax Fund	\$536,388
Health Fund	\$12,700
All other Governmental Funds	\$1,992,296
	<u>\$38,107,628</u>

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 - RELATED ORGANIZATION

The Middletown Public Library is a distinct political subdivision of the State of Ohio created under the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the City of Middletown. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the City for operational subsidies. Although the City does serve as the taxing authority and has issued tax-related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Middletown Public Library at 125 South Broad Street, Middletown, Ohio 45044.

NOTE 17 – CONDUIT DEBT

The City of Middletown authorized the issuance of \$85,000,000 in hospital facilities revenue bonds in late November 2006. These bonds were used to finance the construction and the equipping of the new Atrium Medical Center. Atrium issued another debt series in 2007 for \$110,000,000. Atrium replaced the 2007 issue with a 2008 Bond series which totals \$111,000,000. In 2010, Atrium called \$1,850,000 of the 2008 debt and replaced the 2006 debt series with an \$85,000,000 issue. In 2011, Atrium called \$2,425,000 of the 2008 debt issue. In 2012, Atrium called \$2,475,000 of the 2008 debt issue. In 2016, Atrium replaced the 2010 debt series with a \$90,000,000 issue. In 2024, Atrium refunded the 2016 debt series with a \$90,000,000 issue. Atrium Medical Center will repay the remainder of the debt; the City of Middletown is not obligated for this debt.

City of Middletown conduit debt issues outstanding at December 31, 2024 is \$79,515,000 hospital facilities revenue bonds issued on behalf of Atrium Medical Center.

NOTE 18 - JOINT ECONOMIC DEVELOPMENT DISTRICTS

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

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

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

NOTE 19 – FUND BALANCE

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

Fund Balances	General Fund	Special Assessment Debt Service Fund	Capital Improvements Fund	Health Fund	Street Levy Fund	Fire Station Levy Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable								
Inventory of supplies	\$ 57,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,520	\$ 872,116
Interfund loans	3,510,110	-	-	-	-	-	-	3,510,110
Total Nonspendable	3,567,706	-	-	-	-	-	814,520	4,382,226
Restricted for								
Capital improvements	-	-	1,641,277	-	-	11,237,901	5,377,578	18,256,756
Debt service	-	261,407	-	-	-	-	-	261,407
Purposes allowed by								
TIF agreement	-	-	-	-	-	-	3,853,613	3,853,613
Senior Services	-	-	-	-	-	-	800	800
Community Development	-	-	-	-	-	-	2,783,402	2,783,402
Public health	-	-	-	504,009	-	-	722,131	1,226,140
Public safety	-	-	-	-	-	-	5,898,501	5,898,501
Roads	-	-	-	-	8,720,564	-	2,762,021	11,482,585
Total Restricted	-	261,407	1,641,277	504,009	8,720,564	11,237,901	21,398,046	43,763,204
Committed								
Capital improvements	-	-	1,773,200	-	-	-	1,293,493	3,066,693
Retirement benefits	27,550	-	-	-	-	-	-	27,550
Debt service	-	-	-	-	-	-	1,550,213	1,550,213
Recreation	-	-	-	-	-	-	163,501	163,501
Purchase of capital assets	-	-	-	-	-	-	1,571,318	1,571,318
Total Committed	27,550	-	1,773,200	-	-	-	4,578,525	6,379,275
Assigned								
Capital Improvements	-	-	1,595,041	-	-	-	556,623	2,151,664
Purchase commitments	558,000	-	-	-	-	-	-	558,000
Next Year's Budget	4,281,686	-	-	-	-	-	-	4,281,686
Total Assigned	4,839,686	-	1,595,041	-	-	-	556,623	6,991,350
Unassigned (deficit)	15,562,638	-	-	-	-	-	(1,362,440)	14,200,198
Total Fund Balances	\$ 23,997,580	\$ 261,407	\$ 5,009,518	\$ 504,009	\$ 8,720,564	\$ 11,237,901	\$ 25,985,274	\$ 75,716,253

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 20 – TAX ABATEMENTS

As of December 31, 2024, the City provides tax abatements through two programs – Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements.

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

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

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

The City abated property taxes of approximately \$64,976 from Community Reinvestment Area (CRA) abatement agreements in 2024, and approximately \$5,517,282 under the Enterprise Zone Agreement program during 2024, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

- A 100% property tax abatement to a local automotive company for the redevelopment of a previously vacant business property on Verity Parkway. The abatement amounted to an estimated \$9,187.
- A 100% property tax abatement to a local company for the redevelopment of an underutilized business property on Central Avenue. The abatement amounted to an estimated \$22,786.
- A 100% property tax abatement to an underutilized mixed-use downtown property along Central Avenue. The abatement amounted to an estimated \$24,485.
- A 75% property tax abatement to a power generation developer to construct a 475-megawatt natural-gas-fired electric generating facility. The abatement amounted to approximately \$3,878,505.
- A 100% property tax abatement to a developer for construction of a 612,589 square foot speculative building. The abatement amounted to an estimated \$976,199.

NOTE 21 – SUBSEQUENT EVENTS

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

On April 24, 2025, the City issued \$4,950,000 of special obligation nontax revenue bond anticipation notes at 5% that are due on April 23, 2026. These nontax revenue bond anticipation notes were issued to fund the acquisition of land for the Ohio Renaissance Arena District project.

On June 25, 2025, the City issued \$5,500,000 of general obligation tax exempt bond anticipation notes at 4.125% that are due on June 24, 2026. These tax-exempt bond anticipation notes were issued to fund improvements in the Ohio Renaissance Arena District.

In August 2025, the City plans to issue \$7,897,000 of special obligation taxable bond anticipation notes at a rate not-to-exceed 7% that will be due on approximately August 1, 2026. These taxable bond anticipation notes are being issued for the purpose of paying the costs associated with the acquisition of the Towne Mall and related structures.

NOTE 22 – ASSET RETIREMENT OBLIGATIONS

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 23 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

For 2024, GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, were effective.

GASB 101 had no effect on beginning net position/fund balance, and therefore, the net position was not restated due to its immaterial impact.

GASB 100 effected beginning net position/fund balances as the City is reporting a correction of an error in previously issued financial statements as more fully described below.

During calendar year 2024, the City determined that loans payable from the Ohio Water Development Authority (OWDA) in the prior year were not reported. Therefore, long-term liabilities were understated by \$2,805,846 for the year ended December 31, 2023. In addition, revenue from capital grants and contributions was overstated by \$2,805,846 for the year ended December 31, 2023. The effect of correcting these errors is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances		
	Funds		Government-Wide
	Water Fund	Sewer Fund	Business-Type Activities
12/31/23, as previously reported	\$ 47,955,559	\$ 82,338,346	\$ 162,446,414
Error correction	(1,098,490)	(1,707,356)	(2,805,846)
12/31/23, as restated	<u>\$ 46,857,069</u>	<u>\$ 80,630,990</u>	<u>\$ 159,640,568</u>

NOTE 24 – SHORT-TERM NOTES PAYABLE

A summary of the changes in short-term notes payable during the year ended December 31, 2024, follows:

	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
General Fund:				
Short-Term Notes	\$ -	\$ 7,450,000	\$ -	\$ 7,450,000
Economic Development Bond Fund:				
Short-Term Notes	1,700,000	-	1,700,000	-
Total Notes Payable	<u>\$1,700,000</u>	<u>\$7,450,000</u>	<u>\$1,700,000</u>	<u>\$7,450,000</u>

**CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 3,493,253	\$ 3,493,253	\$ 3,758,401	\$ 265,148
Municipal income taxes	24,619,773	28,019,773	26,805,395	(1,214,378)
Intergovernmental revenue	1,930,208	1,930,208	1,895,328	(34,880)
Charges for services	5,653,721	5,653,721	6,396,503	742,782
Fees, licenses, and permits	819,342	819,342	627,850	(191,492)
Fines and forfeits	26,869	26,869	17,515	(9,354)
Interest earnings	91,507	91,507	948,940	857,433
Miscellaneous	1,564,114	9,378,788	9,451,982	73,194
Total revenues	38,198,787	49,413,461	49,901,914	488,453
Expenditures:				
Current				
Community Environment				
Street lighting				
Other	495,000	565,000	539,157	25,843
Total community environment	495,000	565,000	539,157	25,843
Leisure Time Activities				
Event center				
Personal services	-	49,296	24,313	24,983
Other	-	153,500	132,143	21,357
Community center				
Other	248,000	248,000	216,026	31,974
Parks maintenance				
Personal services	594,660	559,660	519,087	40,573
Other	476,225	492,120	402,728	89,392
Total leisure time activities	1,318,885	1,502,576	1,294,297	208,279

continued

**CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Public Safety				
Personal services	383,479	453,479	422,644	30,835
Other	11,406	14,406	13,136	1,270
Fire operations				
Personal services	7,729,581	7,809,581	7,438,439	371,142
Other	1,514,867	1,514,867	1,503,761	11,106
Fire prevention/training				
Personal services	755,929	800,929	771,416	29,513
Other	7,836	12,836	11,118	1,718
Police administration				
Personal services	586,698	801,158	778,176	22,982
Other	258,132	271,132	258,118	13,014
Criminal investigation				
Personal services	1,388,723	1,338,723	1,221,052	117,671
Other	52,000	52,000	46,856	5,144
Narcotics				
Personal services	324,770	674,770	630,277	44,493
Other	28,500	28,500	20,865	7,635
Uniform patrol				
Personal services	6,569,390	6,269,390	5,607,507	661,883
Other	1,193,504	1,208,504	1,182,017	26,487
Police services				
Personal services	410,341	545,341	496,995	48,346
Other	19,450	19,450	12,031	7,419
Police and fire dispatch				
Personal services	1,587,031	1,587,031	1,496,606	90,425
Other	84,000	84,000	80,844	3,156
Jail management				
Personal services	1,115,091	1,200,091	1,124,887	75,204
Other	466,687	506,687	487,765	18,922
Building inspection and services				
Personal services	549,872	579,872	568,151	11,721
Other	136,984	136,984	117,973	19,011
Building maintenance				
Personal services	352,504	338,504	305,330	33,174
Other	1,020,307	1,035,307	1,034,910	397
Total public safety	26,547,082	27,283,542	25,630,874	1,652,668
				continued

**CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
General Government				
City council				
Personal services	140,629	145,629	139,388	6,241
Other	30,300	33,300	33,246	54
City manager				
Personal services	692,073	862,073	792,383	69,690
Other	307,300	137,300	86,871	50,429
Finance administration				
Personal services	281,757	286,757	272,593	14,164
Other	57,985	57,985	55,055	2,930
Treasury				
Personal services	240,132	267,132	248,912	18,220
Other	24,095	24,095	15,989	8,106
Information systems				
Personal services	696,795	686,795	611,853	74,942
Other	116,000	116,000	114,828	1,172
Personnel				
Personal services	296,651	302,651	292,018	10,633
Other	232,363	252,363	249,924	2,439
Law				
Personal services	434,185	454,185	441,853	12,332
Other	1,043,108	1,043,108	888,031	155,077
Purchasing				
Personal services	106,832	106,832	102,813	4,019
Other	13,242	13,242	7,160	6,082
Planning				
Personal services	779,723	791,321	711,878	79,443
Other	243,491	893,491	819,465	74,026
Economic development				
Personal services	451,799	469,038	340,376	128,662
Other	539,546	919,546	853,823	65,723
Communications				
Personal services	115,573	115,573	90,050	25,523
Other	179,014	159,014	113,321	45,693
Engineering				
Personal services	189,253	169,253	147,991	21,262
Other	146,215	146,215	58,043	88,172
Total general government	7,358,061	8,452,898	7,487,864	965,034
				continued

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Miscellaneous				
Non-departmental				
Personal services	36,000	36,000	33,392	2,608
Other	2,747,884	12,518,884	12,333,510	185,374
Debt Service	158,548	639,548	639,548	-
Total miscellaneous	2,942,432	13,194,432	13,006,450	187,982
Total expenditures	38,661,460	50,998,448	47,958,642	3,039,806
Excess of revenues over (under) expenditures	(462,673)	(1,584,987)	1,943,272	3,528,259
Other financing sources (uses) Transfers-out	(1,282,968)	(1,850,229)	(1,485,555)	364,674
Total other financing sources (uses)	(1,282,968)	(1,850,229)	(1,485,555)	364,674
Net change in fund balance	(1,745,641)	(3,435,216)	457,717	3,892,933
Fund balance, beginning of year	24,002,074	24,002,074	24,002,074	-
Appropriation for prior year encumbrances	1,770,300	1,770,300	1,770,300	-
Fund balance, end of the year	\$ 24,026,733	\$ 22,337,158	\$ 26,230,091	\$ 3,892,933

See notes to the required supplementary informaton.

**CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HEALTH FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Intergovernmental revenue	175,300	175,300	95,825	(79,475)
Charges for services	284,546	284,546	336,144	51,598
Miscellaneous	44,000	44,000	84,382	40,382
Total revenues	703,846	703,846	716,351	12,505
Expenditures:				
Current				
Health/Environment Admin.				
Personal services	822,793	822,793	790,015	32,778
Other	179,051	179,051	81,772	97,279
Total expenditures	1,001,844	1,001,844	871,787	130,057
Excess of expenditures over/under revenues	(297,998)	(297,998)	(155,436)	142,562
Net change in fund balance	(297,998)	(297,998)	(155,436)	142,562
Fund balance, beginning of the year	647,964	647,964	647,964	-
Appropriation for prior year encumbrances	34,500	34,500	34,500	-
Fund balance, end of the year	\$ 384,466	\$ 384,466	\$ 527,028	\$ 142,562

See notes to the required supplementary informaton.

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
STREET LEVY FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 3,989,500	\$ 4,789,500	\$ 4,569,921	\$ (219,579)
Interest earnings	480,101	480,101	482,615	2,514
Total revenues	4,469,601	5,269,601	5,052,536	(217,065)
Expenditures:				
Current				
Highways and streets:				
Other	10,435,176	10,435,176	3,300,283	7,134,893
Debt Service	3,329,104	3,329,104	3,329,104	-
Total expenditures	13,764,280	13,764,280	6,629,387	7,134,893
Excess of revenues over (under) expenditures	(9,294,679)	(8,494,679)	(1,576,851)	6,917,828
Net change in fund balance	(9,294,679)	(8,494,679)	(1,576,851)	6,917,828
Fund balance, beginning of the year	2,543,688	2,543,688	2,543,688	-
Appropriation for prior year encumbrances	6,755,176	6,755,176	6,755,176	-
Fund balance, end of the year	\$ 4,185	\$ 804,185	\$ 7,722,013	\$ 6,917,828

See notes to the required supplementary informaton.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AMERICAN RESCUE PLAN ACT (ARPA) FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Expenditures:				
Current				
Public safety				
Personal Services	-	1,295,048	1,295,048	-
Other	-	3,000,000	3,000,000	-
Highways and streets				
Other	5,313	5,313	-	5,313
General Government				
Other	4,173,677	7,982,071	4,191,544	3,790,527
Airport				
Other	500,000	500,000	500,000	-
Sewer				
Other	100,436	944,711	944,711	-
Community environment				
Other	-	800,000	133,940	666,060
Leisure Time Activities				
Other	194,008	3,262,085	3,262,085	-
Miscellaneous				
Other	250,000	275,000	136,361	138,639
Total expenditures	5,223,434	18,064,228	13,463,689	4,600,539
Excess of revenues over (under) expenditures	(5,223,434)	(18,064,228)	(13,463,689)	4,600,539
Net change in fund balance	(5,223,434)	(18,064,228)	(13,463,689)	4,600,539
Fund balance, beginning of the year	8,890,255	8,890,255	8,890,255	-
Appropriation for prior year encumbrances	4,573,434	4,573,434	4,573,434	-
Fund balance, end of the year	\$ 8,240,255	\$ (4,600,539)	\$ -	\$ 4,600,539

See notes to the required supplementary informaton.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE STATION LEVY FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 704,000	\$ 704,000	\$ 1,050,542	\$ 346,542
Intergovernmental revenue	1,000	1,000	23,422	22,422
Interest earnings	82,585	1,082,585	1,164,914	82,329
Total revenues	787,585	1,787,585	2,238,878	451,293
Expenditures:				
Current				
Public Safety				
Other	22,639,628	32,738,882	26,118,551	6,620,331
Debt Service	1,024,220	1,024,220	1,024,220	-
Total expenditures	23,663,848	33,763,102	27,142,771	6,620,331
Excess of revenues over (under) expenditures	(22,876,263)	(31,975,517)	(24,903,893)	7,071,624
Net change in fund balance	(22,876,263)	(31,975,517)	(24,903,893)	7,071,624
Fund balance, beginning of the year	4,328,349	4,328,349	4,328,349	-
Appropriation for prior year encumbrances	22,203,848	22,203,848	22,203,848	-
Fund balance, end of the year	\$ 3,655,934	\$ (5,443,320)	\$ 1,628,304	\$ 7,071,624

See notes to the required supplementary informaton.

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
BUTLER COUNTY ARPA FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
Total revenues	-	2,000,000	2,000,000	-
Expenditures:				
Current				
Miscellaneous				
Other	2,611,475	6,309,595	6,309,595	-
Total expenditures	2,611,475	6,309,595	6,309,595	-
Excess of revenues over (under) expenditures	(2,611,475)	(4,309,595)	(4,309,595)	-
Net change in fund balance	(2,611,475)	(4,309,595)	(4,309,595)	-
Fund balance, beginning of the year	1,777,900	1,777,900	1,777,900	-
Appropriation for prior year encumbrances	2,611,475	2,611,475	2,611,475	
Fund balance, end of the year	\$ 1,777,900	\$ 79,780	\$ 79,780	\$ -

See notes to the required supplementary informaton.

