



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF MIDDLETOWN
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**CITY OF MIDDLETOWN
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 1999**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant Entitlements	N/A	14.218	\$805,456
Housing Assistance for Low Income Families - Section 8	N/A	14.856	<u>1,909,677</u>
Total U.S. Department of Housing and Urban Development			2,715,133
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Grants</i>			
Cops in Schools Grant	N/A	16.710	6,805
Community Oriental Policing Services (COPS FAST)	N/A	16.710	30,441
COPS Universal Hiring Program Grant	N/A	16.710	<u>42,707</u>
Sub-total Direct Grants			79,953
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Federal Block Grant	N/A	16.592	33,444
Police Computer Grant	N/A	16.592	<u>77,649</u>
Sub-total Passed through Ohio Office of Criminal Justice Services			<u>111,093</u>
Total U.S. Department of Justice			191,046
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Human Services</i>			
Title XX Social Services Block Grant	9-99-2627	93.667	<u>26,906</u>
Total Passed through Ohio Department of Human Services			26,906
<i>Passed through the Ohio Department of Health</i>			
Immunization Action Plan	182-B	93.268	49,290
Title XIX, Preventive Health Block Grant	226-E	93.991	51,192
Title XIX, Cardiovascular Disease Risk Reduction Project	226-I	93.991	<u>32,388</u>
Sub-total Title XIX			83,580
Block Grant Maternal and Child Health Services	9-2-01-F-AI-320	93.994	<u>3,867</u>
Total Passed through Ohio Department of Health			<u>136,737</u>
Total U.S. Department of Health and Human Services			<u>163,643</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$3,069,822</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF MIDDLETOWN
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the 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 C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses in order to create jobs for persons from low-moderate income households; and to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The initial loan amount is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.



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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Middletown
Butler County
One City Centre Plaza
Middletown, Ohio 45042

To the City Council:

We have audited the financial statements of the City of Middletown, Butler County, Ohio (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-20431-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weakness. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 16, 2000.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 16, 2000



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

City of Middletown
Butler County
One City Centre Plaza
Middletown, Ohio 45042

To the City Council:

Compliance

We have audited the compliance of the City of Middletown with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that is applicable to the major federal program for the year ended December 31, 1999. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Middletown's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Middletown complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the City of Middletown is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

City of Middletown
Butler County
Report of Independent Accountants on Compliance with Requirements
Applicable to Each Major Federal Program and Internal Control Over
Compliance In Accordance With OMB Circular A-133
Page 2

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 16, 2000

**CITY OF MIDDLETOWN
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant CFDA: 14.218
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 1999-20431-001

Reportable Condition

Transfers/Reclassifications

The Codification of Governmental Accounting and Financial Reporting Standards, Section 1800.106 states that "All interfund transactions except loans or advances, quasi-external transactions and reimbursements are transfers." Transfers which are not residual equity transfers (nonrecurring or nonroutine transfers of equity between funds) should be classified as operating transfers. A review of the City's operating transfers on their financial statement revealed that not all of the transactions were a transfer or an actual permanent

**CITY OF MIDDLETOWN
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999**

FINDING NUMBER 1999-20431-001 (Continued)

reallocation of moneys from fund to fund. The majority of the transactions were advances from the General Fund to the Downtown Improvement-Capital Improvement Fund having been repaid during the same year (there was no effect on the fund balance of either fund). The other transactions improperly classified were actual reimbursements.

We recommend the City use due care in evaluating all of their financial transactions and then properly classify interfund transactions in accordance with generally accepted accounting principles. Even though there was no effect on the fund balance the transfers in and out were overstated.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 1999



CITY OF MIDDLETOWN, OHIO

CITY OF MIDDLETOWN, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 1999

**Prepared by
Finance Department**

**John T. Lyons
Finance Director**

**CITY OF MIDDLETOWN, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the year ended December 31, 1999**

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**CITY OF MIDDLETOWN, OHIO
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INTRODUCTORY SECTION

June 23, 2000

TO THE CITIZENS OF THE CITY OF MIDDLETOWN, OHIO

The Comprehensive Annual Financial Report of the City of Middletown for the fiscal year ended December 31, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining statements and individual fund and account group schedules, as well as the accountants' report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the primary government (the City of Middletown as legally defined.) The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets, and infrastructure; and recreational activities. The City of Middletown also operates the water and sewer systems, the City-owned golf course, and the Middletown municipal airport. However, the Middletown Public Library and the Middletown City School District have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Middletown is located in the southwestern part of the State of Ohio between the cities of Dayton and Cincinnati. This area of the state is one of the fastest growing areas in population and in job creation in the state.

Economic Growth and Development

Middletown Regional Hospital opened a diabetes wellness center and a childcare center in 1999. The hospital employs a professional staff of 1500 persons. Middletown Regional Hospital, which celebrated

its 83rd year of operation in 1999, was again selected one of the nation's top 100 hospitals by the American Hospital Association.

In nearby Trenton, Ohio, the Miller Brewing Company's Trenton brewery enjoyed its best year ever by producing 8.6 million barrels. This facility is now the largest brewery in Ohio with 640 full-time technicians and staff managers.

Miami University, Middletown, enrolled 2,592 undergraduate and 74 graduate students in the fall of 1999. Construction on the Barry J. Levey Science Building was completed and the 38,861 square foot building opened in May 1999.

A.K. Steel Company, Inc.

A.K. Steel Company, Middletown's largest employer, reported an operating profit of \$56 per ton for the year. The company earned \$368.1 million in 1999 on sales of \$4.3 billion. A.K. Steel Company, the sixth largest integrated U.S. steelmaker, has led the industry in operating profit per ton for the past six years.

MAJOR INITIATIVES

Recreation

- The City received a \$204,000 Ohio Nature Works Grant for improvements to Smith Park.
- A generous donation was received from Baker Concrete for the construction of the Baker Bowl Skate Park. Thrasher Magazine rated the Baker Bowl as the best new skate board park in the Mid-West in 1999.