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

	2024	2023	2022	2021	2020
Entity's Proportion of the Net Pension Liability	0.08168300%	0.08029600%	0.08357500%	0.08578500%	0.08091800%
Entity's Proportionate Share of the Net Pension Liability	\$ 21,384,865	\$ 23,719,385	\$ 7,271,367	\$ 12,702,835	\$ 15,994,021
Entity's Covered Payroll	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	147.35%	171.54%	55.05%	97.08%	122.28%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%
	2019	2018	2017	2016	2015
Entity's Proportion of the Net Pension Liability	0.08150200%	0.08075000%	0.08353830%	0.0809491%	0.08166428%
Entity's Proportionate Share of the Net Pension Liability	\$ 22,321,871	\$ 12,668,078	\$ 18,970,130	\$ 14,021,397	\$ 9,849,625
Entity's Covered Payroll	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126	\$ 11,036,783	\$ 10,884,143
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.10%	104.50%	162.92%	127.04%	90.50%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%

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

Notes to Schedule:

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

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

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

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

	2024	2023	2022	2021	2020
Entity's Proportion of the Net Pension Liability	0.49442000%	0.47093700%	0.46698200%	0.45603500%	0.45963600%
Entity's Proportionate Share of the Net Pension Liability	\$ 47,767,801	\$ 44,734,418	\$ 29,174,346	\$ 31,088,329	\$ 30,963,551
Entity's Covered Payroll	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	342.48%	349.64%	247.82%	281.94%	276.05%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	63.63%	62.90%	75.03%	70.65%	69.89%
	2019	2018	2017	2016	2015
Entity's Proportion of the Net Pension Liability	0.47664900%	0.47918800%	0.46428800%	0.46728149%	0.54326535%
Entity's Proportionate Share of the Net Pension Liability	\$ 38,907,174	\$ 29,409,924	\$ 29,407,539	\$ 30,060,543	\$ 28,143,411
Entity's Covered Payroll	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388	\$ 9,724,488	\$ 10,647,153
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	361.78%	282.52%	305.33%	309.12%	264.33%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%

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

Notes to Schedule:

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

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

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 2,187,324	\$ 2,031,770	\$ 1,935,811	\$ 1,868,736	\$ 1,877,821
Contributions in Relation to the Contractually Required Contribution	(2,187,324)	(2,031,770)	(1,935,811)	(1,868,736)	(1,877,821)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity Covered Payroll	\$ 15,623,740	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996
Contributions as a Percentage of Covered Payroll	14%	14%	14%	14%	14%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,852,126	\$ 1,743,281	\$ 1,569,931	\$ 1,413,090	\$ 1,545,150
Contributions in Relation to the Contractually Required Contribution	(1,852,126)	(1,743,281)	(1,569,931)	(1,413,090)	(1,545,150)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity Covered Payroll	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126	\$ 11,036,783
Contributions as a Percentage of Covered Payroll	14%	14%	13%	12%	14%

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 3,194,518	\$ 2,952,172	\$ 2,719,559	\$ 2,473,475	\$ 2,380,338
Contributions in Relation to the Contractually Required Contribution	(3,194,518)	(2,952,172)	(2,719,559)	(2,473,475)	(2,380,338)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 15,001,399	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572
Contributions as a Percentage of Covered Payroll	21.29%	21.17%	21.26%	21.01%	21.59%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 2,459,236	\$ 2,256,918	\$ 2,188,619	\$ 2,019,817	\$ 2,108,003
Contributions in Relation to the Contractually Required Contribution	(2,459,236)	(2,256,918)	(2,188,619)	(2,019,817)	(2,108,003)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 11,216,823	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388	\$ 9,724,488
Contributions as a Percentage of Covered Payroll	21.92%	20.99%	21.02%	20.97%	21.68%

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

	2024	2023	2022	2021	2020
Entity's Proportion of the Net OPEB Liability/(Asset)	0.08270600%	0.08209400%	0.08573100%	0.08771500%	0.08417100%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (746,440)	\$ 517,619	\$ (2,685,234)	\$ (1,562,720)	\$ 11,626,265
Entity's Covered Payroll	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996	\$ 13,080,365
Entity's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	-5.14%	3.74%	-20.33%	-11.94%	88.88%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	107.76%	94.79%	128.23%	115.57%	47.80%
	2019	2018	2017		
Entity's Proportion of the Net OPEB Liability/(Asset)	0.08542800%	0.08470200%	0.08689100%		
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 11,137,784	\$ 9,198,025	\$ 8,776,325		
Entity's Covered Payroll	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126		
Entity's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	89.86%	75.87%	75.37%		
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	46.33%	54.14%	54.04%		

* Information prior to 2017 is not available.
Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

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

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

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

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

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

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

In 2024, the single discount rate changed from 5.22% to 5.70%, the municipal bond rate changed from 4.05% to 3.77%, and the health care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2036 to 5.50% initial, 3.50% ultimate in 2038.

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

Entity's Proportion of the Net OPEB Liability	0.49442000%	0.47093700%	0.46698200%	0.45603500%	0.45963600%
Entity's Proportionate Share of the Net OPEB Liability	\$ 3,609,913	\$ 3,352,933	\$ 5,118,527	\$ 4,831,767	\$ 4,540,163
Entity's Covered Payroll	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572	\$ 11,216,823
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.88%	26.21%	43.48%	43.82%	40.48%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	51.90%	52.59%	46.86%	45.42%	47.08%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Entity's Proportion of the Net OPEB Liability	0.47664900%	0.47918800%	0.46428800%		
Entity's Proportionate Share of the Net OPEB Liability	\$ 4,340,623	\$ 27,150,114	\$ 22,038,709		
Entity's Covered Payroll	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388		
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.36%	260.81%	228.82%		
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	46.57%	14.13%	15.96%		

* Information prior to 2017 is not available.

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

Notes to Schedule:

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

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

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

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

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

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

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

Change in Assumptions - In 2024, significant changes included a decrease in the single discount rate to 4.07% from 4.27%, and a decrease in the municipal bond rate to 3.38% from 3.65%.

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity Covered Payroll	\$ 15,623,740	\$ 14,512,644	\$ 13,827,222	\$ 13,208,099	\$ 13,084,996
Contributions as a Percentage of Covered Payroll	0%	0%	0%	0%	0%
	2019	2018	2017	2016	
Contractually Required Contribution	\$ -	\$ -	\$ 106,137	\$ 231,052	
Contributions in Relation to the Contractually Required Contribution	-	-	(106,137)	(231,052)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Entity Covered Payroll	\$ 13,080,365	\$ 12,394,111	\$ 12,122,858	\$ 11,644,126	
Contributions as a Percentage of Covered Payroll	0%	0%	1%	2%	

* Information prior to 2016 is not available.

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 75,827	\$ 70,512	\$ 64,675	\$ 59,526	\$ 57,284
Contributions in Relation to the Contractually Required Contribution	(75,827)	(70,512)	(64,675)	(59,526)	(57,284)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity Covered Payroll	\$ 15,001,399	\$ 13,947,617	\$ 12,794,436	\$ 11,772,561	\$ 11,026,572
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 59,183	\$ 54,314	\$ 52,670	\$ 48,194	\$ 59,155
Contributions in Relation to the Contractually Required Contribution	(59,183)	(54,314)	(52,670)	(48,194)	(59,155)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity Covered Payroll	\$ 11,216,823	\$ 10,754,471	\$ 10,409,924	\$ 9,631,388	\$ 9,724,488
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF MIDDLETOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE 1 - BUDGETARY ACCOUNTING

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

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

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budgetary (cash) basis for the General, Health, Street Levy, ARPA, Fire Station Levy and Butler County ARPA Funds are as follows:

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

	General Fund **	Health Fund	Street Levy Fund	ARPA Fund	Fire Station Levy Fund	Butler County ARPA Fund
GAAP basis (as reported)	\$2,199,361	(\$112,524)	\$406,766	-	(\$15,238,163)	-
Adjustments: revenue and other sources	(2,208,587)	(64,694)	(18,000)	(10,500,465)	-	(875,956)
Expenditures and other uses	1,711,980	34,482	(1,336,066)	946,916	1,218,025	163,711
Encumbrances	(1,245,037)	(12,700)	(629,551)	(3,910,140)	(10,883,755)	(3,597,350)
Budget basis	\$457,717	(\$155,436)	(\$1,576,851)	(\$13,463,689)	(\$24,903,893)	(\$4,309,595)

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

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

SPECIAL REVENUE FUNDS:

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

Non-Major Special Revenue Funds:

AUTO AND GAS TAX FUND

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

ACQUISITION FOR PARKS FUND *No adopted budget for 2024

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

EMERGENCY MEDICAL SERVICES FUND (EMS)

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

URBAN DEVELOPMENT ACTION GRANT (UDAG) FUND *No adopted budget for 2024

To account for the Urban Development Action Grant loans.

COURT COMPUTERIZATION FUND

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

LAW ENFORCEMENT TRUST FUND

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

MANDATORY DRUG FINE FUND

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

PROBATION SERVICES FUND

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

INDIGENT DRIVER ALCOHOL TREATMENT FUND

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

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

Non-Major Special Revenue Funds continued:

ENFORCEMENT/EDUCATION FUND *No adopted budget for 2024

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

CIVIC DEVELOPMENT FUND

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

MUNICIPAL COURT FUND

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

POLICE GRANT FUND

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

COURT INDIGENT DRIVERS INTERLOCK AND ALCOHOL MONITORING FUND

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

COURT SPECIAL PROJECTS FUND

To accumulate funds for projects designated by the Municipal Court.

HOME PROGRAM FUND

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

COMMUNITY DEVELOPMENT FUND

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

COMMUNITY DEVELOPMENT ESCROW FUND

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

POLICE PENSION FUND

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

FIRE PENSION FUND

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

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

Non-Major Special Revenue Funds continued:

NEIGHBORHOOD STABILIZATION PROGRAM FUND *No adopted budget for 2024

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

CONSERVANCY DISTRICT FUND

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

NUISANCE ABATEMENT FUND

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

SENIOR SERVICES FUND

To account for levy receipts of the Senior Services Levy.

ONE OHIO OPIOID SETTLEMENT FUND

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

HUD SECTION 108 FUND *No adopted budget for 2024

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

HOUSING ASSISTANCE FUND *No adopted budget for 2024

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

MIDDLETOWN PORT AUTHORITY FUND

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

INCOME TAX FUND

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

TERMINATION PAY FUND

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

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

DEBT SERVICE FUNDS:

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

Non-Major Debt Service Funds:

GENERAL OBLIGATION DEBT SERVICE FUND

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

EAST END/TOWNE BOULEVARD TAX INCREMENT FINANCING DISTRICT FUND

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

DOWNTOWN TAX INCREMENT FINANCING DISTRICT FUND

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

AERONCA TAX INCREMENT FINANCING DISTRICT FUND

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

AIRPORT/RIVERFRONT TAX INCREMENT FINANCING DISTRICT FUND

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

MILLER ROAD NORTH TAX INCREMENT FINANCING DISTRICT FUND

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

TOWNE MALL/HOSPITAL TAX INCREMENT FINANCING DISTRICT FUND

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

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

Non-Major Debt Service Funds continued:

RENAISSANCE NORTH TAX INCREMENT FINANCING DISTRICT FUND

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

RENAISSANCE SOUTH TAX INCREMENT FINANCING DISTRICT FUND

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

MANCHESTER ROAD TAX INCREMENT FINANCING DISTRICT FUND *No adopted budget for 2024

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

GREENTREE TAX INCREMENT FINANCING DISTRICT FUND

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

MADE INDUSTRIAL PARK TAX INCREMENT FINANCING DISTRICT FUND

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

SOUTH YANKEE ROAD TAX INCREMENT FINANCING DISTRICT FUND

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

TOWNE MALL TAX INCREMENT FINANCING DISTRICT FUND

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

SAWYER MILL TAX INCREMENT FINANCING DISTRICT FUND

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

CAPITAL PROJECT FUNDS:

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

Non-Major Capital Project Funds:

EAST END DEVELOPMENT FUND *No adopted budget for 2024

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

DOWNTOWN IMPROVEMENTS FUND

To account for improvement projects in the downtown area.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

Non-Major Capital Project Funds continued:

COMPUTER REPLACEMENT FUND

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

PROPERTY DEVELOPMENT FUND

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

2011 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2024

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

CENTRAL AVE SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2024

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

2018 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2024

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

2019 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2024

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

2020 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2024

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

2021 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2021 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

2022 SIDEWALK, CURB AND GUTTER FUND

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

2023 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2023 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

2024 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2024 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

ECONOMIC DEVELOPMENT BOND SERVICE FUND

To accumulate costs and revenue sources for economic development projects.

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Project Funds	Total Non Major Governmental Funds
Assets:				
Cash and equity in pooled cash, deposits and investments	\$ 12,073,537	\$ 5,403,826	\$ 9,305,365	\$ 26,782,728
Receivables (net of allowance for uncollectibles):				
Property taxes	783,825	-	-	783,825
Accounts	185,824	-	23,115	208,939
Loans	612,799	-	-	612,799
Special assessments	451,055	-	-	451,055
Payment in lieu of taxes	-	1,745,179	-	1,745,179
Due from other governments	1,902,993	4,830	-	1,907,823
Inventory of supplies	893,107	-	-	893,107
Total assets	\$ 16,903,140	\$ 7,153,835	\$ 9,328,480	\$ 33,385,455
Liabilities:				
Accounts payable	\$ 297,558	\$ -	\$ 384,600	\$ 682,158
Accrued wages and benefits	98,352	-	-	98,352
Due to other funds	277,680	-	1,386,349	1,664,029
Due to other governments	123,349	-	-	123,349
Due to individuals	400,000	-	-	400,000
Total liabilities	1,196,939	-	1,770,949	2,967,888
Deferred inflows:				
Revenues levied for the next year and unavailable revenue	2,682,284	1,750,009	-	4,432,293
Total deferred inflows	2,682,284	1,750,009	-	4,432,293
Fund balances:				
Nonspendable	814,520	-	-	814,520
Restricted	12,118,816	3,853,613	5,425,617	21,398,046
Committed	163,501	1,550,213	2,864,811	4,578,525
Assigned	-	-	556,623	556,623
Unassigned	(72,920)	-	(1,289,520)	(1,362,440)
Total fund balances	13,023,917	5,403,826	7,557,531	25,985,274
Total liabilities, deferred inflows and fund balances	\$ 16,903,140	\$ 7,153,835	\$ 9,328,480	\$ 33,385,455

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Project Funds	Total Non Major Governmental Funds
Revenues:				
Property taxes	\$ 713,509	\$ -	\$ -	\$ 713,509
Municipal income taxes	4,003,355	566,500	8,000	4,577,855
Payment in lieu of taxes	-	7,668,893	-	7,668,893
Intergovernmental revenues	5,447,053	432,690	294,296	6,174,039
Charges for services	100	-	-	100
Fees, licenses, and permits	10,500	-	-	10,500
Fines and forfeits	1,961,716	-	-	1,961,716
Special assessments	318,270	-	412,708	730,978
Investment income	129,237	-	83,156	212,393
Miscellaneous	433,741	-	591,852	1,025,593
Total revenues	13,017,481	8,668,083	1,390,012	23,075,576
Expenditures:				
Current				
Public safety	6,850,453	-	-	6,850,453
Community environment	2,496,400	-	585,063	3,081,463
Highways and streets	2,233,064	-	229,034	2,462,098
General government	-	-	523,829	523,829
Miscellaneous	141,235	5,177,297	-	5,318,532
Debt service				
Principal retirement	-	690,000	5,130,000	5,820,000
Interest and fiscal charges	99,360	224,665	527,600	851,625
Total expenditures	11,820,512	6,091,962	6,995,526	24,908,000
Excess of revenues over (under) expenditures	1,196,969	2,576,121	(5,605,514)	(1,832,424)
Other financing sources (uses):				
Transfers-in	300,000	-	2,573,544	2,873,544
Transfers-out	-	(1,700,000)	-	(1,700,000)
Issuance of notes	-	-	10,400,000	10,400,000
Total other financing sources (uses)	300,000	(1,700,000)	12,973,544	11,573,544
Net change in fund balances	1,496,969	876,121	7,368,030	9,741,120
Fund balance, beginning of year	11,526,948	4,527,705	189,501	16,244,154
Fund balance, end of the year	\$ 13,023,917	\$ 5,403,826	\$ 7,557,531	\$ 25,985,274

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024**

	Auto & Gas Tax	Acquisition for Parks	Emergency Medical Services	Urban Development Action Grant	Court Computer- ization	Law Enforcement Trust
Assets:						
Cash and equity in pooled cash, deposits and investments	\$ 2,546,933	\$ 163,401	\$ 52,701	\$ 10,000	\$ 55,013	\$ 146,461
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	-	-
Accounts	2,642	100	-	-	3,488	-
Loans	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	1,706,818	-	-	-	-	-
Inventory of supplies	814,520	-	-	-	-	-
Total assets	\$ 5,070,913	\$ 163,501	\$ 52,701	\$ 10,000	\$ 58,501	\$ 146,461
Liabilities:						
Accounts payable	\$ 81,451	\$ -	\$ -	\$ -	\$ -	\$ 1,648
Accrued wages and benefits	45,995	-	-	-	-	-
Due to other funds	10,921	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	138,367	-	-	-	-	1,648
Deferred inflows:						
Revenues levied for the next year and unavailable revenue	1,404,044	-	-	-	-	-
Total deferred inflows	1,404,044	-	-	-	-	-
Fund balances:						
Nonspendable	814,520	-	-	-	-	-
Restricted	2,713,982	-	52,701	10,000	58,501	144,813
Committed	-	163,501	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	3,528,502	163,501	52,701	10,000	58,501	144,813
Total liabilities, deferred inflows and fund balances	\$ 5,070,913	\$ 163,501	\$ 52,701	\$ 10,000	\$ 58,501	\$ 146,461

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforce- ment Education	Civic Develop- ment	Municipal Court	Police Grant	Court IDIAM	
\$ 266,731	\$ 199,095	\$ 13,312	\$ 65,976	\$ 542,963	\$ 404,435	\$ 397,484	\$ 79,484	
-	-	-	-	-	-	-	-	
1,499	8,970	346	35	52,819	96,615	12,191	78	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
\$ 268,230	\$ 208,065	\$ 13,658	\$ 66,011	\$ 595,782	\$ 501,050	\$ 409,675	\$ 79,562	
\$ 4,763	\$ 1,534	\$ 1,376	\$ -	\$ 18,229	\$ 10,776	\$ 3,332	\$ -	
-	954	-	-	-	50,727	-	-	
428	-	-	-	-	331	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
5,191	2,488	1,376	-	18,229	61,834	3,332	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
263,039	205,577	12,282	66,011	577,553	439,216	406,343	79,562	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
263,039	205,577	12,282	66,011	577,553	439,216	406,343	79,562	
\$ 268,230	\$ 208,065	\$ 13,658	\$ 66,011	\$ 595,782	\$ 501,050	\$ 409,675	\$ 79,562	

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024**

	Court Special Projects	Home Program	Community Develop- ment	Community Development Escrow	Police Pension	Fire Pension
Assets:						
Cash and equity in pooled cash, deposits and investments	\$ 326,720	\$ 71,120	\$ 95,270	\$ 85,428	\$ 1,911,386	\$ 1,935,110
Receivables (net of allowance for uncollectibles):						
Property taxes	-	-	-	-	319,475	319,475
Accounts	7,041	-	-	-	-	-
Loans	-	-	-	558,427	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	-	8,000	144,815	-	18,071	17,240
Inventory of supplies	-	-	-	-	-	-
Total assets	\$ 333,761	\$ 79,120	\$ 240,085	\$ 643,855	\$ 2,248,932	\$ 2,271,825
Liabilities:						
Accounts payable	\$ 9,125	\$ 8,000	\$ 144,815	\$ -	\$ -	\$ -
Accrued wages and benefits	676	-	-	-	-	-
Due to other funds	-	50,000	100,000	-	-	-
Due to other governments	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-
Total liabilities	9,801	58,000	244,815	-	-	-
Deferred inflows:						
Revenues levied for the next year and unavailable revenue	-	-	-	-	337,546	336,715
Total deferred inflows	-	-	-	-	337,546	336,715
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	323,960	21,120	-	643,855	1,911,386	1,935,110
Committed	-	-	-	-	-	-
Unassigned	-	-	(4,730)	-	-	-
Total fund balances	323,960	21,120	(4,730)	643,855	1,911,386	1,935,110
Total liabilities, deferred inflows and fund balances	\$ 333,761	\$ 79,120	\$ 240,085	\$ 643,855	\$ 2,248,932	\$ 2,271,825

Neighborhood Stabilization Program	Conservancy District	Nuisance Abatement	Senior Services	HUD Section 108 Loan	One Ohio Opioid Fund	Middletown Port Authority	Totals	
\$ 460	\$ 92,112	\$ 463,372	\$ 800	\$ 1,765	\$ 722,131	\$ 1,423,874	\$	12,073,537
-	144,875	-	-	-	-	-		783,825
-	-	-	-	-	-	-		185,824
-	-	-	-	-	-	54,372		612,799
-	-	451,055	-	-	-	-		451,055
-	8,049	-	-	-	-	-		1,902,993
78,587	-	-	-	-	-	-		893,107
\$ 79,047	\$ 245,036	\$ 914,427	\$ 800	\$ 1,765	\$ 722,131	\$ 1,478,246	\$	16,903,140
\$ -	\$ -	\$ 12,509	\$ -	\$ -	\$ -	\$ -	\$	297,558
-	-	-	-	-	-	-		98,352
116,000	-	-	-	-	-	-		277,680
-	123,349	-	-	-	-	-		123,349
-	-	-	-	-	-	400,000		400,000
116,000	123,349	12,509	-	-	-	400,000		1,196,939
-	152,924	451,055	-	-	-	-		2,682,284
-	152,924	451,055	-	-	-	-		2,682,284
-	-	-	-	-	-	-		814,520
-	-	450,863	800	1,765	722,131	1,078,246		12,118,816
-	-	-	-	-	-	-		163,501
(36,953)	(31,237)	-	-	-	-	-		(72,920)
(36,953)	(31,237)	450,863	800	1,765	722,131	1,078,246		13,023,917
\$ 79,047	\$ 245,036	\$ 914,427	\$ 800	\$ 1,765	\$ 722,131	\$ 1,478,246	\$	16,903,140

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Auto & Gas Tax	Acquisition for Parks	Emergency Medical Services	Urban Development Action Grant	Court Computer- ization	Law Enforcement Trust
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-
Intergovernmental revenues	3,273,607	-	-	-	-	-
Charges for services	-	100	-	-	-	-
Fees, licenses, and permits	-	10,500	-	-	-	-
Fines and forfeits	-	-	-	-	46,326	92,510
Special assessments	-	-	-	-	-	-
Investment income	86,520	-	-	-	-	-
Miscellaneous	-	-	7,000	-	-	-
Total revenues	3,360,127	10,600	7,000	-	46,326	92,510
Expenditures:						
Current						
Public safety	778,454	-	-	-	47,713	299,680
Community environment	-	-	-	-	-	-
Highways and streets	2,233,064	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,011,518	-	-	-	47,713	299,680
Excess of revenues over (under) expenditures	348,609	10,600	7,000	-	(1,387)	(207,170)
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	348,609	10,600	7,000	-	(1,387)	(207,170)
Fund balance, beginning of year	3,179,893	152,901	45,701	10,000	59,888	351,983
Fund balance, end of the year	\$ 3,528,502	\$ 163,501	\$ 52,701	\$ 10,000	\$ 58,501	\$ 144,813

Mandatory Drug Fine	Probation Services	Indigent Driver Alcohol Treatment	Enforce- ment Education	Civic Develop- ment	Municipal Court	Police Grant	Court IDIAM
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	635,000	-	-
-	-	-	-	-	-	247,064	-
-	-	-	-	-	-	-	-
83,443	137,180	13,651	2,082	-	1,462,562	-	6,423
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,850	-
17,363	-	-	-	308,427	17,170	21,488	-
100,806	137,180	13,651	2,082	308,427	2,114,732	278,402	6,423
149,468	150,416	14,833	-	-	1,859,852	38,657	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	130,781	-	-	-
-	-	-	-	-	-	-	-
149,468	150,416	14,833	-	130,781	1,859,852	38,657	-
(48,662)	(13,236)	(1,182)	2,082	177,646	254,880	239,745	6,423
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(48,662)	(13,236)	(1,182)	2,082	177,646	254,880	239,745	6,423
311,701	218,813	13,464	63,929	399,907	184,336	166,598	73,139
\$ 263,039	\$ 205,577	\$ 12,282	\$ 66,011	\$ 577,553	\$ 439,216	\$ 406,343	\$ 79,562

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Court Special Projects	Home Program	Community Develop- ment	Community Development Escrow	Police Pension	Fire Pension
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 289,259	\$ 289,259
Municipal income taxes	-	-	-	-	1,482,177	1,886,178
Intergovernmental revenues	-	253,585	1,120,709	-	35,420	33,952
Charges for services	-	-	-	-	-	-
Fees, licenses, and permits	-	-	-	-	-	-
Fines and forfeits	112,554	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	327	458	-	-
Miscellaneous	-	-	-	62,293	-	-
Total revenues	112,554	253,585	1,121,036	62,751	1,806,856	2,209,389
Expenditures:						
Current						
Public safety	122,195	-	-	-	1,482,177	1,886,178
Community environment	-	276,295	1,439,546	62,293	-	-
Highways and streets	-	-	-	-	-	-
Miscellaneous	-	-	-	3,092	3,683	3,679
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	122,195	276,295	1,439,546	65,385	1,485,860	1,889,857
Excess of revenues over (under) expenditures	(9,641)	(22,710)	(318,510)	(2,634)	320,996	319,532
Other financing sources (uses):						
Transfers-in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(9,641)	(22,710)	(318,510)	(2,634)	320,996	319,532
Fund balance, beginning of year	333,601	43,830	313,780	646,489	1,590,390	1,615,578
Fund balance, end of the year	\$ 323,960	\$ 21,120	\$ (4,730)	\$ 643,855	\$ 1,911,386	\$ 1,935,110

Neighborhood Stabilization Program	Conservancy District	Nuisance Abatement	Senior Services	HUD Section 108 Loan	One Ohio Opioid Fund	Middletown Port Authority	Totals
\$ -	\$ 134,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,509
-	-	-	-	-	-	-	4,003,355
-	15,996	-	-	-	466,720	-	5,447,053
-	-	-	-	-	-	-	100
-	-	-	-	-	-	-	10,500
-	-	4,985	-	-	-	-	1,961,716
-	-	318,270	-	-	-	-	318,270
-	-	-	-	-	-	32,082	129,237
-	-	-	-	-	-	-	433,741
-	150,987	323,255	-	-	466,720	32,082	13,017,481
-	-	-	-	-	20,830	-	6,850,453
-	125,031	553,253	-	-	-	39,982	2,496,400
-	-	-	-	-	-	-	2,233,064
-	-	-	-	-	-	-	141,235
-	-	-	-	-	-	99,360	99,360
-	125,031	553,253	-	-	20,830	139,342	11,820,512
-	25,956	(229,998)	-	-	445,890	(107,260)	1,196,969
-	-	300,000	-	-	-	-	300,000
-	-	300,000	-	-	-	-	300,000
-	25,956	70,002	-	-	445,890	(107,260)	1,496,969
(36,953)	(57,193)	380,861	800	1,765	276,241	1,185,506	11,526,948
\$ (36,953)	\$ (31,237)	\$ 450,863	\$ 800	\$ 1,765	\$ 722,131	\$ 1,078,246	\$ 13,023,917

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AUTO AND GAS TAX FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 3,287,935	\$ 3,287,935	\$ 3,395,866	\$ 107,931
Interest earnings	7,659	7,659	86,520	78,861
Miscellaneous	98,591	98,591	82,392	(16,199)
Total revenues	3,394,185	3,394,185	3,564,778	170,593
Expenditures:				
Current				
Public safety:				
Electronic Maintenance				
Personal Services	409,979	409,979	398,562	11,417
Other	404,939	404,939	389,555	15,384
Total public safety	814,918	814,918	788,117	26,801
Highways and streets:				
Street Maintenance				
Personal Services	1,289,378	1,339,378	1,303,380	35,998
Other	1,772,835	1,722,835	1,300,603	422,232
Grounds Maintenance				
Personal Services	107,960	107,960	60,044	47,916
Other	251,235	251,235	218,238	32,997
Total highways and streets	3,421,408	3,421,408	2,882,265	539,143
Total expenditures	4,236,326	4,236,326	3,670,382	565,944
Net change in fund balance	(842,141)	(842,141)	(105,604)	736,537
Fund balance, beginning of the year	1,507,001	1,507,001	1,507,001	-
Appropriation for prior year encumbrances	609,148	609,148	609,148	-
Fund balance, end of the year	\$ 1,274,008	\$ 1,274,008	\$ 2,010,545	\$ 736,537

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ACQUISITION FOR PARKS FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Charges for services	\$ -	\$ -	\$ 10,500	\$ 10,500
Total revenues	-	-	10,500	10,500
Net change in fund balance	-	-	10,500	10,500
Fund balance, beginning of the year	152,901	152,901	152,901	-
Fund balance, end of the year	\$ 152,901	\$ 152,901	\$ 163,401	\$ 10,500

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMS FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 7,000	(7,000)
Total revenues	-	-	7,000	(7,000)
Expenditures:				
Current				
Public health and welfare				
Other	17,585	17,585	-	17,585
Total expenditures	17,585	17,585	-	17,585
Net change in fund balance	(17,585)	(17,585)	7,000	10,585
Fund balance, beginning of the year	36,966	36,966	36,966	-
Fund balance, end of the year	\$ 19,381	\$ 19,381	\$ 43,966	\$ 10,585

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
URBAN DEVELOPMENT ACTION GRANT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

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

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT COMPUTERIZATION FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeitures	\$ 65,500	\$ 65,500	\$ 44,747	\$ (20,753)
Total revenues	65,500	65,500	44,747	(20,753)
Expenditures:				
Current				
Public safety				
Other	60,000	60,000	50,610	9,390
Total expenditures	60,000	60,000	50,610	9,390
Net change in fund balance	5,500	5,500	(5,863)	(11,363)
Fund balance, beginning of the year	60,788	60,788	60,788	-
Fund balance, end of the year	\$ 66,288	\$ 66,288	\$ 54,925	\$ (11,363)

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LAW ENFORCEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 85,773	\$ 85,773	\$ 92,510	\$ 6,737
Total revenues	85,773	85,773	92,510	6,737
Expenditures:				
Current				
Public safety				
Personal Services	643,011	643,011	120,500	522,511
Other	241,086	241,086	187,047	54,039
Total expenditures	884,097	884,097	307,547	576,550
Net change in fund balance	(798,324)	(798,324)	(215,037)	583,287
Fund balance, beginning of the year	331,807	331,807	331,807	-
Appropriation for prior year encumbrances	20,176	20,176	20,176	-
Fund balance, end of the year	\$ (446,341)	\$ (446,341)	\$ 136,946	\$ 583,287

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MANDATORY DRUG FINE FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 105,300	\$ 105,300	\$ 82,994	\$ (22,306)
Miscellaneous	12,120	12,120	17,363	5,243
Total revenues	117,420	117,420	100,357	(17,063)
Expenditures:				
Current				
Public safety				
Other	197,573	197,573	155,564	42,009
Total expenditures	197,573	197,573	155,564	42,009
Net change in fund balance	(80,153)	(80,153)	(55,207)	24,946
Fund balance, beginning of the year	317,325	317,325	317,325	-
Fund balance, end of the year	\$ 237,172	\$ 237,172	\$ 262,118	\$ 24,946

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROBATION SERVICES FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 124,860	\$ 124,860	\$ 134,438	\$ 9,578
Total revenues	124,860	124,860	134,438	9,578
Expenditures:				
Current				
Public safety				
Personal Services	114,439	118,439	114,204	4,235
Other	45,000	45,088	36,184	8,904
Total expenditures	159,439	163,527	150,388	13,139
Net change in fund balance	(34,579)	(38,667)	(15,950)	22,717
Fund balance, beginning of the year	215,045	215,045	215,045	-
Fund balance, end of the year	\$ 180,466	\$ 176,378	\$ 199,095	\$ 22,717

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines and forfeits	\$ 12,660	\$ 12,660	\$ 13,657	\$ 997
Total revenues	12,660	12,660	13,657	997
Expenditures:				
Current				
Public safety				
Other	17,500	17,500	14,833	2,667
Total expenditures	17,500	17,500	14,833	2,667
Excess of revenues under				
expenditures	(4,840)	(4,840)	(1,176)	3,664
Net change in fund balance	(4,840)	(4,840)	(1,176)	3,664
Fund balance, beginning of the year	14,488	14,488	14,488	-
Fund balance, end of the year	\$ 9,648	\$ 9,648	\$ 13,312	\$ 3,664

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ENFORCEMENT/EDUCATION FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget		Final Budget		Actual		Variance From Final Budget
Revenues:							
Fines and forfeits	\$	3,550	\$	3,550	\$	450	\$ (3,100)
Miscellaneous		-		-		1,598	1,598
Total revenues		3,550		3,550		2,048	(1,502)
Net change in fund balance		3,550		3,550		2,048	(1,502)
Fund balance, beginning of year		63,929		63,929		63,929	-
Fund balance, end of the year	\$	67,479	\$	67,479	\$	65,977	\$ (1,502)

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CIVIC DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Miscellaneous	\$ 303,000	\$ 303,000	\$ 315,291	\$ 12,291
Total revenues	303,000	303,000	315,291	12,291
Expenditures:				
Current				
Miscellaneous	266,295	266,295	147,262	119,033
Total expenditures	266,295	266,295	147,262	119,033
Net change in fund balance	36,705	36,705	168,029	131,324
Fund balance, beginning of the year	324,069	324,069	324,069	-
Appropriation for prior year encumbrances	41,295	41,295	41,295	-
Fund balance, end of the year	\$ 402,069	\$ 402,069	\$ 533,393	\$ 131,324

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL COURT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 635,000	\$ 635,000	\$ 635,000	\$ -
Intergovernmental revenue	-	-	-	-
Fines and forfeits	1,232,303	1,232,303	1,454,717	222,414
Miscellaneous	45,450	45,450	16,955	(28,495)
Total revenues	1,912,753	1,912,753	2,106,672	193,919
Expenditures:				
Current				
Public safety				
Personal Services	1,727,275	1,777,275	1,727,279	49,996
Other	124,926	124,926	116,195	8,731
Total expenditures	1,852,201	1,902,201	1,843,474	58,727
Net change in fund balance	60,552	10,552	263,198	252,646
Fund balance, beginning of the year	141,237	141,237	141,237	-
Fund balance, end of the year	\$ 201,789	\$ 151,789	\$ 404,435	\$ 252,646