Public Safety

- The City Fire Division purchased six new tornado sirens in 1999 that will become operational in 2000.
- The Fire Division also acquired a Smoke House that provides hands-on experience to children on the proper methods for escaping a house fire.
- Cincinnati State continued its on-site associate degree program for Middletown's Police Division.
- Volunteer auxiliary police members donated over 2000 hours to the Police Division in 1999.

Development

- The City Commission approved the issuance of \$10,525,000 of General Obligation bonds to finance the removal of the City Centre Mall roof and the reinstatement of streets and sidewalks in the Mall area.
- Improvements to Cincinnati-Dayton Road and Towne Boulevard were undertaken as part of the City's East End improvements program.

Awards/Recognitions

- The City's bond rating was upgraded from A-2 to A-1 by Moody's Investors Service in 1999.
- The City's housing rehabilitation program received the HUD Best Practices Award.
- The City Traffic Engineer received the Traffic Education Award from the International Signal Maintenance Association.
- The City Finance Department received both the Certificate for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from GFOA in 1999.

For the Future

- Middletown's 2000 capital improvements budget lists projects totaling \$2.6 million and \$2.9 million respectively for its water and sewer systems. A new water elevated storage tank costing \$2.6 million will be constructed to serve the Blueball area.
- Capital improvements in the newly annexed area bordering I-75 are estimated to total \$4.9 million over the next two years. These East End improvements are to be funded with a combination of Federal, County, and State revenues, property owner assessments, general obligation bond issues and local income tax receipts.
- The removal of the City Centre Mall roof will begin in 2000. Butler County has pledged a \$3 million contribution towards the \$10.5 million cost of this downtown improvements project.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Middletown are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Internal Controls

As a recipient of Federal, State, and County financial assistance, the City of Middletown also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the City administration.

Budgeting Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of all City funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level of control at which expenditures cannot exceed the appropriated amount) is established by expenditure category. The City also maintains an encumbrance accounting

system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and need not be re-appropriated.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions

The following schedule presents a summary of General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Expendable Trust Funds revenues for the fiscal year ended December 31, 1999, and the amount and percentage of increases/decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 1998	Percent of Increase (Decrease)
Property taxes	\$4,836,816	12.66%	243,990	5.31%
Municipal income taxes	17,614,470	46.11	1,639,758	10.26
Special assessments	979,592	2.56	289,666	41.99
Intergovernmental revenues	9,024,171	23.62	547,591	6.46
Charges for services	1,802,023	4.72	528,763	41.53
Fees, licenses, and permits	337,018	0.88	(100,813)	(23.03)
Fines and forfeits	1,152,253	3.02	(65,435)	(5.37)
Interest earnings	1,178,848	3.09	106,024	9.88
Miscellaneous	1,275,514	3.34	(527,244)	(29.25)
Total	\$38,200,705	100.00%	\$2,662,300	7.49%

The most significant changes in revenues were in municipal income taxes, special assessments, charges for services and miscellaneous revenue.

The City's local income tax receipts rose by 10.26% in 1999. The City's strong local economy plus the mandatory tax-filing program, which began in 1995, are the reasons for this increase in the City's largest revenue.

Special assessment revenues increased by 41.99% in 1999 because there were larger special assessment projects completed during the year.

Charges for services revenue grew by 41.53%. Most of this increase occurred in the General Fund as Social Health Center ambulance billing receivables were recorded. Miscellaneous revenues dropped by 29.25% (\$527,244) in 1999. A one-time refund of \$522,208 from the Ohio Workers Compensation Bureau, which was received in 1998, accounts for this decrease.

The following schedule presents a summary of General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Expendable Trust Funds expenditures for the fiscal year ended December 31, 1999, and the amount and percentage of increases/ decreases in comparison to prior year expenditures:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1998	Percent of Increase (Decrease)
Current:				
Public safety	\$18,753,189	51.51%	791,311	4.41%
Public health and welfare	1,246,366	3.42	148,631	13.54
Leisure time activities	1,263,846	3.47	307,334	32.13
Community environment	4,423,435	12.15	729,132	19.74
Highways and streets	3,254,827	8.94	(691,199)	(17.52)
General government	4,693,219	12.89	778,342	19.88
Miscellaneous	1,098,127	3.02	122,780	12.59
Debt service:				
Principal retirement	913,376	2.51	37,633	4.30
Interest and fiscal charges	762,395	2.09	22,721	3.07
Total	\$36,408,780	100.00%	\$2,246,685	6.58%

There were significant changes in five categories in 1999.

- Leisure time activities expenditures increased by \$307,334 (32.13%) in 1999. The \$287,630 Smith Park improvements project accounted for most of this increase.
- Public health and welfare costs rose by \$148,631 (13.54%). Over half of this increase was offset by higher health grant revenues and increased health department charges for services.
- Community Environment costs were up by \$729,132 (19.74%) in 1999. The City Centre Mall downtown improvements projects (\$464,510) and the Dick's Creek sewer extension project (\$110,618) accounted for 79% of this annual cost increase.
- Highways and streets expenditures were down by 17.52% in 1999 because the street projects completed in 1999 were less costly than the 1998 projects. Marshall Road, the largest 1998 project, was completed at a cost of \$935,639. Burbank Avenue, 1999's largest project, was finished at a cost of \$603,010.
- General government costs for the year were up by \$778,342 (19.88%). The purchase of new computer equipment at a cost of \$635,497 accounted for most of this change.

General Fund Balance

The undesignated fund balance of the City's General Fund increased by \$2,631,063 in 1999 to a year-end total of \$11,370,355. This fund balance is equal to approximately four months of General Fund expenditures and provides an operating safety margin to the City's most vital service departments.

Enterprise Operations

The City's Enterprise Funds are the Golf Course Fund, the Transit System Fund, the City Centre Mall Fund, the Airport Fund, the Parking Garage Fund, the Solid Waste Disposal Fund, and the Water and Sewer Funds.

- The Water, Sewer, Airport, Golf Course and Solid Waste Funds all had profitable years in 1999.
- The Parking Fund reported a loss of \$53,308 in 1999.
- The Transit Fund operating loss of \$779,108 was partially offset by federal and state grants totaling \$536,349.
- The City Centre Mall Fund operated at a loss in 1999 after the local income tax subsidy.

Fiduciary Funds

The City of Middletown operated with seven fiduciary funds in 1999. This fund category consisted of two Non-Expendable Trust Funds, one Expendable Trust Fund, and four Agency Funds. The largest of these funds, the Community Development Act Escrow Fund, had rehabilitation loans outstanding of \$1,357,825 on December 31, 1999.

Debt Administration

The City of Middletown had a number of debt issues outstanding at December 31, 1999. These issues included \$28,450,000 of general obligation bonds, and \$3,186,075 of special assessment bonds.

Middletown improved its bond rating with Moody's Investors Service in 1999 from A-1 to A-2. The City's general obligation debt limit is \$85.5 million. The City's \$6.3 million bonded debt subject to this limitation is substantially less than this legal limit.

Cash Management

Cash temporarily idle during the year was invested in U.S. Government securities, certificates of deposits, and in Star Ohio, an investment pool operated by the State Treasurer of Ohio. The average yield on investments in 1999 was 5.00% versus 6.60% in 1998. The amount of interest revenue for all City funds in 1999 was \$1,706,027.

Risk Management

The City transfers its risk for general liability, police professional, automobile fleet liability, health district liability, and public officials liability claims by its membership in the Public Entities Pool of Ohio, a risk sharing pooling arrangement with selected Ohio counties and municipalities. These coverages have a \$2,500 deductible.

Standard insurance policies for property loss, boiler and machinery coverage, transit liability, and airport liability are purchased from insurance companies licensed to do business in the State of Ohio. Each of these policies carries an appropriate deductible.

The City of Middletown is self-funded for its employee health insurance. All claims are paid through the Employee Benefits Fund (total costs in 1999 were \$1,969,446). Medical, dental, drug, and administrative costs are included in this total.

To protect itself in the event of catastrophic medical insurance costs, the City of Middletown purchases an excess loss policy each year. The City was insured for all medical losses in excess of approximately \$2.1 million in 1999.

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. The Auditor of State performed the City's 1999 audit. The Auditor of State independent accountants' report on the City's general purpose financial statements is included in the financial section of this Comprehensive Annual Financial Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Middletown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1998.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual 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.

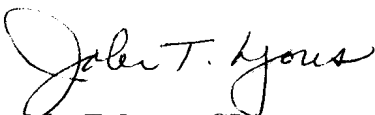
Acknowledgments

The preparation of the 1999 Comprehensive Annual Financial Report of the City of Middletown was made possible by the combined efforts of the City's Finance Department and the Auditor of State.

The support of the Middletown City Commission was essential to the successful preparation and issuance of this report.

Respectfully submitted,

DEPARTMENT OF FINANCE



John T. Lyons, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

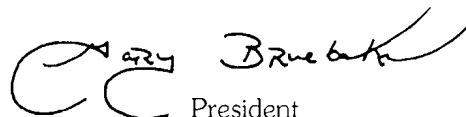
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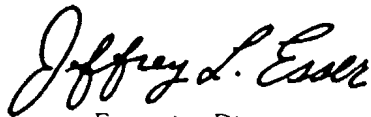
City of Middletown,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.




Cary Brubaker
President


Jeffrey L. Essler
Executive Director

CITY OF MIDDLETOWN, OHIO

Principal Officials December 31, 1999

Legislative

Chairman of City Commission.....	Earl R. Smith
Vice-Chairman of City Commission	Frederick A. Sennet
City Commission Member	Robert Hill
City Commission Member	David S. Schiavone
City Commission Member	Gerald T. Banks
City Commission Member	James Armbruster
City Commission Member	Paul D. Nenni