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE GRANT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 77,901	\$ 77,901	\$ 256,361	\$ 178,460
Interest earnings	-	-	9,851	9,851
Total revenues	77,901	77,901	266,212	188,311
Expenditures:				
Current				
Public safety:				
Step Grant				
Personal Services	25,060	25,060	5,082	19,978
Step Grant II				
Personal Services	23,561	23,561	4,002	19,559
Body Worn Camera Grant				
Other	33,660	33,660	-	33,660
2021 JAG BYRNE Memorial Grant				
Contractual services	6,213	6,213	-	6,213
COPS Grant				
Capital Outlay	15,754	15,754	12,236	3,518
2023 Local JAG Grant				
Contractual Services	5,915	5,915	5,915	-
2017 State Training Reimbursement				
Contractual Services	-	65,080	19,168	45,912
2023 Railroad Grant				
Personal Services	80,000	80,000	-	80,000
Total expenditures	190,163	255,243	46,403	208,840
Net change in fund balance	(112,262)	(177,342)	219,809	397,151
Fund balance, beginning of the year	171,011	171,011	171,011	-
Appropriation for prior year encumbrances	3,332	3,332	3,332	-
Fund balance, end of the year	\$ 62,081	\$ (2,999)	\$ 394,152	\$ 397,151

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT IDIAM FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 7,531	\$ 7,531	\$ 6,420	\$ (1,111)
Total revenues	7,531	7,531	6,420	(1,111)
Expenditures:				
Current				
Miscellaneous	20,000	20,000	-	20,000
Other				
Total expenditures	20,000	20,000	-	20,000
Net change in fund balance	(12,469)	(12,469)	6,420	18,889
Fund balance, beginning of the year	73,064	73,064	73,064	-
Fund balance, end of the year	\$ 60,595	\$ 60,595	\$ 79,484	\$ 18,889

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT SPECIAL PROJECTS FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines & forfeits	\$ 116,688	\$ 116,688	\$ 113,485	\$ (3,203)
Total revenues	116,688	116,688	113,485	(3,203)
Expenditures:				
Current				
Public safety				
Personal Services	87,966	92,966	91,601	1,365
Other	116,000	116,000	27,110	88,890
Total expenditures	203,966	208,966	118,711	90,255
Net change in fund balance	(87,278)	(92,278)	(5,226)	87,052
Fund balance, beginning of the year	326,332	326,332	326,332	-
Fund balance, end of the year	\$ 239,054	\$ 234,054	\$ 321,106	\$ 87,052

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HOME PROGRAM FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 2,130,136	\$ 2,130,136	\$ 245,823	\$ (1,884,313)
Total revenues	2,130,136	2,130,136	245,823	(1,884,313)
Expenditures:				
Current				
Community environment				
Other	1,854,007	2,224,648	276,164	1,948,484
Total expenditures	1,854,007	2,224,648	276,164	1,948,484
Net change in fund balance	276,129	(94,512)	(30,341)	64,171
Fund balance, beginning of the year	101,461	101,461	101,461	-
Fund balance, end of the year	\$ 377,590	\$ 6,949	\$ 71,120	\$ 64,171

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMMUNITY DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ 885,000	\$ 885,000	\$ 1,330,602	\$ 445,602
Interest earnings	-	-	327	327
Total revenues	885,000	885,000	1,330,929	445,929
Expenditures:				
Current				
Community environment				
Other	1,344,362	1,984,337	1,910,034	74,303
Total expenditures	1,344,362	1,984,337	1,910,034	74,303
Net change in fund balance	(459,362)	(1,099,337)	(579,105)	520,232
Fund balance, beginning of the year	(506,592)	(506,592)	(506,592)	-
Appropriation for prior year encumbrances	601,534	601,534	601,534	-
Fund balance, end of the year	\$ (364,420)	\$ (1,004,395)	\$ (484,163)	\$ 520,232

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMMUNITY DEVELOPMENT ESCROW FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 458	\$ 458
Miscellaneous	60,245	60,245	62,293	2,048
Total revenues	60,245	60,245	62,751	2,506
Expenditures:				
Current				
Community Environment				
Other	25,000	25,000	3,091	21,909
Total expenditures	25,000	25,000	3,091	21,909
Net change in fund balance	35,245	35,245	59,660	24,415
Fund balance, beginning of the year	25,768	25,768	25,768	-
Fund balance, end of the year	\$ 61,013	\$ 61,013	\$ 85,428	\$ 24,415

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE PENSION FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 232,300	\$ 232,300	\$ 289,259	\$ 56,959
Intergovernmental revenue	26,664	26,664	35,419	8,755
Municipal income taxes	1,215,400	1,615,400	1,482,177	(133,223)
Total revenues	1,474,364	1,874,364	1,806,855	(67,509)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,729	4,729	3,682	1,047
Personal Services	1,409,057	1,609,057	1,482,177	126,880
Total expenditures	1,413,786	1,613,786	1,485,859	127,927
Net change in fund balance	60,578	260,578	320,996	60,418
Fund balance, beginning of the year	1,590,390	1,590,390	1,590,390	-
Fund balance, end of the year	\$ 1,650,968	\$ 1,850,968	\$ 1,911,386	\$ 60,418

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE PENSION FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 232,300	\$ 232,300	\$ 289,259	\$ 56,959
Intergovernmental revenue	26,663	26,663	33,952	7,289
Municipal income taxes	1,443,030	2,043,030	1,886,178	(156,852)
Total revenues	1,701,993	2,301,993	2,209,389	(92,604)
Expenditures:				
Current				
Public safety				
Miscellaneous	4,729	4,729	3,679	1,050
Personal Services	1,719,620	2,019,620	1,886,178	133,442
Total expenditures	1,724,349	2,024,349	1,889,857	134,492
Net change in fund balance	(22,356)	277,644	319,532	41,888
Fund balance, beginning of the year	1,615,578	1,615,578	1,615,578	-
Fund balance, end of the year	\$ 1,593,222	\$ 1,893,222	\$ 1,935,110	\$ 41,888

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CONSERVANCY DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 100,145	\$ 100,145	\$ 134,991	\$ 34,846
Intergovernmental revenue	15,559	15,559	15,995	436
Total revenues	115,704	115,704	150,986	35,282
Expenditures:				
Current				
Community environment				
Other	125,449	125,449	125,030	419
Total expenditures	125,449	125,449	125,030	419
Net change in fund balance	(9,745)	(9,745)	25,956	35,701
Fund balance, beginning of the year	66,156	66,156	66,156	-
Fund balance, end of the year	\$ 56,411	\$ 56,411	\$ 92,112	\$ 35,701

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
NUISANCE ABATEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 212,100	\$ 212,100	\$ 318,269	\$ 106,169
Fines and forfeitures	15,150	15,150	405	(14,745)
Miscellaneous	-	-	4,581	4,581
Total revenues	227,250	227,250	323,255	96,005
Expenditures:				
Current				
Community environment				
Other	752,275	752,275	736,753	15,522
Total expenditures	752,275	752,275	736,753	15,522
Excess of revenues over (under) expenditures	(525,025)	(525,025)	(413,498)	111,527
Other financing sources (uses):				
Transfers-in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net change in fund balance	(225,025)	(225,025)	(113,498)	111,527
Fund balance, beginning of the year	219,350	219,350	219,350	-
Appropriation for prior year encumbrances	171,275	171,275	171,275	-
Fund balance, end of the year	\$ 165,600	\$ 165,600	\$ 277,127	\$ 111,527

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SENIOR SERVICES FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Expenditures:				
Current				
Community environment				
Other	150	150	-	150
Total expenditures	150	150	-	150
Net change in fund balance	(150)	(150)	-	150
Fund balance, beginning of the year	800	800	800	-
Fund balance, end of the year	\$ 650	\$ 650	\$ 800	\$ 150

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ONE OHIO OPIOID SETTLEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 466,720	\$ 466,720
Total revenues	-	-	466,720	466,720
Expenditures:				
Current				
Public safety				
Other	53,000	53,000	31,500	21,500
Total expenditures	53,000	53,000	31,500	21,500
Net change in fund balance	(53,000)	(53,000)	435,220	488,220
Fund balance, beginning of the year	276,241	276,241	276,241	-
Fund balance, end of the year	\$ 223,241	\$ 223,241	\$ 711,461	\$ 488,220

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MIDDLETOWN PORT AUTHORITY
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 32,082	\$ 32,082
Total revenues	-	-	32,082	32,082
Expenditures:				
Current				
Community Environment				
Other	100,000	100,000	39,982	60,018
Interest and fiscal charges	-	-	99,360	(99,360)
Total expenditures	100,000	100,000	139,342	(39,342)
Net change in fund balance	(100,000)	(100,000)	(107,260)	(7,260)
Fund balance, beginning of the year	1,531,134	1,531,134	1,531,134	-
Fund balance, end of the year	\$ 1,431,134	\$ 1,431,134	\$ 1,423,874	\$ (7,260)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INCOME TAX FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
CITY INCOME TAX	\$ 33,935,654	\$ 39,135,654	\$ 37,133,541	\$ (2,002,113)
CASH OVER AND SHORT	-	-	12	12
less transfers out				
TO GENERAL FUND	(20,395,970)	(22,995,970)	(22,153,496)	842,474
TO FIRE PENSION FUND	(1,443,030)	(2,043,030)	(1,886,178)	156,852
TO POLICE PENSION FUND	(1,215,400)	(1,615,400)	(1,482,177)	133,223
TO GENERAL BOND RETIREMENT	(566,500)	(566,500)	(566,500)	-
TO COMPUTER REPLACE FUND	(8,000)	(8,000)	(8,000)	-
TO TERMINATION PAY	(515,000)	(515,000)	(515,000)	-
TO PUBLIC SAFETY FUND	(4,223,803)	(5,023,803)	(4,651,899)	371,904
TO STREET LEVY FUND	(3,989,500)	(4,789,500)	(4,569,921)	219,579
TO HEALTH FUND	(200,000)	(200,000)	(200,000)	-
TO MUNICIPAL COURT	(635,000)	(635,000)	(635,000)	-
Total revenues	743,451	743,451	465,382	(278,069)
Expenditures:				
Current				
General government				
Personal services	672,171	718,853	598,254	120,599
Other	105,908	105,908	66,366	39,542
Total expenditures	778,079	824,761	664,620	160,141
Net change in fund balance	(34,628)	(81,310)	(199,238)	(117,928)
Fund balance, beginning of the year	189,611	189,611	189,611	-
Appropriation for prior year encumbrances	34,627	34,627	34,627	-
Fund balance, end of the year	\$ 189,610	\$ 142,928	\$ 25,000	\$ (117,928)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TERMINATION PAY FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income tax	\$ 515,000	\$ 515,000	\$ 515,000	\$ -
Total revenues	515,000	515,000	515,000	-
Expenditures:				
Current				
Personal services:				
Public safety	639,029	639,029	606,987	32,042
Community environment	14,351	14,351	13,631	720
General government	21,620	21,620	20,536	1,084
Total expenditures	675,000	675,000	641,154	33,846
Net change in fund balance	(160,000)	(160,000)	(126,154)	33,846
Fund balance, beginning of the year	376,031	376,031	376,031	-
Fund balance, end of the year	\$ 216,031	\$ 216,031	\$ 249,877	\$ 33,846



**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2024**

	General Obligation Debt Service	East End - Towne Blvd Tax Increment Financing District	Downtown Tax Increment Financing District	Aeronca Tax Increment Financing District	Airport - Riverfront Tax Increment Financing District	Miller Road North Tax Increment Financing District	Towne Mall Hospital Tax Increment Financing District
Assets:							
Cash and equity in pooled cash, deposits and investments	\$ 1,550,213	\$ 691,684	\$ 75,649	\$ 9,483	\$ 28,330	\$ 189,365	\$ 1,137,253
Receivables (net of allowance for uncollectibles):							
Payments in lieu of taxes	-	426,264	9,519	695	597	26,635	375,815
Due from other governments	4,830	-	-	-	-	-	-
Total assets	\$ 1,555,043	\$ 1,117,948	\$ 85,168	\$ 10,178	\$ 28,927	\$ 216,000	\$ 1,513,068
Liabilities:							
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows:							
Revenues levied for the next year and unavailable revenue	\$ 4,830	\$ 426,264	\$ 9,519	\$ 695	\$ 597	\$ 26,635	\$ 375,815
Total deferred inflows	4,830	426,264	9,519	695	597	26,635	375,815
Fund balances:							
Restricted	-	691,684	75,649	9,483	28,330	189,365	1,137,253
Committed	1,550,213	-	-	-	-	-	-
Total fund balance	1,550,213	691,684	75,649	9,483	28,330	189,365	1,137,253
Total liabilities, deferred inflows and fund balances	\$ 1,555,043	\$ 1,117,948	\$ 85,168	\$ 10,178	\$ 28,927	\$ 216,000	\$ 1,513,068

Renaissance North Tax Increment Financing District	Renaissance South Tax Increment Financing District	Manchester Road Tax Increment Financing District	Greentree Tax Increment Financing District	Made Industrial Park Tax Increment Financing	South Yankee Road Tax Increment Financing	Towne Mall Tax Increment Financing	Sawyer Mill Tax Increment Financing	Totals
\$ 249,825	\$ 595,632	\$ 378	\$ 439,894	\$ 26,247	\$ 27,730	\$ 175,380	\$ 206,763	\$ 5,403,826
251,257	420,256	-	55,528	2,136	183	162,826	13,468	1,745,179
-	-	-	-	-	-	-	-	4,830
\$ 501,082	\$ 1,015,888	\$ 378	\$ 495,422	\$ 28,383	\$ 27,913	\$ 338,206	\$ 220,231	\$ 7,153,835
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 251,257	\$ 420,256	\$ -	\$ 55,528	\$ 2,136	\$ 183	\$ 162,826	\$ 13,468	\$ 1,750,009
251,257	420,256	-	55,528	2,136	183	162,826	13,468	1,750,009
249,825	595,632	378	439,894	26,247	27,730	175,380	206,763	3,853,613
-	-	-	-	-	-	-	-	1,550,213
249,825	595,632	378	439,894	26,247	27,730	175,380	206,763	5,403,826
\$ 501,082	\$ 1,015,888	\$ 378	\$ 495,422	\$ 28,383	\$ 27,913	\$ 338,206	\$ 220,231	\$ 7,153,835

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2024**

	General Obligation Debt Service	East End - Towne Blvd Tax Increment Financing District	Downtown Tax Increment Financing District	Aeronca Tax Increment Financing District	Airport - Riverfront Tax Increment Financing District	Miller Road North Tax Increment Financing District
Revenues						
Municipal income taxes	\$ 566,500	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	569,139	16,944	1,378	15,400	23,605
Intergovernmental	432,690	-	-	-	-	-
Total revenues	999,190	569,139	16,944	1,378	15,400	23,605
Expenditures						
Debt service						
Principal retirement	280,000	50,000	-	-	-	-
Interest and fiscal charges	111,465	4,500	-	-	-	-
Miscellaneous	-	137,044	-	-	-	-
Total expenditures	391,465	191,544	-	-	-	-
Excess of revenues over (under) expenditures	607,725	377,595	16,944	1,378	15,400	23,605
Other financing sources (uses):						
Transfers-out	-	(600,000)	-	-	-	-
Total other financing sources (uses)	-	(600,000)	-	-	-	-
Net change in fund balance	607,725	(222,405)	16,944	1,378	15,400	23,605
Fund balance, beginning of the year	942,488	914,089	58,705	8,105	12,930	165,760
Fund balance, end of the year	\$ 1,550,213	\$ 691,684	\$ 75,649	\$ 9,483	\$ 28,330	\$ 189,365

Towne Mall Hospital Tax Increment Financing District	Renaissance North Tax Increment Financing District	Renaissance South Tax Increment Financing District	Manchester Road Tax Increment Financing District	Greentree Tax Increment Financing District	Made Industrial Park Tax Increment Financing	South Yankee Road Tax Increment Financing	Towne Mall Tax Increment Financing	Sawyer Mill Tax Increment Financing	Totals
\$ - 3,132,021 -	\$ - 903,776 -	\$ - 1,504,063 -	\$ - - -	\$ - 99,078 -	\$ - 4,233 -	\$ - 1,716 -	\$ - 207,711 -	\$ - 1,189,829 -	\$ 566,500 7,668,893 432,690
3,132,021	903,776	1,504,063	-	99,078	4,233	1,716	207,711	1,189,829	8,668,083
150,000 -	150,000 -	60,000 108,700	- -	- -	- -	- -	- -	- -	690,000 224,665
2,198,931	638,412	1,034,310	-	-	-	-	43,485	1,125,115	5,177,297
2,348,931	788,412	1,203,010	-	-	-	-	43,485	1,125,115	6,091,962
783,090	115,364	301,053	-	99,078	4,233	1,716	164,226	64,714	2,576,121
(200,000)	(300,000)	(600,000)	-	-	-	-	-	-	(1,700,000)
(200,000)	(300,000)	(600,000)	-	-	-	-	-	-	(1,700,000)
583,090	(184,636)	(298,947)	-	99,078	4,233	1,716	164,226	64,714	876,121
554,163	434,461	894,579	378	340,816	22,014	26,014	11,154	142,049	4,527,705
\$ 1,137,253	\$ 249,825	\$ 595,632	\$ 378	\$ 439,894	\$ 26,247	\$ 27,730	\$ 175,380	\$ 206,763	\$ 5,403,826

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 260,516	\$ 260,516	\$ 88,228	\$ (172,288)
Total revenues	260,516	260,516	88,228	(172,288)
Expenditures:				
Debt service	197,533	197,533	192,533	5,000
Total expenditures	197,533	197,533	192,533	5,000
Net change in fund balance	62,983	62,983	(104,305)	(167,288)
Fund balance, beginning of the year	365,712	365,712	365,712	-
Fund balance, end of the year	\$ 428,695	\$ 428,695	\$ 261,407	\$ (167,288)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL OBLIGATION DEBT SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 550,000	\$ 550,000	\$ 566,500	\$ 16,500
Intergovernmental	950	950	32,573	31,623
Miscellaneous	404,809	404,809	403,726	(1,083)
Total revenues	955,759	955,759	1,002,799	47,040
Expenditures:				
Current				
Miscellaneous				
Other	1,000	6,140	2,000	4,140
Debt service	432,690	470,275	432,690	37,585
Total expenditures	433,690	476,415	434,690	41,725
Excess of revenues under expenditures	522,069	479,344	568,109	88,765
Other financing sources:				
Premium on Bonds	-	-	43,225	43,225
Total other financing sources	-	-	43,225	43,225
Net change in fund balance	522,069	479,344	611,334	131,990
Fund balance, beginning of the year	938,879	938,879	938,879	-
Fund balance, end of the year	\$ 1,460,948	\$ 1,418,223	\$ 1,550,213	\$ 131,990

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EAST END/TOWNE BLVD TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 170,000	\$ 195,000	\$ 569,139	\$ 374,139
Total revenues	170,000	195,000	569,139	374,139
Expenditures:				
Current				
Miscellaneous				
Other	117,000	142,000	137,044	4,956
Capital outlay	600,000	600,000	600,000	-
Debt service	54,730	54,730	54,500	230
Total expenditures	771,730	796,730	791,544	5,186
Net change in fund balance	(601,730)	(601,730)	(222,405)	379,325
Fund balance, beginning of the year	914,089	914,089	914,089	-
Fund balance, end of the year	\$ 312,359	\$ 312,359	\$ 691,684	\$ 379,325

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 8,155	\$ 8,155	\$ 16,944	\$ 8,789
Total revenues	8,155	8,155	16,944	8,789
Expenditures:				
Current				
Miscellaneous				
Other	100	100	-	100
Total expenditures	100	100	-	100
Net change in fund balance	8,055	8,055	16,944	8,889
Fund balance, beginning of the year	58,705	58,705	58,705	-
Fund balance, end of the year	\$ 66,760	\$ 66,760	\$ 75,649	\$ 8,889

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AERONCA TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ -	\$ -	\$ 1,378	\$ 1,378
Total revenues	-	-	1,378	1,378
Expenditures:				
Current				
Miscellaneous				
Other	50	50	-	50
Total expenditures	50	50	-	50
Net change in fund balance	(50)	(50)	1,378	1,428
Fund balance, beginning of the year	8,105	8,105	8,105	-
Fund balance, end of the year	\$ 8,055	\$ 8,055	\$ 9,483	\$ 1,428

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AIRPORT/RIVERFRONT TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 974	\$ 974	\$ 15,400	\$ 14,426
Total revenues	974	974	15,400	14,426
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	939	939	15,400	14,461
Fund balance, beginning of the year	12,930	12,930	12,930	-
Fund balance, end of the year	\$ 13,869	\$ 13,869	\$ 28,330	\$ 14,461

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MILLER ROAD NORTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 14,800	\$ 14,800	\$ 23,605	\$ 8,805
Total revenues	14,800	14,800	23,605	8,805
Expenditures:				
Current				
Miscellaneous				
Other	300	300	-	300
Total expenditures	300	300	-	300
Net change in fund balance	14,500	14,500	23,605	9,105
Fund balance, beginning of the year	165,760	165,760	165,760	-
Fund balance, end of the year	\$ 180,260	\$ 180,260	\$ 189,365	\$ 9,105

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOWNE MALL/HOSPITAL TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 900,000	\$ 2,450,000	\$ 3,132,021	\$ 682,021
Total revenues	900,000	2,450,000	3,132,021	682,021
Expenditures:				
Current				
Miscellaneous				
Other	654,000	2,204,000	2,198,931	5,069
Capital outlay	200,000	200,000	200,000	-
Debt service	150,000	150,000	150,000	-
Total expenditures	1,004,000	2,554,000	2,548,931	5,069
Net change in fund balance	(104,000)	(104,000)	583,090	687,090
Fund balance, beginning of the year	554,163	554,163	554,163	-
Fund balance, end of the year	\$ 450,163	\$ 450,163	\$ 1,137,253	\$ 687,090

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RENAISSANCE NORTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 595,000	\$ 745,000	\$ 903,777	\$ 158,777
Total revenues	595,000	745,000	903,777	158,777
Expenditures:				
Current				
Miscellaneous				
Other	498,500	648,500	638,413	10,087
Capital outlay	300,000	300,000	300,000	-
Debt service	150,000	150,000	150,000	-
Total expenditures	948,500	1,098,500	1,088,413	10,087
Net change in fund balance	(353,500)	(353,500)	(184,636)	168,864
Fund balance, beginning of the year	434,461	434,461	434,461	-
Fund balance, end of the year	\$ 80,961	\$ 80,961	\$ 249,825	\$ 168,864

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RENAISSANCE SOUTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 1,030,000	\$ 1,155,000	\$ 1,504,063	\$ 349,063
Total revenues	1,030,000	1,155,000	1,504,063	349,063
Expenditures:				
Current				
Miscellaneous				
Other	931,500	1,056,500	1,034,310	22,190
Capital outlay	600,000	600,000	600,000	-
Debt service	168,700	168,700	168,700	-
Total expenditures	1,700,200	1,825,200	1,803,010	22,190
Net change in fund balance	(670,200)	(670,200)	(298,947)	371,253
Fund balance, beginning of the year	894,579	894,579	894,579	-
Fund balance, end of the year	\$ 224,379	\$ 224,379	\$ 595,632	\$ 371,253

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GREENTREE INDUSTRIAL PARK TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 135,000	\$ 135,000	\$ 99,078	\$ (35,922)
Total revenues	135,000	135,000	99,078	(35,922)
Net change in fund balance	135,000	135,000	99,078	(35,922)
Fund balance, beginning of the year	340,816	340,816	340,816	-
Fund balance, end of the year	\$ 475,816	\$ 475,816	\$ 439,894	\$ (35,922)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MADE INDUSTRIAL PARK TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 7,800	\$ 7,800	\$ 4,233	\$ (3,567)
Total revenues	7,800	7,800	4,233	(3,567)
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	7,765	7,765	4,233	(3,532)
Fund balance, beginning of the year	22,014	22,014	22,014	-
Fund balance, end of the year	\$ 29,779	\$ 29,779	\$ 26,247	\$ (3,532)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SOUTH YANKEE ROAD TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 790	\$ 790	\$ 1,716	\$ 926
Total revenues	790	790	1,716	926
Expenditures:				
Current				
Miscellaneous				
Other	35	35	-	35
Total expenditures	35	35	-	35
Net change in fund balance	755	755	1,716	961
Fund balance, beginning of the year	26,014	26,014	26,014	-
Fund balance, end of the year	\$ 26,769	\$ 26,769	\$ 27,730	\$ 961

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOWNE MALL INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 196,000	\$ 196,000	\$ 207,711	\$ 11,711
Total revenues	196,000	196,000	207,711	11,711
Expenditures:				
Current				
Miscellaneous				
Other	160,000	160,000	43,485	116,515
Total expenditures	160,000	160,000	43,485	116,515
Net change in fund balance	36,000	36,000	164,226	128,226
Fund balance, beginning of the year	11,154	11,154	11,154	-
Fund balance, end of the year	\$ 47,154	\$ 47,154	\$ 175,380	\$ 128,226

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SAWYER MILL TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	\$ 250,000	\$ 1,250,000	\$ 1,189,828	\$ (60,172)
Total revenues	250,000	1,250,000	1,189,828	(60,172)
Expenditures:				
Current				
Miscellaneous				
Other	135,000	1,135,000	1,125,114	9,886
Total expenditures	135,000	1,135,000	1,125,114	9,886
Net change in fund balance	115,000	115,000	64,714	(50,286)
Fund balance, beginning of the year	142,049	142,049	142,049	-
Fund balance, end of the year	\$ 257,049	\$ 257,049	\$ 206,763	\$ (50,286)



**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2024**

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter	Central Avenue Sidewalk Curb and Gutter
Assets						
Cash and equity in pooled cash, deposits and investments	\$ 139,809	\$ 538,546	\$ 1,691,454	\$ 1,272,071	\$ 16,384	\$ -
Receivables (net of allowance for uncollectibles):						
Accounts	-	1,693	-	21,422	-	-
Total assets	\$ 139,809	\$ 540,239	\$ 1,691,454	\$ 1,293,493	\$ 16,384	\$ -
Liabilities						
Accounts payable	\$ -	\$ -	\$ 120,136	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	42,007
Total liabilities	-	-	120,136	-	-	42,007
Fund balances:						
Restricted	139,809	-	-	-	-	-
Committed	-	-	1,571,318	1,293,493	-	-
Assigned	-	540,239	-	-	16,384	-
Unassigned	-	-	-	-	-	(42,007)
Total fund balances	139,809	540,239	1,571,318	1,293,493	16,384	(42,007)
Total liabilities and fund balances	\$ 139,809	\$ 540,239	\$ 1,691,454	\$ 1,293,493	\$ 16,384	\$ -

2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	2022 Sidewalk Curb and Gutter Program	2023 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ 48,039	\$ -	\$ -	\$ 7,306	\$ 89,523	\$ -	\$ 5,502,233	\$ 9,305,365
-	-	-	-	-	-	-	23,115
\$ 48,039	\$ -	\$ -	\$ 7,306	\$ 89,523	\$ -	\$ 5,502,233	\$ 9,328,480
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 264,464	\$ 384,600
-	138,265	496,548	118,881	363,482	227,166	-	1,386,349
-	138,265	496,548	118,881	363,482	227,166	264,464	1,770,949
48,039	-	-	-	-	-	5,237,769	5,425,617
-	-	-	-	-	-	-	2,864,811
-	-	-	-	-	-	-	556,623
-	(138,265)	(496,548)	(111,575)	(273,959)	(227,166)	-	(1,289,520)
48,039	(138,265)	(496,548)	(111,575)	(273,959)	(227,166)	5,237,769	7,557,531
\$ 48,039	\$ -	\$ -	\$ 7,306	\$ 89,523	\$ -	\$ 5,502,233	\$ 9,328,480

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR CAPITAL PROJECT FUNDS
FOR YEAR ENDED DECEMBER 31, 2024**

	East End Development	Downtown Improvements	Computer Replacement	Property Development	2011 Sidewalk, Curb and Gutter	Central Avenue Sidewalk Curb and Gutter
Revenues						
Municipal income taxes	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	294,296	-	-
Special Assessments	-	-	-	-	-	279
Investment income	5,134	23,179	54,843	-	-	-
Miscellaneous	-	11,852	-	530,000	-	-
Total revenues	5,134	35,031	62,843	824,296	-	279
Expenditures						
Current						
Community environment	-	73,284	-	43,920	-	-
Highways and streets	-	-	-	-	-	-
General government	-	-	324,198	-	-	-
Debt service						
Principal retirement	-	140,000	-	-	-	-
Interest and fiscal charges	-	50,508	-	-	-	-
Total expenditures	-	263,792	324,198	43,920	-	-
Excess of revenues over (under) expenditures	5,134	(228,761)	(261,355)	780,376	-	279
Other financing sources (uses)						
Transfers-in	-	175,000	540,576	-	-	-
Issuance of notes	-	-	-	-	-	-
Total other financing sources (uses)	-	175,000	540,576	-	-	-
Net change in fund balances	5,134	(53,761)	279,221	780,376	-	279
Fund balance, beginning of year	134,675	594,000	1,292,097	513,117	16,384	(42,286)
Fund balance, end of the year	\$ 139,809	\$ 540,239	\$ 1,571,318	\$ 1,293,493	\$ 16,384	\$ (42,007)

2018 Sidewalk Curb and Gutter Program	2019 Sidewalk Curb and Gutter Program	2020 Sidewalk Curb and Gutter Program	2021 Sidewalk Curb and Gutter Program	2022 Sidewalk Curb and Gutter Program	2023 Sidewalk Curb and Gutter Program	Economic Development Bond Service	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,000
-	-	-	-	-	-	-	294,296
52,705	73,416	121,201	26,721	136,518	1,868	-	412,708
-	-	-	-	-	-	-	83,156
-	-	-	-	-	-	50,000	591,852
52,705	73,416	121,201	26,721	136,518	1,868	50,000	1,390,012
-	-	-	-	-	-	467,859	585,063
-	-	-	-	-	229,034	-	229,034
-	-	-	-	-	-	199,631	523,829
-	-	-	-	-	-	4,990,000	5,130,000
-	-	-	-	-	-	477,092	527,600
-	-	-	-	-	229,034	6,134,582	6,995,526
52,705	73,416	121,201	26,721	136,518	(227,166)	(6,084,582)	(5,605,514)
-	-	-	-	-	-	1,857,968	2,573,544
-	-	-	-	-	-	10,400,000	10,400,000
-	-	-	-	-	-	12,257,968	12,973,544
52,705	73,416	121,201	26,721	136,518	(227,166)	6,173,386	7,368,030
(4,666)	(211,681)	(617,749)	(138,296)	(410,477)	-	(935,617)	189,501
\$ 48,039	\$ (138,265)	\$ (496,548)	\$ (111,575)	\$ (273,959)	\$ (227,166)	\$ 5,237,769	\$ 7,557,531

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL IMPROVEMENTS FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property taxes	\$ 698,079	\$ 698,079	\$ 917,476	\$ 219,397
Intergovernmental revenue	885,078	1,285,078	1,312,067	26,989
Charges for services	5,050	5,050	6,637	1,587
Interest earnings	10,100	210,100	222,032	11,932
Miscellaneous	-	-	168,745	168,745
Total revenues	1,598,307	2,198,307	2,626,957	428,650
Expenditures:				
Current				
Public safety				
Other	1,509,750	1,822,263	1,900,137	(77,874)
Leisure time activities				
Other	8,344	1,770,344	890,169	880,175
Highways and streets				
Other	784,844	1,034,844	1,814,392	(779,548)
Miscellaneous				
Other	13,000	13,000	11,340	1,660
Total expenditures	2,315,938	4,640,451	4,616,038	24,413
Net change in fund balance	(717,631)	(2,442,144)	(1,989,081)	453,063
Fund balance, beginning of the year	4,518,850	4,518,850	4,518,850	-
Appropriation for prior year encumbrances	1,515,938	1,515,938	1,515,938	-
Fund balance, end of the year	\$ 5,317,157	\$ 3,592,644	\$ 4,045,707	\$ 453,063

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EAST END DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ -	\$ -	\$ 5,134	\$ 5,134
Total revenues	-	-	5,134	5,134
Net change in fund balance	-	-	5,134	5,134
Fund balance, beginning of the year	134,675	134,675	134,675	-
Fund balance, end of the year	\$ 134,675	\$ 134,675	\$ 139,809	\$ 5,134

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN IMPROVEMENTS FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest earnings	\$ 3,450	\$ 3,450	\$ 23,178	\$ 19,728
Miscellaneous	246,883	246,883	185,160	(61,723)
Total revenues	250,333	250,333	208,338	(41,995)
Expenditures:				
Current				
Community environment				
Other	136,230	136,230	74,033	62,197
Debt Service				
Principal retirement	140,000	140,000	140,000	-
Interest & fiscal charges	50,508	50,508	50,508	-
Total expenditures	326,738	326,738	264,541	62,197
Net change in fund balance	(76,405)	(76,405)	(56,203)	20,202
Fund balance, beginning of the year	594,000	594,000	594,000	-
Fund balance, end of the year	\$ 517,595	\$ 517,595	\$ 537,797	\$ 20,202

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMPUTER REPLACEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Interest earnings	3,804	3,804	54,844	51,040
Miscellaneous	55,120	55,120	-	(55,120)
Total revenues	66,924	66,924	62,844	(4,080)
Expenditures:				
Current				
General government				
Other	594,068	594,068	550,761	43,307
Total expenditures	594,068	594,068	550,761	43,307
Excess of revenues under expenditures	(527,144)	(527,144)	(487,917)	39,227
Other financing sources:				
Transfers-in	540,575	540,575	540,576	1
Total other financing sources	540,575	540,575	540,576	1
Net change in fund balance	13,431	13,431	52,659	39,228
Fund balance, beginning of the year	984,004	984,004	984,004	-
Appropriation for prior year encumbrances	354,068	354,068	354,068	-
Fund balance, end of the year	\$ 1,351,503	\$ 1,351,503	\$ 1,390,731	\$ 39,228

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROPERTY DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 193,150	\$ 193,150	\$ 315,639	\$ 122,489
Miscellaneous	-	-	530,000	530,000
Total revenues	193,150	193,150	845,639	652,489
Expenditures:				
Current				
Community environment				
Other	352,350	352,350	80,820	271,530
Total expenditures	352,350	352,350	80,820	271,530
Net change in fund balance	(159,200)	(159,200)	764,819	924,019
Fund balance, beginning of the year	459,352	459,352	459,352	-
Appropriation for prior year encumbrances	11,000	11,000	11,000	-
Fund balance, end of the year	\$ 311,152	\$ 311,152	\$ 1,235,171	\$ 924,019

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2011 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Fund balance, beginning of the year	16,384	16,384	16,384	-
Fund balance, end of the year	\$ 16,384	\$ 16,384	\$ 16,384	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CENTRAL AVE. SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special Assessments	\$ -	\$ -	\$ 280	\$ 280
Total revenues	-	-	280	280
Excess of revenues over/under expenditures	-	-	280	280
Other financing sources/uses:				
Advance out	-	-	(280)	(280)
Total other financing sources/(uses)	-	-	(280)	(280)
Net change in fund balance	-	-	-	-
Fund balance, beginning of the year	1	1	1	-
Fund balance, end of the year	\$ 1	\$ 1	\$ 1	\$ -