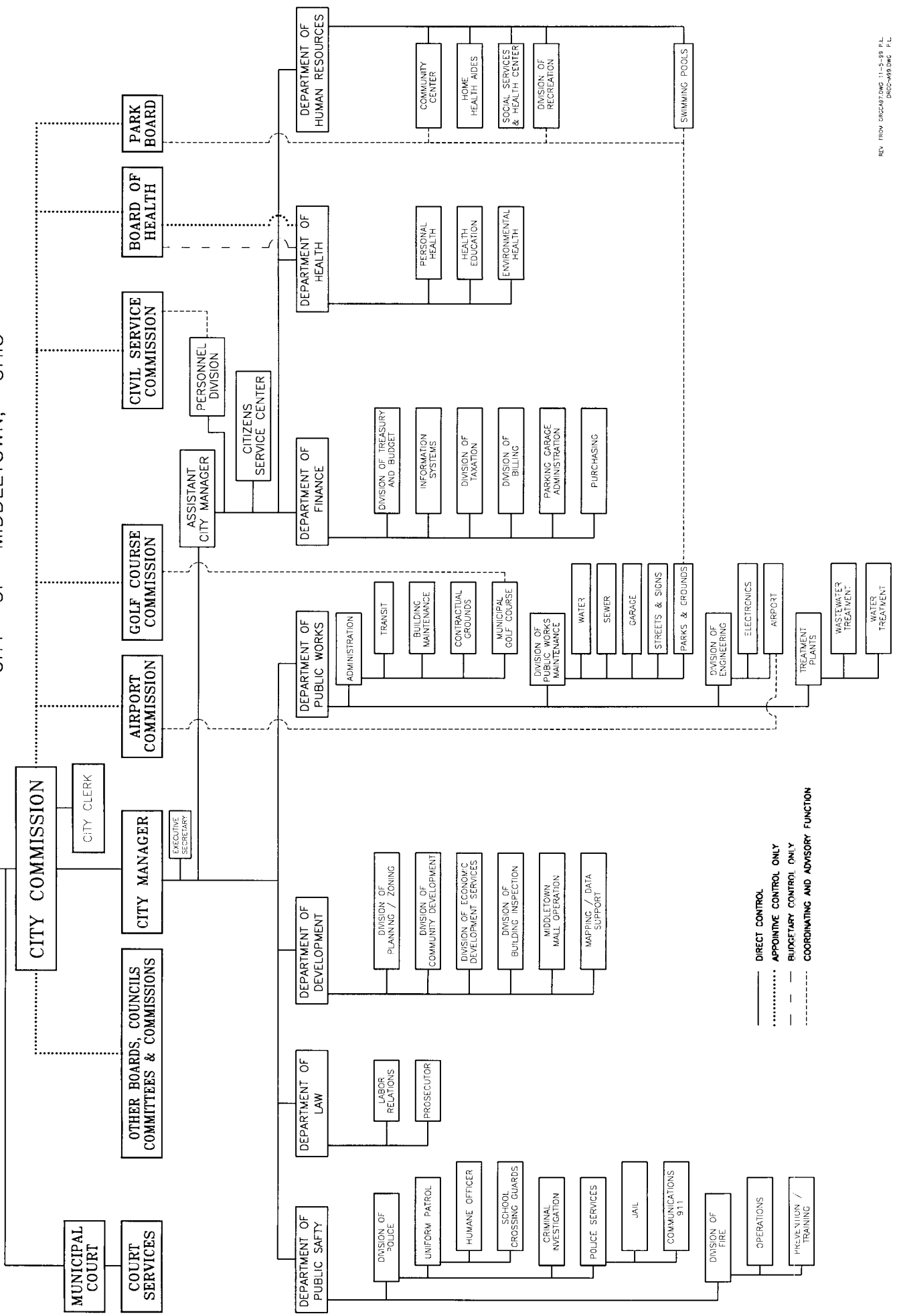
Executive/Administrative

City Manager	Ronald L. Olson
Chief of Police	William A. Becker
City Engineer	Andrew J. Braun
Development Director	Neal A. Barille
Director of Court Services	Louis A. Rossi, Jr.
Finance Director	John T. Lyons
Fire Chief	John J. Sauter
Health Commissioner	Ronald J. Murray
Human Resources Director.....	Michael C. Young
Law Director	Leslie S. Landen
Public Works Director	Preston M. Combs

ORGANIZATIONAL CHART

CITY OF MIDDLETOWN, OHIO

CITIZENS OF MIDDLETOWN



_____ DIRECT CONTROL
 APPOINTIVE CONTROL ONLY
 - - - - - BUDGETARY CONTROL ONLY
 - - - - - COORDINATING AND ADVISORY FUNCTION

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Middletown
Butler County
One City Centre Plaza
Middletown, Ohio 45042

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Middletown, Butler County, Ohio (the City), as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Middletown's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Middletown, Butler County, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2000, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

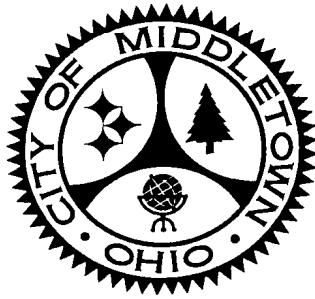
Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 16, 2000



COMBINED FINANCIAL STATEMENTS

CITY OF MIDDLETOWN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
As of December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and equity in pooled cash, deposits and investments	\$8,465,086	\$4,083,890	\$601,664	\$13,638,872
Cash with fiscal and escrow agent	-	-	133,069	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property taxes	3,688,644	533,330	399,997	888,883
Accounts	711,047	98,206	-	11,291
Loans	-	351,032	-	-
Special assessments	-	-	5,743,366	-
Accrued interest	-	-	-	-
Due from other funds	4,197,157	-	-	303,600
Due from other governments	170,131	156,422	-	216,716
Inventory of supplies	11,921	263,366	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Fixed assets in service:				
Land	-	-	-	-
Land Improvements	-	-	-	-
Infrastructure assets	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Less: Accumulated depreciation	-	-	-	-
Other Debits:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	\$17,243,986	\$5,486,246	\$6,878,096	\$15,059,362

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt	1999	1998
\$ 13,552,703	\$1,941,269	\$1,852,640	\$0	\$0	\$44,136,124	\$27,164,505
-	-	1,585,911	-	-	1,718,980	1,669,396
-	-	1,802,161	-	-	1,802,161	1,074,407
-	-	-	-	-	5,510,854	5,086,311
1,799,767	38,346	-	-	-	2,658,657	2,375,156
-	-	1,357,825	-	-	1,708,857	1,710,465
-	-	-	-	-	5,743,366	5,567,520
-	-	-	-	-	-	116,037
1,485	168,394	-	-	-	4,670,636	3,446,161
50,724	-	-	-	-	593,993	515,965
510,793	131,269	-	-	-	917,349	841,245
288,000	-	-	-	-	288,000	-
6,466,784	195,750	-	7,323,940	-	13,986,474	13,919,267
2,053,342	-	-	-	-	2,053,342	2,008,342
43,996,294	-	-	-	-	43,996,294	43,179,858
25,261,695	337,507	-	19,323,115	-	44,922,317	42,489,179
8,325,551	9,248,074	-	5,483,924	-	23,057,549	21,503,858
(42,364,596)	(6,301,143)	-	-	-	(48,665,739)	(46,826,242)
-	-	-	-	371,664	371,664	146,949
-	-	-	-	26,522,813	26,522,813	16,886,333
\$59,942,542	\$5,759,466	\$6,598,537	\$32,130,979	\$26,894,477	\$175,993,691	\$142,874,712

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
As of December 31, 1999

(continued)	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 223,302	\$ 212,190	\$ -	\$ 123,694
Accrued wages and benefits	1,075,882	132,753	-	-
Other accrued liabilities	340,109	58,512	-	-
Accrued interest payable	-	-	-	-
Due to other funds	80,604	100,531	230,000	303,600
Due to other governments	973	11,304	-	-
Due to individuals	1,736	31,065	-	-
Unapportioned monies	-	-	-	-
Matured bonds and interest	-	-	133,069	-
Current portion of general obligation bonds payable	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	3,688,644	533,330	6,143,363	888,883
General obligations bonds payable	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Compensated absences payable	-	-	-	-
Police and fire pension liability	-	-	-	-
Total liabilities	5,411,250	1,079,685	6,506,432	1,316,177
Equity and other credits:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings reserved for debt service	-	-	-	-
Retained earnings unreserved	-	-	-	-
Fund balances (deficit):				
Reserved for encumbrances	450,460	164,858	-	3,779,368
Reserved for inventory	11,921	263,366	-	-
Reserved for endowments	-	-	-	-
Reserved for loans	-	351,031	-	-
Unreserved:				
Designated for future expenditures	-	-	-	-
Undesignated	11,370,355	3,627,306	371,664	9,963,817
Total equity and other credits	11,832,736	4,406,561	371,664	13,743,185
Total liabilities, equity and other credits	\$ 17,243,986	\$ 5,486,246	\$ 6,878,096	\$ 15,059,362

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt	1999	1998
\$ 370,542	\$ 244,194	\$ -	\$ -	\$ -	\$ 1,173,922	\$ 1,632,715
206,266	23,582	-	-	-	1,438,483	1,277,446
80,068	8,707	-	-	-	487,396	447,034
53,112	465	-	-	-	53,577	100,586
573,150	1,485	3,381,266	-	-	4,670,636	3,446,161
313,107	-	15,978	-	-	341,362	45,111
196,358	-	141,589	-	-	370,748	234,406
-	-	58,162	-	-	58,162	47,824
-	-	-	-	-	133,069	152,098
595,000	-	-	-	-	595,000	490,000
249,175	400,000	-	-	-	649,175	723,230
-	-	-	-	-	11,254,220	10,653,831
10,565,000	-	-	-	17,290,000	27,855,000	15,865,000
-	-	-	-	3,186,075	3,186,075	3,158,498
394,923	66,569	-	-	3,046,380	3,507,872	3,610,510
-	-	-	-	3,372,022	3,372,022	3,469,763
13,596,701	745,002	3,596,995	-	26,894,477	59,146,719	45,354,213
41,630,925	-	-	-	-	41,630,925	41,478,874
-	-	-	32,130,979	-	32,130,979	30,697,484
714,275	-	-	-	-	714,275	835,350
4,000,641	5,014,464	-	-	-	9,015,105	6,650,577
-	-	-	-	-	4,394,686	542,666
-	-	-	-	-	275,287	237,944
-	-	6,000	-	-	6,000	6,000
-	-	2,943,736	-	-	3,294,767	3,241,806
-	-	-	-	-	-	269
-	-	51,806	-	-	25,384,948	13,829,529
46,345,841	5,014,464	3,001,542	32,130,979	-	116,846,972	97,520,499
\$ 59,942,542	\$ 5,759,466	\$ 6,598,537	\$ 32,130,979	\$ 26,894,477	\$ 175,993,691	\$ 142,874,712

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Governmental Fund Types				Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	(Memorandum Only)	
						1999	1998
Revenues:							
Property taxes	\$3,259,065	\$467,794	\$389,828	\$720,129	\$ -	\$4,836,816	\$4,592,826
Municipal income taxes	14,142,054	2,156,000	508,416	808,000	-	17,614,470	15,974,712
Intergovernmental revenues	3,244,425	5,412,565	34,800	332,381	-	9,024,171	8,476,580
Charges for services	1,146,429	633,216	-	22,378	-	1,802,023	1,273,260
Fees, licenses, and permits	337,018	-	-	-	-	337,018	437,831
Fines and forfeits	14,120	1,138,133	-	-	-	1,152,253	1,217,688
Special assessments	-	-	747,375	232,217	-	979,592	689,926
Interest earnings	836,610	77,777	-	198,069	66,392	1,178,848	1,072,824
Miscellaneous	695,113	476,488	-	68,435	35,478	1,275,514	1,802,758
Total revenues	23,674,834	10,361,973	1,680,419	2,381,609	101,870	38,200,705	35,538,405
Expenditures:							
Current							
Public safety	14,519,826	4,113,908	-	119,455	-	18,753,189	17,961,878
Public health and welfare	538,958	695,157	-	12,251	-	1,246,366	1,097,735
Leisure time activities	857,934	94,039	-	311,873	-	1,263,846	956,512
Community environment	843,394	2,928,979	-	651,062	-	4,423,435	3,694,303
Highways and streets	-	1,971,716	-	1,283,111	-	3,254,827	3,946,026
General government	3,961,751	71,025	-	660,443	-	4,693,219	3,914,877
Miscellaneous	931,499	138,039	-	-	28,589	1,098,127	975,347
Debt service							
Principal retirement	-	-	913,376	-	-	913,376	875,743
Interest and fiscal charges	-	-	754,426	7,969	-	762,395	739,674
Total expenditures	21,653,362	10,012,863	1,667,802	3,046,164	28,589	36,408,780	34,162,095
Excess of revenues over (under) expenditures	2,021,472	349,110	12,617	(664,555)	73,281	1,791,925	1,376,310
Other financing sources (uses):							
Operating transfers-in	3,791,050	169,706	212,098	6,539,467	-	10,712,321	1,865,851
Operating transfers-out	(2,781,956)	(13,125)	-	(5,208,132)	-	(8,003,213)	(561,863)
Other sources	-	-	-	-	-	-	14,634
Other uses	(340)	-	-	-	-	(340)	-
Proceeds from bonds	-	-	-	10,980,780	-	10,980,780	226,438
Total other financing sources (uses)	1,008,754	156,581	212,098	12,312,115	0	13,689,548	1,545,060
Excess of revenues and other financing sources over (under) expenditures and other financing uses	3,030,226	505,691	224,715	11,647,560	73,281	15,481,473	2,921,370
Fund balance, beginning of year	8,802,510	3,900,870	146,949	2,095,625	2,848,755	17,794,709	14,873,339
Fund balance, end of year	\$11,832,736	\$4,406,561	\$371,664	\$13,743,185	\$2,922,036	\$33,276,182	\$17,794,709

See accompanying notes to financial statements.