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2018 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 52,705	\$ 52,705
Total revenues	-	-	52,705	52,705
Excess of revenues over expenditures	-	-	52,705	52,705
Other financing uses:				
Advance out	-	-	(4,667)	(4,667)
Total other financing uses	-	-	(4,667)	(4,667)
Net change in fund balance	-	-	48,038	48,038
Fund balance, beginning of the year	1	1	1	-
Fund balance, end of the year	\$ 1	\$ 1	\$ 48,039	\$ 48,038

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2019 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 73,416	\$ 73,416
Total revenues	-	-	73,416	73,416
Excess of revenues over expenditures	-	-	73,416	73,416
Other financing uses:				
Advance out	-	-	(73,417)	(73,417)
Total other financing uses	-	-	(73,417)	(73,417)
Net change in fund balance	-	-	(1)	(1)
Fund balance, beginning of the year	1	1	1	-
Fund balance, end of the year	\$ 1	\$ 1	\$ -	\$ (1)

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2020 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 121,201	\$ 121,201
Total revenues	-	-	121,201	121,201
Excess of revenues under expenditures	-	-	121,201	121,201
Other financing uses:				
Advance out	-	-	(121,202)	(121,202)
Total other financing uses	-	-	(121,202)	(121,202)
Net change in fund balance	-	-	(1)	(1)
Fund balance, beginning of the year	1	1	1	-
Fund balance, end of the year	\$ 1	\$ 1	\$ -	\$ (1)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2021 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 26,721	\$ 26,721
Total revenues	-	-	26,721	26,721
Expenditures:				
Current				
Highways and streets				
Other	7,307	7,307	7,306	1
Total expenditures	7,307	7,307	7,306	1
Excess of revenues under expenditures	(7,307)	(7,307)	19,415	26,722
Other financing sources:				
Advance out	-	-	(26,722)	(26,722)
Total other financing sources	-	-	(26,722)	(26,722)
Net change in fund balance	(7,307)	(7,307)	(7,307)	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	7,307	7,307	7,307	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2022 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 136,518	\$ 136,518
Total revenues	-	-	136,518	136,518
Expenditures:				
Current				
Highways and streets				
Other	89,523	89,523	89,523	-
Total expenditures	89,523	89,523	89,523	-
Excess of revenues under expenditures	(89,523)	(89,523)	46,995	136,518
Other financing sources:				
Advance out	-	-	(136,518)	(136,518)
Total other financing sources	-	-	(136,518)	(136,518)
Net change in fund balance	(89,523)	(89,523)	(89,523)	-
Fund balance, beginning of the year	(410,477)	(410,477)	(410,477)	-
Appropriation for prior year encumbrances	500,000	500,000	500,000	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2023 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 1,868	\$ 1,868
Total revenues	-	-	1,868	1,868
Expenditures:				
Current				
Highways and streets				
Other	229,034	229,034	229,034	-
Total expenditures	229,034	229,034	229,034	-
Excess of revenues under expenditures	(229,034)	(229,034)	(227,166)	1,868
Other financing sources:				
Advance out	-	-	(1,868)	(1,868)
Total other financing sources	-	-	(1,868)	(1,868)
Net change in fund balance	(229,034)	(229,034)	(229,034)	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	229,034	229,034	229,034	-
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

**CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2024 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 600,000	\$ 600,000	\$ -	\$ (600,000)
Total revenues	600,000	600,000	-	(600,000)
Expenditures:				
Current				
Highways and streets				
Other	600,000	600,000	-	600,000
Total expenditures	600,000	600,000	-	600,000
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ECONOMIC DEVELOPMENT BOND SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Sale of Notes	\$ 6,600,000	\$ 6,600,000	\$ 10,341,710	\$ 3,741,710
Miscellaneous revenue	350,000	350,000	50,000	(300,000)
Total revenues	6,950,000	6,950,000	10,391,710	3,441,710
Expenditures:				
Current				
Community environment				
Other	282,896	10,626,605	5,418,485	5,208,120
Debt Service				
Principal retirement	6,690,000	6,690,000	5,342,733	1,347,267
Interest expense	418,801	418,801	66,068	352,733
Total expenditures	7,391,697	17,735,406	10,827,286	6,908,120
Excess of revenues over/under expenditures	(441,697)	(10,785,406)	(435,576)	10,349,830
Other financing sources:				
Transfer in	157,968	157,968	157,968	-
Total other financing sources	157,968	157,968	157,968	-
Net change in fund balance	(283,729)	(10,627,438)	(277,608)	10,349,830
Fund balance, beginning of the year	546,320	546,320	546,320	-
Appropriation for prior year encumbrances	282,896	282,896	282,896	-
Fund balance, end of the year	\$ 545,487	\$ (9,798,222)	\$ 551,608	\$ 10,349,830



**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

NON-MAJOR ENTERPRISE FUNDS:

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

AIRPORT FUND

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

TRANSIT SYSTEM

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

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF NET POSITION
NON MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2024**

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Assets:			
Current assets			
Equity in pooled cash, deposits and investments	\$ 1,913,665	\$ 366,380	\$ 2,280,045
Receivables (net of allowance for uncollectibles):			
Accounts	289	-	289
Intergovernmental	-	476,057	476,057
Total current assets	1,913,954	842,437	2,756,391
Noncurrent assets:			
Net OPEB asset	-	12,386	12,386
Capital assets:			
Construction in progress	528,904	-	528,904
Land	1,524,356	-	1,524,356
Land improvements	720,617	7,082	727,699
Infrastructure assets	1,755,336	125,132	1,880,468
Buildings	2,078,337	1,370,702	3,449,039
Equipment	1,993,050	8,814,705	10,807,755
Less: Accumulated depreciation	(4,153,177)	(6,120,979)	(10,274,156)
Total capital assets (net of accumulated depreciation)	4,447,423	4,196,642	8,644,065
Total noncurrent assets	4,447,423	4,209,028	8,656,451
Total assets	6,361,377	5,051,465	11,412,842
Deferred outflows of resources:			
Pension related	-	119,395	119,395
OPEB related	-	10,627	10,627
Total deferred outflows of resources:	-	130,022	130,022
Liabilities:			
Current liabilities			
Accounts payable	92,735	5,595	98,330
Accrued wages and benefits	3,440	734	4,174
Other accrued liabilities	5,014	-	5,014
Due to other funds	1,151,791	23,235	1,175,026
Compensated absences (short-term)	11,230	-	11,230
Total current liabilities	1,264,210	29,564	1,293,774
Long-term liabilities:			
Net pension liability	-	354,850	354,850
Total long-term liabilities	-	354,850	354,850
Total liabilities	1,264,210	384,414	1,648,624
Deferred inflows of resources:			
Pension related	-	931	931
OPEB related	-	7,535	7,535
Total deferred inflows of resources:	-	8,466	8,466
Net position:			
Investment in capital assets	4,447,423	4,196,642	8,644,065
Unrestricted	649,744	591,965	1,241,709
Total net position	\$ 5,097,167	\$ 4,788,607	\$ 9,885,774

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Business Type Activities - Enterprise Funds				
	Airport		Transit	Totals
Operating revenues:				
Charges for services	\$ 655,629	\$ -	\$ 655,629	
Other operating revenue	289	-	289	
Total operating revenues	655,918	-	655,918	
Operating expenses:				
Personal services	122,652	79,470	202,122	
Contractual services	652,603	3,202,581	3,855,184	
Commodities	9,222	4,428	13,650	
Depreciation	298,262	988,314	1,286,576	
Other operating expenses	39,500	361,225	400,725	
Total operating expenses	1,122,239	4,636,018	5,758,257	
Operating income (loss)	(466,321)	(4,636,018)	(5,102,339)	
Non-operating revenues (expenses):				
Operating grants	-	3,579,129	3,579,129	
Other	397,226	-	397,226	
Total non-operating revenues (expenses)	397,226	3,579,129	3,976,355	
Income (loss) before capital contributions and transfers	(69,095)	(1,056,889)	(1,125,984)	
Capital contributions	60,610	804,521	865,131	
Transfers in	200,000	-	200,000	
Change in net position	191,515	(252,368)	(60,853)	
Total net position, beginning of year	4,905,652	5,040,975	9,946,627	
Total net position, end of year	\$ 5,097,167	\$ 4,788,607	\$ 9,885,774	

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Business Type Activities - Enterprise Funds

	Airport	Transit	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 655,529	\$ -	\$ 655,529
Cash payments to suppliers for goods and services	(620,115)	(3,807,568)	(4,427,683)
Cash payments to employees for services	(111,267)	(81,229)	(192,496)
Cash payments for interfund services used	(20,309)	(275,657)	(295,966)
Net cash provided (used) by operating activities	(96,162)	(4,164,454)	(4,260,616)
Cash flows from non-capital financing activities:			
Operating grants	-	3,711,032	3,711,032
Interfund loan receipts/payments	567,261	-	567,261
Transfers in	200,000	-	200,000
Net cash provided (used) by non-capital financing activities	767,261	3,711,032	4,478,293
Cash flows from capital and related financing activities:			
Purchase of capital assets	(240,143)	(237,150)	(477,293)
Capital grants	457,836	804,521	1,262,357
Net cash provided (used) by capital and related financing activities	217,693	567,371	785,064
Net increase (decrease) in cash and cash equivalents	888,792	113,949	1,002,741
Cash and cash equivalents, beginning of year	1,024,873	252,431	1,277,304
Cash and cash equivalents, end of year	\$ 1,913,665	\$ 366,380	\$ 2,280,045

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Airport	Transit	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (466,321)	\$ (4,636,018)	\$ (5,102,339)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	298,262	988,314	1,286,576
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in accounts receivable (net)	(289)	-	(289)
Decrease (increase) in net OPEB asset	-	(12,386)	(12,386)
Decrease (increase) in deferred outflows of resources - pension related	-	43,737	43,737
Decrease (increase) in deferred outflows of resources - OPEB related	-	14,820	14,820
Increase (decrease) in accounts payable	63,467	(509,711)	(446,244)
Increase (decrease) in accrued wages and benefits	983	(832)	151
Increase (decrease) in other accrued liabilities	(100)	-	(100)
Increase (decrease) in due to other funds	3,693	683	4,376
Increase (decrease) in compensated absences payable	4,143	(7,294)	(3,151)
Increase (decrease) in net pension liability	-	(38,738)	(38,738)
Increase (decrease) in net OPEB liability	-	(8,589)	(8,589)
Increase (decrease) in deferred inflows of resources - pension related	-	(2,594)	(2,594)
Increase (decrease) in deferred inflows of resources - OPEB related	-	4,154	4,154
Total adjustments	370,159	471,564	841,723
Net cash provided (used) by operating activities	\$ (96,162)	\$ (4,164,454)	\$ (4,260,616)

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2024**

INTERNAL SERVICE FUNDS:

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

MUNICIPAL GARAGE

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

EMPLOYEE BENEFITS

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

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2024**

	Municipal Garage	Employee Benefits Fund	Totals
Assets:			
Current assets:			
Equity in pooled cash, deposits and investments	\$ 5,581,957	\$ 2,783,039	\$ 8,364,996
Receivables (net of allowance for uncollectibles):			
Accounts	6,647	109,351	115,998
Due from other funds	81,103	-	81,103
Inventory of supplies	390,697	-	390,697
Total current assets	6,060,404	2,892,390	8,952,794
Noncurrent assets:			
Net OPEB asset	10,300	-	10,300
Capital assets:			
Construction in progress	679,958	-	679,958
Land	195,750	-	195,750
Buildings	1,079,322	-	1,079,322
Equipment	16,984,597	-	16,984,597
Less: Accumulated depreciation	(14,769,658)	-	(14,769,658)
Total capital assets (net of accumulated depreciation)	4,169,969	-	4,169,969
Total noncurrent assets	4,180,269	-	4,180,269
Total assets	10,240,673	2,892,390	13,133,063
Deferred outflows of resources:			
Pension related	99,289	-	99,289
OPEB related	8,839	-	8,839
Total deferred outflows of resources:	108,128	-	108,128
Liabilities:			
Current liabilities:			
Accounts payable	85,555	774,970	860,525
Accrued wages and benefits	16,470	-	16,470
Compensated absences payable	47,570	-	47,570
Total current liabilities	149,595	774,970	924,565
Long-term liabilities:			
Compensated absences payable	112,414	-	112,414
Net pension liabilities	295,101	-	295,101
Total long-term liabilities	407,515	-	407,515
Total liabilities	557,110	774,970	1,332,080
Deferred inflows of resources:			
Pension related	776	-	776
OPEB related	6,269	-	6,269
Total deferred inflows of resources:	7,045	-	7,045
Net position:			
Investment in capital assets	4,169,969	-	4,169,969
Unrestricted	5,614,677	2,117,420	7,732,097
Total net position	\$ 9,784,646	\$ 2,117,420	\$ 11,902,066

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Municipal Garage	Employee Benefits Fund	Totals
Operating revenues:			
Charges for services	\$ 3,149,792	\$ 6,921,201	\$ 10,070,993
Other operating revenues	117,443	-	117,443
Total operating revenues	3,267,235	6,921,201	10,188,436
Operating expenses:			
Personal services	707,634	-	707,634
Contractual services	706,641	6,579,334	7,285,975
Commodities	1,052,872	-	1,052,872
Depreciation	1,163,732	-	1,163,732
Other operating expenses	89,267	-	89,267
Total operating expenses	3,720,146	6,579,334	10,299,480
Operating income (loss)	(452,911)	341,867	(111,044)
Non-operating revenues (expenses):			
Interest revenue	231,624	-	231,624
Total non-operating revenues (expenses)	231,624	-	231,624
Change in net position	(221,287)	341,867	120,580
Total net position, beginning of the year	10,005,933	1,775,553	11,781,486
Total net position, end of the year	\$ 9,784,646	\$ 2,117,420	\$ 11,902,066

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Municipal Garage	Employee Benefits Fund	Totals
Cash flows from operating activities:			
Cash payments to suppliers for goods and services	\$ (1,935,226)	\$ (6,622,152)	\$ (8,557,378)
Cash payments to employees for services	(527,933)	-	(527,933)
Cash received from interfund services provided	3,227,547	6,930,481	10,158,028
Cash payments for interfund services used	(94,208)	-	(94,208)
Net cash provided by operating activities	670,180	308,329	978,509
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1,727,593)	-	(1,727,593)
Net cash used by capital and related financing activities	(1,727,593)	-	(1,727,593)
Cash flows from investing activities:			
Interest income	303,126	-	303,126
Net cash provided by investing activities	303,126	-	303,126
Net increase (decrease) in cash and cash equivalents	(754,287)	308,329	(445,958)
Cash and cash equivalents, beginning of year	6,336,244	2,474,710	8,810,954
Cash and cash equivalents, end of year	\$ 5,581,957	\$ 2,783,039	\$ 8,364,996

continued

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(continued)	Municipal Garage	Employee Benefits Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (452,911)	\$ 341,867	\$ (111,044)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,163,732	-	1,163,732
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in accounts receivable	(920)	9,280	8,360
Decrease (increase) in due from other funds	32,734	-	32,734
Decrease (increase) in supplies inventory	15,247	-	15,247
Decrease (increase) in net OPEB asset	(10,300)	-	(10,300)
Decrease (increase) in deferred outflows of resources - pension related	36,372	-	36,372
Decrease (increase) in deferred outflows of resources - OPEB related	12,325	-	12,325
Increase (decrease) in accounts payable	(173,195)	(42,818)	(216,013)
Increase (decrease) in accrued wages	8,511	-	8,511
Increase (decrease) in compensated absences	76,645	-	76,645
Increase (decrease) in net pension liability	(32,215)	-	(32,215)
Increase (decrease) in net OPEB liability	(7,143)	-	(7,143)
Increase (decrease) in deferred inflows of resources - pension related	(2,157)	-	(2,157)
Increase (decrease) in deferred inflows of resources - OPEB related	3,455	-	3,455
Total adjustments	1,123,091	(33,538)	1,089,553
Net cash provided by operating activities	\$ 670,180	\$ 308,329	\$ 978,509

**CITY OF MIDDLETOWN
CUSTODIAL FUNDS
DECEMBER 31, 2024**

CUSTODIAL FUNDS:

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

MUNICIPAL COURT

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

JOINT ECONOMIC DEVELOPMENT DISTRICT I

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

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Custodial Funds		
		Joint Economic Development District I	
	Municipal Court		Totals
Assets			
Cash and equity in pooled cash, deposits and investments	\$ -	\$ 306,207	\$ 306,207
Cash and cash equivalents in segregated accounts	367,780	-	367,780
Total assets	367,780	306,207	673,987
Liabilities			
Due to individuals	175,232	-	175,232
Due to other governments	192,548	306,207	498,755
Total liabilities	367,780	306,207	673,987
Net Position			
Total net position	\$ -	\$ -	\$ -

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Custodial Funds		
		Joint Economic Development District I	
	Municipal Court		Totals
Additions			
Taxes collected for distribution	\$ -	\$ 3,956,866	\$ 3,956,866
Fines, licenses and permits for distribution	2,486,057	-	2,486,057
Total additions	2,486,057	3,956,866	6,442,923
Deductions			
Distributions to other governments	523,613	4,240,571	4,764,184
Distributions on behalf of others	1,962,444	(283,705)	1,678,739
Total deductions	2,486,057	3,956,866	6,442,923
Net change in Fiduciary net position	-	-	-
Net Position - beginning of the year	-	-	-
Net Position - end of the year	\$ -	\$ -	\$ -

STATISTICAL SECTION

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

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

CONTENTS	PAGE
Financial Trends <i>(Table 1 to Table 6)</i>	208
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity <i>(Table 7 to Table 11)</i>	215
These schedules contain information to help the reader assess one of the government's most significant local revenue sources, income tax and property taxes.	
Debt Capacity <i>(Table 12 to Table 16)</i>	220
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information <i>(Table 17 and Table 18)</i>	225
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information <i>(Table 19 to Table 21)</i>	227
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

		2024	Restated 2023	2022	2021	2020	2019	Restated 2018	2017	2016	Restated 2015
Governmental Activities:											
Net Investment in Capital Assets	\$	105,097	91,270	82,887	75,330	68,760	63,745	59,480	57,656	56,377	53,363
Restricted		29,013	22,632	18,607	15,785	15,035	14,352	11,995	13,426	12,164	12,843
Unrestricted		(8,015)	(8,937)	(21,351)	(27,337)	(40,086)	(39,336)	(53,909)	(52,457)	(22,837)	(19,834)
Total Governmental Activities Net Position	\$	126,095	104,965	80,143	63,778	43,709	38,761	17,566	18,625	45,704	46,372
Business-Type Activities:											
Net Investment in Capital Assets	\$	112,501	114,997	107,409	93,049	80,406	73,092	68,619	66,917	61,159	54,257
Restricted		-	-	-	-	-	-	-	-	-	-
Unrestricted		56,698	44,644	43,277	41,154	41,687	35,633	27,821	18,493	18,502	17,976
Total Business-Type Activities Net Position	\$	169,199	159,641	150,686	134,203	122,094	108,725	96,440	85,410	79,661	72,233
Primary Government:											
Net Investment in Capital Assets	\$	217,598	206,267	190,296	168,379	149,166	136,837	128,099	124,573	117,536	107,619
Restricted		29,013	22,632	18,607	15,785	15,035	14,352	11,995	13,426	12,164	12,843
Unrestricted		48,683	35,707	21,926	13,816	1,601	(3,703)	(26,088)	(33,964)	(4,335)	(1,858)
Total Primary Government Net Position	\$	295,294	264,606	230,829	197,980	165,803	147,486	114,006	104,035	125,365	118,604

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

	2024	Restated 2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
Community environment	\$ 6,416	3,145	4,491	5,172	4,048	2,367	5,753	3,930	4,320	5,970
General government	14,547	13,554	10,830	8,441	9,169	6,535	6,943	7,464	8,610	5,212
Leisure	2,876	1,369	206	1,128	1,213	746	1,223	1,191	1,072	1,032
Public health	1,020	882	771	835	861	373	644	538	530	421
Public safety	38,403	34,482	26,956	21,393	29,685	14,327	28,187	26,315	24,990	22,846
Highways and streets	5,694	7,877	4,216	6,616	5,489	7,080	6,704	7,393	7,272	8,417
Interest on long-term debt	2,697	2,209	1,601	1,336	572	746	839	1,085	1,074	1,262
Total governmental activities expenses	<u>71,653</u>	<u>63,518</u>	<u>49,071</u>	<u>44,920</u>	<u>51,037</u>	<u>32,175</u>	<u>50,294</u>	<u>47,916</u>	<u>47,868</u>	<u>45,160</u>
Business-type activities:										
Water	10,806	9,872	6,816	7,332	7,748	7,602	6,873	7,257	7,040	6,807
Sanitary Sewer	10,767	12,280	8,838	9,640	7,943	8,568	8,402	7,711	7,545	7,859
Solid Waste	4,181	3,995	3,916	3,763	3,681	3,498	3,511	3,075	3,281	3,092
Storm Water	2,044	1,783	1,532	1,753	1,353	1,560	1,450	1,299	1,236	1,168
Non major enterprise funds	5,758	3,487	1,968	4,693	3,647	3,085	2,930	2,422	2,410	1,815
Total business-type activities expenses	<u>33,556</u>	<u>31,417</u>	<u>23,070</u>	<u>27,180</u>	<u>24,371</u>	<u>24,313</u>	<u>23,166</u>	<u>21,764</u>	<u>21,512</u>	<u>20,741</u>
Total primary government expenses	<u>\$ 105,209</u>	<u>94,935</u>	<u>72,141</u>	<u>72,100</u>	<u>75,408</u>	<u>56,488</u>	<u>73,460</u>	<u>69,680</u>	<u>69,380</u>	<u>65,901</u>
Program Revenue										
Governmental activities:										
Charges for services:										
Community environment	\$ 222	582	225	266	176	314	888	307	682	543
General government	4,217	4,293	3,804	3,250	3,544	3,217	3,088	3,088	2,839	2,856
Highways and streets	105	311	606	128	181	151	119	279	532	312
Leisure	27	152	2	2	1	3	-	-	-	78
Public health	390	345	314	343	281	278	341	322	335	263
Public safety	6,471	7,070	5,486	4,753	4,428	4,653	4,903	4,768	4,439	4,245
Operating grants & contributions	15,485	4,853	3,768	2,556	5,476	1,591	1,738	2,366	1,202	553
Capital grants & contributions	3,422	5,478	6,216	5,712	2,870	5,605	4,032	5,181	5,391	3,410
Total governmental activities program revenue	<u>\$ 30,339</u>	<u>23,084</u>	<u>20,421</u>	<u>17,008</u>	<u>16,958</u>	<u>15,812</u>	<u>15,109</u>	<u>16,311</u>	<u>15,420</u>	<u>12,260</u>

continued on next page

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

	2024	Restated 2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Charges for services:										
Water	\$ 12,575	10,330	10,293	9,909	10,152	10,096	10,141	9,008	8,703	7,869
Sanitary Sewer	16,065	15,622	16,098	16,680	15,702	14,656	14,017	11,545	10,015	8,961
Solid Waste	4,520	4,346	3,879	3,836	3,541	3,411	3,424	3,183	3,142	2,996
Storm Water	2,423	2,425	2,433	2,449	2,003	2,065	2,052	1,958	1,997	1,821
Other business-type activities	656	548	665	1,158	912	433	374	397	417	421
Operating grants & contributions	3,579	946	2,506	2,769	2,283	1,218	1,542	1,052	1,727	1,226
Capital grants & contributions	935	4,712	3,159	1,349	1,843	3,291	1,944	862	2,559	180
Total business-type activities program revenue	40,753	38,929	39,033	38,150	36,437	35,170	33,494	28,005	28,560	23,474
 Total primary government program revenue	 \$ 71,092	 62,013	 59,454	 55,158	 53,395	 50,982	 48,603	 44,316	 43,980	 35,734
Net (Expense)/Revenue										
Governmental activities	\$ (41,315)	(40,434)	(28,650)	(27,911)	(34,079)	(16,363)	(35,185)	(31,605)	(32,448)	(32,900)
Business-type activities	7,196	7,512	15,963	10,970	12,066	10,857	10,328	6,241	7,048	2,733
Total primary government net expense	(34,119)	(32,922)	(12,687)	(16,942)	(22,013)	(5,506)	(24,857)	(25,364)	(25,400)	(30,167)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Income taxes	\$ 38,325	43,889	33,804	35,985	24,483	26,010	23,541	23,663	22,181	21,346
Property taxes	6,562	5,118	5,122	5,075	4,465	4,296	4,215	3,988	4,073	4,154
Other taxes	3,708	3,615	3,403	3,604	3,247	3,078	2,554	2,507	2,487	2,606
Grants/contributions not restricted	2,014	2,366	1,760	2,068	3,647	1,521	1,806	1,612	1,414	1,375
Investment earnings	3,966	4,183	(2,473)	(641)	881	867	269	11	(90)	115
Miscellaneous	7,979	6,205	3,363	2,769	2,544	2,296	1,826	1,753	1,645	1,751
Transfers	(109)	(120)	37	(880)	(240)	(511)	(84)	(1)	71	69
Total governmental activities general revenues	62,445	65,256	45,016	47,980	39,027	37,557	34,127	33,533	31,781	31,416
 Business-type activities:	 \$	 -	 -	 -	 -	 -	 -	 175	 205	 186
Income taxes	-	-	-	-	-	-	-	175	205	186
Investment earnings	1,800	1,265	527	220	465	636	344	226	153	133
Transfers	109	120	(37)	880	240	511	84	1	(72)	254
Miscellaneous	453	58	30	39	598	281	273	165	93	(69)
Total business type activities general revenues	2,362	1,443	520	1,139	1,303	1,428	701	567	379	504
 Total primary government general revenues	 \$ 64,807	 66,699	 45,536	 49,119	 40,330	 38,985	 34,828	 34,100	 32,160	 31,920
Changes in Net Position										
Governmental activities	\$ 21,130	24,822	16,366	20,069	4,948	21,195	(1,058)	1,928	(667)	(1,484)
Business-type activities	9,558	8,955	16,483	12,109	13,369	12,285	11,029	6,808	7,427	3,237
Total primary government	\$ 30,688	33,777	32,849	32,177	18,317	33,480	9,971	8,736	6,760	1,753

CITY OF MIDDLETOWN, OHIO
Governmental Activities Tax Revenues By Source
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 3

Fiscal Year	Income Tax	Property Tax	Other Taxes	Total
2024	\$ 38,325	\$ 6,562	\$ 3,708	\$ 48,595
2023	\$ 43,889	\$ 5,118	\$ 3,615	\$ 52,622
2022	\$ 33,804	\$ 5,122	\$ 3,403	\$ 42,329
2021	\$ 35,985	\$ 5,075	\$ 3,604	\$ 44,664
2020	\$ 24,483	\$ 4,465	\$ 3,247	\$ 32,195
2019	\$ 26,010	\$ 4,296	\$ 3,078	\$ 33,384
2018	\$ 23,541	\$ 4,215	\$ 2,554	\$ 30,310
2017	\$ 23,663	\$ 3,988	\$ 2,507	\$ 30,158
2016	\$ 22,385	\$ 4,073	\$ 2,487	\$ 28,945
2015	\$ 21,532	\$ 4,154	\$ 2,606	\$ 28,292

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable, restricted, committed and assigned	\$ 8,435	4,755	4,709	3,570	6,306	7,522	7,570	6,602	4,829	4,278
Unreserved, unassigned	15,563	24,493	15,869	17,633	10,430	6,884	7,189	6,730	5,625	5,181
Total General Fund	<u>\$ 23,998</u>	<u>29,248</u>	<u>20,578</u>	<u>21,203</u>	<u>16,736</u>	<u>14,406</u>	<u>14,759</u>	<u>13,332</u>	<u>10,454</u>	<u>9,459</u>
All Other Governmental Funds										
Nonspendable, restricted or committed	\$ 53,080	60,226	49,194	41,034	14,711	13,854	11,674	12,107	11,264	11,600
Unassigned reported in:										
Capital project funds	-	-	-	-	-	-	(360)	(91)	(514)	(342)
Debt service funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	(1,362)	(2,455)	(1,408)	(1,655)	(1,881)	(965)	(581)	(571)	(283)	(149)
Total All Other Governmental Funds	<u>51,718</u>	<u>57,771</u>	<u>47,786</u>	<u>39,379</u>	<u>12,830</u>	<u>12,888</u>	<u>10,732</u>	<u>11,445</u>	<u>10,467</u>	<u>11,110</u>
Total Governmental Funds	<u>\$ 75,716</u>	<u>87,019</u>	<u>68,364</u>	<u>60,582</u>	<u>29,566</u>	<u>27,294</u>	<u>25,491</u>	<u>24,777</u>	<u>20,921</u>	<u>20,569</u>

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

CITY OF MIDDLETOWN, OHIO
Change in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 5

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Property taxes	\$ 6,440	5,121	5,121	5,082	4,530	4,340	4,198	4,009	4,086	4,258
Municipal income taxes	37,272	42,645	33,606	35,693	24,073	26,410	23,441	24,593	22,180	21,768
Intergovernmental revenues	22,715	15,546	13,419	12,121	13,396	8,955	9,700	10,275	9,978	7,608
Charges for services	6,904	6,162	5,473	5,195	4,633	4,646	4,987	4,663	4,706	4,549
Fees, licenses, and permits	638	764	656	607	518	396	453	388	496	403
Fines and forfeits	1,980	2,053	1,822	1,463	1,379	1,555	1,623	1,660	1,542	1,718
Special assessments	860	610	834	814	667	622	532	541	650	819
Investment earnings	3,966	4,183	(2,473)	(641)	881	867	269	11	(90)	115
Miscellaneous	10,817	10,152	5,690	4,550	4,811	4,752	4,635	3,917	3,791	3,463
Total revenues	91,592	87,236	64,148	64,883	54,888	52,543	49,838	50,057	47,339	44,701
Expenditures										
Current:										
General Government	7,710	7,012	6,350	5,815	5,452	5,533	5,103	4,881	4,596	3,952
Public safety	52,019	35,037	29,874	30,261	27,761	26,104	25,352	24,176	23,129	22,396
Public health and welfare	893	879	818	933	786	587	563	440	480	405
Leisure time activities	2,753	1,993	1,148	1,123	993	993	1,003	917	832	902
Community environment	25,394	11,001	4,698	4,872	3,704	4,031	5,338	3,473	3,902	5,590
Highways and streets	5,160	15,137	19,965	15,518	6,668	6,084	5,687	6,210	8,207	6,761
Miscellaneous	7,400	6,673	5,066	3,354	3,830	3,494	2,551	2,641	2143	2,202
Debt Service										
Principal retirement	9,384	4,768	5,959	4,759	1,833	2,639	2,566	2,518	2,709	4,538
Interest and fiscal charges	2,473	1,991	1,632	1,357	665	764	878	1,056	1,061	1,229
Total expenditures	113,186	84,491	75,510	67,992	51,692	50,229	49,041	46,313	47,059	47,975
Excess (deficiency) of revenues over expenditures	\$ (21,594)	2,745	(11,362)	(3,109)	3,196	2,314	797	3,744	280	(3,274)

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CITY OF MIDDLETOWN, OHIO
Change in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 5

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Continued										
Other Financing Sources (Uses)										
Transfers in	\$ 2,874	5,638	781	1,273	1,175	2,803	987	437	230	1,069
Transfers out	(2,983)	(5,758)	(743)	(2,154)	(2,099)	(3,315)	(1,071)	(439)	(158)	(1,000)
Issuance of bonds	-	10,400	18,100	33,705	-	-	-	5,830		4,160
Issuance of notes	10,400	4,900	1,006	1,300	-	-	-	584	-	-
Other uses	-	-	-	-	-	-	-	(6,300)		-
Other sources	-	731	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,291	15,911	19,144	34,125	(923)	(512)	(84)	112	72	4,229
Net change in Fund Balances	(11,303)	18,656	7,782	31,016	2,273	1,802	713	3,856	352	955
Asset Additions	\$ 44,494	26,072	23,970	16,878	9,233	8,103	6,074	6,121	7,626	5,875
Non capital expenditures	\$ 68,692	58,419	51,540	51,113	42,459	42,126	42,967	40,192	39,433	42,100
Debt service as a % of noncapital expenditures	17.26%	11.57%	14.73%	11.97%	5.88%	8.08%	8.02%	8.89%	9.56%	13.70%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property taxes	\$ 6,440	5,121	5,121	5,082	4,530	4,340	4,198	4,009	4,086	4,258
Municipal income taxes	\$ 37,272	42,645	33,606	35,693	24,073	26,410	23,441	24,593	22,180	21,768

CITY OF MIDDLETOWN, OHIO
Assessed and Estimated Actual Value of Taxable Property
Last ten years
(amounts expressed in thousands)
Table 7

Tax Levy/ Collection Year	Real Property		Personal Property (1)		Public Utility (2)		Totals		Direct Tax Rate	Assessed Value as a Percent of Estimated Actual Value
	Assessed	Actual	Assessed	Estimated Actual	Assessed	Actual	Assessed	Estimated Actual		
2014/2015	\$610,621	\$1,742,453	\$0	\$0	\$49,583	\$143,844	\$660,204	\$1,886,297	6.90	35.00
2015/2016	\$609,859	\$1,742,454	\$0	\$0	\$50,345	\$143,843	\$660,204	\$1,886,297	6.90	35.00
2016/2017	\$610,557	\$1,744,449	\$0	\$0	\$51,575	\$147,357	\$662,132	\$1,891,806	6.90	35.00
2017/2018	\$649,001	\$1,854,289	\$0	\$0	\$53,964	\$154,183	\$702,965	\$2,008,471	6.90	35.00
2018/2019	\$649,437	\$1,855,534	\$0	\$0	\$57,280	\$163,657	\$706,717	\$2,019,191	6.90	35.00
2019/2020	\$651,825	\$1,862,357	\$0	\$0	\$95,222	\$272,063	\$747,047	\$2,134,420	6.90	35.00
2020/2021	\$769,547	\$2,198,705	\$0	\$0	\$78,569	\$224,482	\$848,116	\$2,423,187	6.90	35.00
2021/2022	\$779,848	\$2,228,137	\$0	\$0	\$86,858	\$248,166	\$866,706	\$2,476,303	6.90	35.00
2022/2023	\$769,606	\$2,198,875	\$0	\$0	\$85,512	\$244,319	\$855,118	\$2,443,194	6.90	35.00
2023/2024	\$988,385	\$2,823,956	\$0	\$0	\$109,821	\$313,773	\$1,098,205	\$3,137,729	6.63	35.00

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

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

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

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

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

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

City of Middletown											
Collection Year	Operating	Police and Fire Pension	Senior Citizen Levy	Fire Station Levy	City of Middletown Total	Butler County	Middletown City School District	Parks	Library	JVSD	Total
2015	5.30	0.60	1.00	0.00	6.90	9.72	54.51	0.5	0.75	1.93	74.31
2016	5.30	0.60	1.00	0.00	6.90	9.72	55.39	0.7	0.75	1.93	75.39
2017	5.30	0.60	1.00	0.00	6.90	9.72	54.15	0.7	0.75	1.93	74.15
2018	5.30	0.60	1.00	0.00	6.90	9.72	54.08	0.7	0.75	1.93	74.08
2019	5.30	0.60	1.00	0.00	6.90	9.72	52.48	0.7	0.75	1.93	72.48
2020	5.30	0.60	1.00	0.00	6.90	9.22	50.14	0.7	0.75	1.93	69.64
2021	5.30	0.60	1.00	0.00	6.90	7.30	49.41	0.7	0.75	1.93	66.99
2022	5.30	0.60	0.00	1.00	6.90	9.72	49.41	0.7	0.75	1.93	69.41
2023	5.30	0.60	0.00	1.00	6.90	9.28	44.36	0.7	0.75	1.93	63.92
2024	5.03	0.60	0.00	1.00	6.63	9.28	44.36	0.7	0.75	1.93	63.65

(1) The above tax rates are based on \$1,000 of assessed valuation.