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)
Revenues:						
Property taxes	\$ 3,255,918	\$ 3,259,065	\$ 3,147	\$ 471,230	\$ 467,794	\$ (3,436)
Municipal income taxes	12,878,677	12,861,909	(16,768)	2,168,000	2,156,000	(12,000)
Intergovernmental revenues	2,914,813	3,286,627	371,814	6,771,031	5,512,850	(1,258,181)
Charges for services	924,095	827,444	(96,651)	614,620	634,066	19,446
Fees, licenses, and permits	421,006	336,109	(84,897)	-	-	-
Fines and forfeits	16,100	14,120	(1,980)	1,220,482	1,185,981	(34,501)
Interest earnings	783,000	895,967	112,967	58,700	66,838	8,138
Miscellaneous	929,346	712,003	(217,343)	503,452	550,355	46,903
Total revenues	22,122,955	22,193,244	70,289	11,807,515	10,573,884	(1,233,631)
Expenditures:						
Current:						
Public safety	14,961,139	14,632,068	329,071	4,477,097	4,139,700	337,397
Public health and welfare	593,937	542,041	51,896	780,959	631,717	149,242
Leisure time activities	971,203	871,193	100,010	5,000	3,389	1,611
Community environment	828,389	792,410	35,979	5,297,135	3,366,675	1,930,460
Highways and streets	-	-	-	2,102,793	2,052,532	50,261
General government	4,350,277	4,201,619	148,658	164,000	127,742	36,258
Miscellaneous	1,247,904	948,595	299,309	-	-	-
Total expenditures	22,952,849	21,987,926	964,923	12,826,984	10,321,755	2,505,229
Excess of revenues over (under) expenditures	(829,894)	205,318	1,035,212	(1,019,469)	252,129	1,271,598
Other financing sources (uses):						
Operating transfers-in	3,791,050	3,791,050	-	157,000	169,706	12,706
Operating transfers-out	(2,776,375)	(2,781,956)	(5,581)	(13,125)	(13,125)	-
Other sources	-	328,359	328,359	-	(75,486)	(75,486)
Other uses	-	(170)	(170)	-	-	-
Total other financing sources (uses)	1,014,675	1,337,283	322,608	143,875	81,095	(62,780)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	184,781	1,542,601	1,357,820	(875,594)	333,224	1,208,818
Fund balance, beginning of year	6,097,697	6,097,697	-	3,267,279	3,267,279	-
Appropriation for prior year encumbrances	313,781	313,781	-	219,084	219,084	-
Fund balance, end of year	\$ 6,596,259	\$ 7,954,079	\$ 1,357,820	\$ 2,610,769	\$ 3,819,587	\$ 1,208,818

See accompanying notes to financial statements.

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Debt Service Fund			Capital Projects Funds		
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)
(continued)						
Revenues:						
Property taxes	\$390,000	\$389,828	(\$172)	\$ 719,300	\$ 720,130	\$ 830
Municipal income taxes	508,416	508,416	-	808,000	808,000	-
Intergovernmental revenue	34,000	34,800	800	165,170	115,664	(49,506)
Charges for services	-	-	-	20,000	22,378	2,378
Special assessments	747,000	747,284	284	220,000	220,926	926
Interest earnings	-	-	-	99,165	208,483	109,318
Miscellaneous	-	-	-	52,500	68,435	15,935
Total revenues	1,679,416	1,680,328	912	2,084,135	2,164,016	79,881
Expenditures:						
Current:						
Contractual services	4,050	4,008	42	305,500	254,571	50,929
Capital outlay:						
Public safety	-	-	-	140,315	126,617	13,698
Public health & welfare	-	-	-	12,796	12,796	-
Leisure time activities	-	-	-	408,437	352,407	56,030
Community environment	-	-	-	212,426	79,675	132,751
Highways and streets	-	-	-	6,024,470	5,069,479	954,991
General government	-	-	-	1,120,620	1,022,262	98,358
Debt service:						
Principal retirement	1,047,163	1,048,376	(1,213)	545,000	545,000	-
Interest and fiscal charges	919,792	913,466	6,326	12,000	8,805	3,195
Total expenditures	1,971,005	1,965,850	5,155	8,781,564	7,471,613	1,309,951
Excess of revenues over (under) expenditures	(291,589)	(285,522)	6,067	(6,697,429)	(5,307,597)	1,389,832
Other financing sources (uses):						
Operating transfers-in	738,048	510,146	(227,902)	5,563,933	6,539,466	975,533
Operating transfers-out	-	-	-	(5,223,133)	(5,208,132)	15,001
Other sources	-	-	-	400,000	303,600	(96,400)
Other uses	-	(50,000)	(50,000)	-	(303,600)	(303,600)
Proceeds from bonds	-	-	-	10,525,000	10,525,000	-
Proceeds from notes	-	-	-	456,000	455,780	(220)
Total other financing sources (uses)	738,048	460,146	(277,902)	11,721,800	12,312,114	590,314
Excess of revenues and other financing sources over (under) expenditures and other financing uses	446,459	174,624	(271,835)	5,024,371	7,004,517	1,980,146
Fund balance, beginning of year	427,039	427,039	-	2,285,372	2,285,372	-
Appropriation for prior year encumbrances	-	-	-	460,897	460,897	-
Fund balance, end of year	\$ 873,498	\$ 601,663	\$ (271,835)	\$ 7,770,640	\$ 9,750,786	\$ 1,980,146

See accompanying notes to financial statements.

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Expendable Trust Funds			Totals (Memorandum only)			
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
(continued)							
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 4,836,448	\$ 4,836,817	\$ 369	\$ 4,561,403
Municipal income taxes	-	-	-	16,363,093	16,334,325	(28,768)	16,306,858
Intergovernmental revenues	-	-	-	9,885,014	8,949,941	(935,073)	8,428,091
Charges for services	-	-	-	1,558,715	1,483,888	(74,827)	1,262,732
Special assessments	-	-	-	967,000	968,210	1,210	694,592
Fees, licences, and permits	-	-	-	421,006	336,109	(84,897)	438,357
Fines and forfeits	-	-	-	1,236,582	1,200,101	(36,481)	1,169,462
Interest earnings	65,000	66,392	1,392	1,005,865	1,237,680	231,815	1,037,289
Miscellaneous	-	-	-	1,485,298	1,330,793	(154,505)	1,789,070
Total revenues	65,000	66,392	1,392	37,759,021	36,677,864	(1,081,157)	35,687,854
Expenditures:							
Current:							
Contractual services	-	-	-	309,550	258,579	50,971	109,816
Capital outlay:							
Public safety	-	-	-	19,578,551	18,898,385	680,166	18,319,729
Public health and welfare	-	-	-	1,387,692	1,186,554	201,138	1,145,351
Leisure time activities	-	-	-	1,384,640	1,226,989	157,651	958,354
Community environment	-	-	-	6,337,950	4,238,760	2,099,190	3,750,857
Highways and streets	-	-	-	8,127,263	7,122,011	1,005,252	4,431,064
General government	-	-	-	5,634,897	5,351,623	283,274	4,206,714
Miscellaneous	-	-	-	1,247,904	948,595	299,309	798,379
Debt service:							
Principal retirement	-	-	-	1,592,163	1,593,376	(1,213)	1,540,743
Interest and fiscal charges	-	-	-	931,792	922,271	9,521	903,700
Total expenditures	0	0	0	46,532,402	41,747,143	4,785,259	36,164,707
Excess of revenues over (under) expenditures	65,000	66,392	1,392	(8,773,381)	(5,069,279)	3,704,102	(476,853)
Other financing sources (uses):							
Operating transfers-in	-	-	-	10,250,031	11,010,368	760,337	2,153,185
Operating transfers-out	-	-	-	(8,012,633)	(8,003,213)	9,420	(561,864)
Other sources	327,000	186,556	(140,444)	727,000	743,029	16,029	310,157
Other uses	(360,000)	(98,153)	261,847	(360,000)	(451,923)	(91,923)	(743,590)
Proceeds from bonds	-	-	-	10,525,000	10,525,000	-	226,438
Proceeds from notes	-	-	-	456,000	455,780	(220)	545,000
Total other financing sources (uses)	(33,000)	88,403	121,403	13,585,398	14,279,041	693,643	1,929,326
Excess of revenues and other financing sources over (under) exp. & other fin. sources (uses)	32,000	154,795	122,795	4,812,017	9,209,762	4,397,745	1,452,473
Fund balance, beginning of year	1,535,562	1,535,562	-	13,612,949	13,612,949	-	9,632,046
Appropriation for prior year encumbrances	-	-	-	993,762	993,762	-	2,528,431
Fund balance, end of year	\$1,567,562	\$1,690,357	\$122,795	\$ 19,418,728	\$ 23,816,473	\$4,397,745	\$13,612,950

See accompanying notes to financial statements.

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the year ended December 31, 1999

	Proprietary Fund Types		Fiduciary	Totals	
			Fund Type	(Memorandum Only)	
	Enterprise	Internal Service	Non-expendable Trust	1999	1998
Operating revenues:					
Charges for services	\$ 15,342,048	\$ 4,506,093	\$ 53,238	\$19,901,379	\$18,299,935
Other operating revenue	78,487	54,387	-	132,874	278,257
Total operating revenue	15,420,535	4,560,480	53,238	20,034,253	18,578,192
Operating expenses:					
Personal services	4,968,965	530,099	-	5,499,064	5,697,805
Contractual services	4,157,023	2,160,362	58,441	6,375,826	6,023,838
Commodities	971,761	417,846	-	1,389,607	1,360,269
Depreciation	1,330,077	660,054	-	1,990,131	2,003,222
Other operating expenses	811,898	4,724	-	816,622	649,193
Total operating expenses	12,239,724	3,773,085	58,441	16,071,250	15,734,327
Operating income	3,180,811	787,395	(5,203)	3,963,003	2,843,865
Nonoperating revenues (expenses)					
Interest revenue	472,430	54,749	-	527,179	740,372
Interest expense and fiscal charges	(489,333)	(4,674)	-	(494,007)	(638,915)
Operating grants	579,445	-	-	579,445	536,966
Income taxes	400,000	-	-	400,000	350,000
Gain (loss) on sale of equipment	(52,887)	24,625	-	(28,262)	(48,698)
Total nonoperating revenues (expenses)	909,655	74,700	0	984,355	939,725
Income before operating transfers	4,090,466	862,095	(5,203)	4,947,358	3,783,590
Operating transfers-in	-	-	-	0	4,250
Operating transfers-out	(2,388,108)	(321,000)	-	(2,709,108)	(1,308,238)
Net income (loss)	1,702,358	541,095	(5,203)	2,238,250	2,479,602
Total equity, beginning of year	44,491,432	4,473,369	63,009	49,027,810	45,818,999
Increase in contributed capital	152,051	-	-	152,051	729,209
Total equity, end of year	\$46,345,841	\$5,014,464	\$57,806	\$51,418,111	\$49,027,810

See accompanying notes to financial statements.

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the year ended December 31, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum only)	
	Enterprise	Internal Service	Non-expendable Trust	1999	1998
Cash flows from operating activities:					
Cash received from customers	\$15,036,408	\$ -	\$ 53,098	\$15,089,506	\$14,006,233
Cash payments to suppliers for goods and services	(5,124,247)	(2,825,499)	(58,441)	(8,008,187)	(7,519,593)
Cash payments to employees for services	(4,516,528)	(465,580)	-	(4,982,108)	(5,236,103)
Miscellaneous revenues	39,789	26,471	-	66,260	203,889
Cash received from quasi-external operating activities	-	4,510,977	-	4,510,977	4,448,878
Cash payments for quasi-external operating activities	(1,180,910)	(53,537)	-	(1,234,447)	(1,288,743)
Deposits & collections for other governments	18,304	-	-	18,304	35,676
Net cash provided by operating activities	4,272,816	1,192,832	(5,343)	5,460,305	4,650,237
Cash flows from non-capital financing activities:					
Operating grants	579,445	-	-	579,445	486,240
Interfund loan receipts/payments	(200,000)	-	-	(200,000)	459,000
Operating transfers-in from other funds	-	-	-	-	4,250
Operating transfers-out to other funds	(2,388,108)	(321,000)	-	(2,709,108)	(1,308,238)
Income taxes received	400,000	-	-	400,000	350,000
Return of fine	288,000	-	-	288,000	-
Net cash provided (used) by non-capital financing activities	(1,320,663)	(321,000)	0	(1,641,663)	(8,748)
Cash flows from capital and related financing activities:					
Sale of fixed assets	55,490	32,213	-	87,703	77,123
Purchase of fixed assets	(2,488,897)	(1,107,628)	-	(3,596,525)	(3,645,753)
Interest expense	(535,778)	(4,402)	-	(540,180)	(617,388)
Repayment of debt principal	(547,730)	(120,500)	-	(668,230)	(1,175,066)
Bond proceeds	2,545,000	-	-	2,545,000	-
Note proceeds	249,175	400,000	-	649,175	178,230
Net cash (used) by capital and related financing activities	(722,740)	(800,317)	0	(1,523,057)	(5,182,854)
Cash flows from investing activities:					
Interest income	509,056	59,284	255	568,595	605,100
Net cash provided by investing activities	509,056	59,284	255	568,595	605,100
Net increase in cash and cash equivalents	2,738,469	130,799	(5,088)	2,864,180	63,735
Cash and cash equivalents, beginning of year	11,102,234	1,810,470	56,894	12,969,598	12,905,863
Cash and cash equivalents, end of year	\$13,840,703	\$1,941,269	\$51,806	\$15,833,778	\$12,969,598