Source: Butler County Auditor's Office

CITY OF MIDDLETOWN, OHIO
Principal Property Taxpayers
December 31, 2024 and Nine Years Ago
(in thousands)
Table 9

Top Ten Property Taxpayers (real property)

2015 Calendar year/ 2014 Tax Year			2024 Calendar year/ 2023 Tax Year		
	<u>Assessed</u> <u>Valuation</u>	<u>% of Total</u>		<u>Assessed</u> <u>Valuation</u>	<u>% of Total</u>
Duke Energy	\$ 40,709	6.17%	Duke Energy Ohio Inc	\$ 64,008	5.83%
AK Steel	\$ 10,058	1.52%	NTE Ohio LLC	\$ 17,028	1.55%
Rockies Express	\$ 4,457	0.68%	AK Steel Corp	\$ 11,128	1.01%
Boymel Family LLC	\$ 3,956	0.60%	Dynegy Dicks Creek LLC	\$ 4,785	0.44%
Middletown Coke	\$ 3,149	0.48%	Bavarian Woods Apartments	\$ 4,780	0.44%
Precision Strip	\$ 2,757	0.42%	6898 Hamilton Middletown Road	\$ 4,602	0.42%
Bavarian Woods	\$ 2,187	0.33%	Texas Eastern Transmission	\$ 4,551	0.41%
Liberty Retirement Properties	\$ 2,104	0.32%	Precision Strip Inc	\$ 4,388	0.40%
Chaka-Chak LLC	\$ 1,963	0.30%	Olde Towne Properties II LLC	\$ 3,826	0.35%
Texas Eastern Transmission	\$ 1,847	0.28%	AJB Realty LLC	\$ 3,500	0.32%
TOTAL TOP TEN	\$ 73,187	11.09%	TOTAL TOP TEN	\$ 122,596	11.16%
TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	\$660,204		TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN	\$1,098,205	

Source: Butler County Auditor's Office

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

Collected within the Fiscal Year of the Levy							
Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year (Millage)	Amount Levied	Amount Collected	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collected	Percent of Total Tax Collection to Current Tax Levy
2024	6.63	\$6,403	\$5,254	82.06%	\$304	\$5,558	86.80%
2023	6.90	\$5,110	\$4,217	82.52%	\$211	\$4,428	86.65%
2022	6.90	\$5,102	\$4,382	85.89%	\$229	\$4,611	90.38%
2021	6.90	\$5,029	\$4,141	82.35%	\$203	\$4,344	86.38%
2020	6.90	\$4,251	\$3,617	85.09%	\$191	\$3,808	89.58%
2019	6.90	\$4,256	\$3,397	79.82%	\$251	\$3,648	85.72%
2018	6.90	\$4,490	\$3,326	74.08%	\$200	\$3,526	78.53%
2017	6.90	\$4,463	\$3,153	70.65%	\$189	\$3,342	74.88%
2016	6.90	\$4,290	\$3,233	75.36%	\$194	\$3,427	79.88%
2015	6.90	\$4,193	\$3,401	81.11%	\$203	\$3,604	85.95%

The County does not identify delinquent tax collections by year.

Does not include Commercial Activities Tax, Homestead & Rollback reimbursed by the State.

CITY OF MIDDLETOWN, OHIO
Income Tax Revenue by Source Type
Last Ten Years
(cash basis)
Table 11

Fiscal Year	Tax Rate	Residential Income Tax	Business Income Tax	Withholding Income Tax	Grand Total
2024	2.00%	\$3,901,520	\$4,335,514	\$28,896,508	\$37,133,541
2023	2.00%	\$3,444,178	\$11,629,318	\$27,345,182	\$42,418,678
2022	2.00%	\$3,288,143	\$4,629,218	\$25,807,945	\$33,725,306
2021	2.00%	\$2,804,066	\$8,908,889	\$23,422,045	\$35,135,000
2020	1.75%	\$2,480,944	\$2,297,193	\$18,948,745	\$23,726,882
2019	1.75%	\$2,383,172	\$4,141,313	\$19,785,053	\$26,309,538
2018	1.75%	\$2,308,448	\$3,087,883	\$19,545,037	\$24,941,368
2017	1.75%	\$2,456,099	\$2,962,224	\$19,027,426	\$24,445,749
2016	1.75%	\$2,569,820	\$2,062,782	\$17,652,905	\$22,285,507
2015	1.75%	\$2,953,789	\$1,916,486	\$16,701,469	\$21,571,744

CITY OF MIDDLETOWN, OHIO
Ratios of Outstanding Debt by Type
Last Ten Years
(amounts expressed in thousands, except per capita amount)
Table 12

Fiscal Year	Governmental Activities					Business-Type Activities					Total	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Obligation Bonds	Special Assessment Bonds	Governmental Notes Payable	General Obligation Bonds	Capital Leases	Business-Type Notes Payable						
2024	\$ 36,174	\$ 19,991	\$ 2,347	\$ 10,400	\$ 4,911	\$ -	\$ 29,093	\$ 102,916	3.33%	\$ 1,968			
Restated 2023	\$ 37,540	\$ 22,980	\$ 2,522	\$ 4,900	\$ 5,921	\$ -	\$ 2,806	\$ 76,669	3.96%	\$ 1,489			
2022	\$ 28,141	\$ 25,877	\$ 2,697	\$ -	\$ 6,900	\$ -	\$ -	\$ 63,615	3.94%	\$ 1,242			
2021	\$ 10,950	\$ 28,684	\$ 2,787	\$ 1,300	\$ 5,763	\$ -	\$ 2,000	\$ 51,485	4.13%	\$ 1,010			
2020	\$ 12,858	\$ -	\$ 755	\$ -	\$ 7,300	\$ -	\$ -	\$ 20,913	4.39%	\$ 428			
2019	\$ 14,707	\$ -	\$ 888	\$ -	\$ 8,135	\$ -	\$ -	\$ 23,730	4.64%	\$ 486			
2018	\$ 17,285	\$ -	\$ 1,085	\$ -	\$ 9,127	\$ -	\$ -	\$ 27,497	4.81%	\$ 563			
2017	\$ 19,808	\$ -	\$ 1,277	\$ -	\$ 10,100	\$ -	\$ -	\$ 31,185	4.93%	\$ 640			
2016	\$ 21,689	\$ -	\$ 1,519	\$ -	\$ 10,847	\$ 80	\$ -	\$ 34,135	4.95%	\$ 700			
2015	\$ 23,910	\$ -	\$ 1,858	\$ -	\$ 11,346	\$ 1,095	\$ -	\$ 38,209	4.96%	\$ 784			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MIDDLETOWN, OHIO
Ratios of General Bonded Debt Outstanding for Governmental Activities & Business-Type Activities
Last Ten Years
(amounts expressed in thousands, except per capita amount)
Table 13

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2024	\$41,085	\$1,550	\$39,535	5.84%	\$786
2023	\$43,461	\$939	\$42,522	5.82%	\$844
2022	\$35,041	\$255	\$34,786	4.04%	\$684
2021	\$16,713	\$0	\$16,713	1.97%	\$328
2020	\$20,158	\$191	\$19,967	2.70%	\$413
2019	\$22,842	\$463	\$22,379	3.23%	\$467
2018	\$26,412	\$182	\$26,230	3.74%	\$541
2017	\$29,908	\$27	\$29,881	4.25%	\$613
2016	\$32,536	\$150	\$32,386	3.85%	\$667
2015	\$35,256	\$176	\$35,432	5.34%	\$723

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (Table 7) for property value data

(2) Population data can be found in the Schedule of Demographic and Economic Statistics in Table 17.

CITY OF MIDDLETOWN, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 As of December 31, 2024
 (amounts expressed in thousands)
 Table 14

Political Subdivision	General Bonded Debt	Percent Applicable to City	City's Share
Butler County	16,615	7.58%	\$1,259
Warren County	<u>0</u>	0.77%	<u>\$0</u>
Subtotal, overlapping debt			<u>\$1,259</u>
General Obligation Bond			\$41,085
Special Assessment debt			<u>2,347</u>
Subtotal, direct debt			43,432
Total direct and overlapping debt			<u><u>\$44,691</u></u>

Source: Butler and Warren County Auditor's Offices.

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

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

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$	69,321	69,321	69,524	73,811	74,205	78,440	89,052	91,004	89,787	115,311
Total net debt applicable to limit	\$	19,565	19,565	19,808	17,285	14,707	12,858	10,950	27,957	37,860	47,760
Legal debt margin	\$	49,929	52,118	53,583	59,220	60,874	66,409	75,074	63,047	51,927	74,227
Total net debt applicable to the limit as a percentage of debt limit		28.22%	28.22%	28.49%	23.42%	19.82%	16.39%	12.30%	30.72%	42.17%	41.42%
Assessed value											\$1,098,205
Add back: exempt real property											-
Total assessed value											\$1,098,205
Debt limit (10.5%) of total asses value											115,312
Debt applicable to limit:											
General obligation bond											\$41,085
Less: Amount set aside for repayment of general obligation debt											-
Total net debt applicable to limit											41,085
Legal debt margin											74,227

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

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

Debt Service					
Collection Year	Tax Year	Special Assessment Collections	Principal	Interest & Fiscal Charges	Coverage
2024	2023	\$88,228	\$175,000	\$17,533	0.46
2023	2022	\$119,324	\$175,000	\$24,195	0.60
2022	2021	\$131,035	\$90,000	\$28,482	1.11
2021	2020	\$178,022	\$128,000	\$34,797	1.09
2020	2019	\$144,034	\$133,000	\$42,191	0.82
2019	2018	\$233,413	\$197,000	\$52,886	0.93
2018	2017	\$254,709	\$192,000	\$61,675	1.00
2017	2016	\$245,266	\$217,000	\$80,333	0.82
2016	2015	\$376,143	\$235,700	\$86,159	1.17
2015	2014	\$626,138	\$324,647	\$103,921	1.46

CITY OF MIDDLETOWN, OHIO
Demographic and Economic Statistics
Last Ten Years
Table 17

Year	Population (1)	Personal Income (in 1,000's)	Per Capita Personal Income (1)	Median Age (1)	Education Level in Years of Formal Schooling (1)	School Enrollment (1)	Unemployment Rate (2)
2015	48,760	\$985,476 estimate	\$20,345 estimate	37.3	16 yrs - 16.0% 12 yrs -83.1%	11,528 estimate	4.3
2016	48,760	\$988,365 estimate	\$20,270 estimate	37.6	16 yrs - 15.7% 12 yrs - 82.5%	11,414 estimate	4.0
2017	48,813	\$1,014,627 estimate	\$20,786 estimate	37.8	16 yrs - 16.8% 12 yrs - 83.8%	11,390 estimate	3.7
2018	48,861	\$1,053,473 estimate	\$21,622 estimate	37.3	16 yrs - 17.1% 12 yrs - 83.9%	11,446 estimate	4.0
2019	48,807	\$1,078,147 estimate	\$22,090 estimate	37.7	16 yrs - 16.4% 12 yrs - 84.6%	11,274 estimate	4.5
2020	48,807	\$1,112,458 estimate	\$22,793 estimate	37.6	16 yrs - 15.8% 12 yrs - 85.5%	11,014 estimate	4.6
2021	50,987	\$1,233,070 estimate	\$24,184 estimate	38.4	16 yrs - 15.6% 12 yrs - 85.4%	11,146 estimate	3.1
2022	51,229	\$1,299,885 estimate	\$25,374 estimate	38.7	16 yrs - 15.8% 12 yrs - 85.4%	11,168 estimate	3.4
2023	51,500	\$1,299,268 estimate	\$25,229 estimate	38.6	16 yrs - 16.1% 12 yrs - 83.9%	10,918 estimate	3.2
2024	52,291	\$1,530,505 estimate	\$29,269 estimate	38.4	16 yrs -15.6% 12 yrs -85.8%	11,086 estimate	4.7

Data Sources:

(1) US Census Bureau

(2) US Department of Labor

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

Employer	2024		
	Employees	Rank	Percentage of Total City Employment
Cleveland Cliffs Steel Co (formerly AK Steel)	2,724	1	11.5%
Atrium Medical Center	1,690	2	7.2%
Middletown City Schools	958	3	4.1%
Intelycare Inc	597	4	2.5%
Walmart	527	5	2.2%
PAC Worldwide Corp	524	6	2.2%
Staffmark Investment LLC	480	7	2.0%
City of Middletown	456	8	1.9%
Kroger	440	9	1.9%
Onesource Employee Management	438	10	1.9%
TOTAL ESTIMATED CITY EMPLOYMENT	23,600		
Employer	2015		
	Employees	Rank	Percentage of Total City Employment
AK Steel	2,483	1	12.8%
Atrium Medical Center	1,872	2	9.6%
CM Temporary Services Inc	1,590	3	8.2%
Triumphant Return Rehab LLC	942	4	4.9%
Middletown City Schools	832	5	4.3%
Crown Services 36 LLC	761	6	3.9%
Belflex Staffing Network LLC	733	7	3.8%
Kroger Limited Partnership	687	8	3.5%
CBS Personnel	646	9	3.3%
Miami University	624	10	3.2%
TOTAL ESTIMATED CITY EMPLOYMENT	19,400		

Data Sources:
City Income Tax Division
Ohio Labor Market Information (Total Estimated City Employment)

CITY OF MIDDLETOWN, OHIO
Full-time City Government Employees by Function
Last Ten Years
Table 19

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	34.5	36.5	36.5	37.5	36.5	37.5	36.5	37.5	38.5	40.5
Public safety										
Police										
Officers	68	69	71	72	69	70	72	72	77	80.2
Civilians	31	35	33	33	41.5	41.5	41.5	36.5	36.5	38.4
Fire										
Firefighters & officers	64	67	67	67	79	81	81	84	84	84.0
Civilians	1	1	1	1	1	1	1	1	1	1.0
Other	30	32	32	31	32	32	31	34	35	35.0
Highways and streets										
Maintenance	14	14.5	14.5	14.5	14.5	14.5	14	14	16	16.5
Leisure Time Activities	6	6	6	6	6	6	6	6	6	7.3
Community Environment	2	4.5	4.5	4.5	5	6	6	10	11	10.0
Public health & welfare	3	5	5	5	5	7	7	7	8	8.5
Water	31	31	31	31	31	32	32	33	33	33.4
Sewer	35	36	36	35	36	37	38	39	39.5	39.8
Storm Water	7.5	9	9	9	9	9	9.5	9.5	9	10.5
Airport	0	0	0	0	0	2	0	0	1	1.0
Golf Course	0	0	0	0	0	0	0	0	0	0.0
Solid Waste	1	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Transit	4	4	4	4	2	1	1	1	1	1.0
Internal Services	7	7	7	7	7	7	7	7	7	7.0
Total	339	357.5	358	358	375	385	384	392	404	415

Source: City of Middletown Finance Administration

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Number of fire responses	2,159	2,116	1,997	2,734	2,901	2,042	2,771	2,712	2,872	2,512
Average response time (minutes)	6.0	5.6	6.1	5.3	5.3	5.5	5.4	6.0	5.3	5.3
Emergency medical calls	8,633	9,268	9,834	9,520	9,540	8,904	10,131	10,397	10,224	10,318
Police										
Calls for service	44,353	40,337	40,602	40,597	36,730	33,114	34,862	48,288	45,172	51,965
Number of arrests	5,861	6,239	6,150	4,773	4,022	3,308	3,909	4,653	2,966	2,834
Response time for priority calls (minutes)	5.8	6.1	6.1	4.4	6.3	6.1	5.6	5.6	6.5	4.5
Traffic accidents	1,212	1,387	1,094	1,032	1,058	841	1,016	939	908	1,012
Average daily jail population	57	103	62	54	41	28	33	40	41	40
Transit										
Unlinked passenger trips	167,837	147,614	136,787	146,186	145,176	120,388	111,712	175,612	125,240	253,910
Water										
Average daily water pumpage (million gallons per day)	8.30	8.93	9.00	10.36	10.78	10.24	10.41	11.26	10.43	10.34
Number of water accounts	19,006	19,094	19,017	19,144	19,029	19,307	20,311	24,937	21,000	23,503
Sewer										
Average daily flow (million gallons per day)	17.0	18.4	15.6	20.2	20.2	17.2	17.6	16.9	15.9	15.6
Sewer mains cleaned (linear feet)	15,040	46,748	11,869	16,655	31,102	10,414	10,850	18,443	25,001	10,123

Source: City of Middletown Departmental Data

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Police stations	1	1	1	1	1	1	1	1	1	1
Highways and streets:										
Streets (miles)	242	242	242	242	242	242	242	242	242	242
Traffic Lights	111	109	109	109	109	109	109	109	109	109
Water:										
Water mains (miles)	343	343	290	290	290	290	290	290	290	290
Sewer:										
Sanitary & storm (miles)	320	320	394	394	394	394	394	394	394	394
Leisure & recreation:										
Parks	35	35	34	34	34	34	34	34	34	34
Community Centers	1	1	1	1	1	1	1	1	1	1

Source: City of Middletown



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF MIDDLETOWN

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 12/18/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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