See accompanying notes to financial statements.

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the year ended December 31, 1999

(continued)	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum only)	
	Enterprise	Internal Service	Non-expendable Trust	1999	1998
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$3,180,811	\$787,395	(\$5,203)	\$3,963,003	\$2,843,865
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,330,077	660,054	-	1,990,131	2,003,222
Changes in assets and liabilities:					
Decrease in net accounts receivable	(16,880)	(24,662)	-	(41,542)	69,922
Increase in accrued interest receivable			(140)	(140)	(53)
Decrease in due from other funds	-	1,630	-	1,630	10,907
Increase in inventory of supplies	(1,776)	(36,986)	-	(38,762)	(48,537)
Decrease in accounts payables	(245,330)	(205,581)	-	(450,911)	(112,981)
Decrease in accrued wages and benefits	5,543	7,035	-	12,578	(43,186)
Increase in other accrued liabilities	1,278	1,177	-	2,455	(804)
Increase in due to other funds	(2,444)	-	-	(2,444)	(9,299)
Increase in compensated absences payable	3,233	2,770	-	6,003	(8,098)
Increase in due to other governments	6,330	-	-	6,330	(4,354)
Increase in due to individuals	11,974	-	-	11,974	(50,784)
Deposits and collections for other governments	-	-	-	-	417
Total adjustments	1,092,005	405,437	(140)	1,497,302	1,806,372
Net cash provided by operating activities	\$ 4,272,816	\$ 1,192,832	\$ (5,343)	\$ 5,460,305	\$ 4,650,237

(continued)

See accompanying notes to financial statements.

**CITY OF MIDDLETOWN, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 NON-EXPENDABLE TRUST FUNDS
 For the year ended December 31, 1999**

(continued)	Totals	
	1999	1998

Reconciliation of cash and equity in pooled cash, deposits and investments for Non-Expendable Trust Funds:

COMBINED BALANCE SHEET

Cash and equity in pooled cash, deposits and investments - Fiduciary Fund Types	\$ 1,852,640	\$ 1,180,674
Less:		
Cash and equity in pooled cash - Expendable Trust Fund	104,446	18,264
Cash and equity in pooled cash - Agency Funds	1,690,388	1,099,516
Balance sheet cash and equity in pooled cash, deposits and investments - Non-Expendable Trust Funds	\$ 57,806	\$ 62,894

COMBINED STATEMENT OF CASH FLOWS

Cash and equity in pooled cash - Non-Expendable Trust Funds	\$ 51,806	\$ 56,894
Investments - Non-expendable Trust Funds	6,000	6,000
Total	\$ 57,806	\$ 62,894

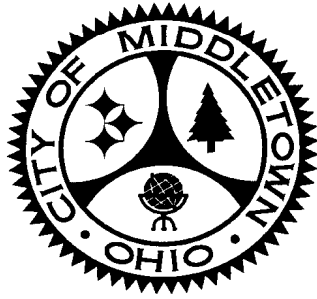
See accompanying notes to financial statements

CITY OF MIDDLETOWN, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 For the year ended December 31, 1999

	Enterprise Funds			Internal Service Funds		
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 14,550,396	\$ 15,040,735	\$ 490,339	\$ 2,305,925	\$ 2,212,284	\$ (93,641)
Other operating revenue	55,600	73,945	18,345	2,352,000	2,357,229	5,229
Total operating revenues	14,605,996	15,114,680	508,684	4,657,925	4,569,513	(88,412)
Operating expenses:						
Personal services	5,036,464	4,956,212	80,252	524,393	519,117	5,276
Commodities	5,013,882	4,345,674	668,208	2,533,740	2,381,896	151,844
Contractual services	1,431,156	1,279,688	151,468	484,653	482,211	2,442
Other operating expenses	7,161,771	4,975,517	2,186,254	2,017,605	1,764,137	253,468
Total operating expenses	18,643,273	15,557,091	3,086,182	5,560,391	5,147,361	413,030
Operating income (loss)	(4,037,277)	(442,411)	3,594,866	(902,466)	(577,848)	324,618
Nonoperating revenues (expenses)						
Interest revenue	476,168	509,056	32,888	54,359	59,283	4,924
Interest expenses and fiscal charges	(464,740)	(374,005)	90,735	(16,000)	(4,402)	11,598
Debt retirement	(422,765)	(422,729)	36	(120,500)	(120,500)	-
Proceeds from bonds	2,500,000	2,545,000	45,000	400,000	400,000	-
Proceeds from notes	257,730	249,175	(8,555)	-	-	-
Operating grants	558,082	579,445	21,363	-	-	-
Other sources	-	306,702	306,702	-	-	-
Other uses	-	(200,000)	(200,000)	-	-	-
Income taxes	400,000	400,000	-	-	-	-
Total nonoperating revenues (expenses)	3,304,475	3,592,644	288,169	317,859	334,381	16,522
Income (loss) before operating transfers	(732,802)	3,150,233	3,883,035	(584,607)	(243,467)	341,140
Operating transfers-in	-	-	-	-	-	-
Operating transfers-out	(1,629,881)	(2,674,881)	(1,045,000)	(321,000)	(321,000)	-
Total transfers	(1,629,881)	(2,674,881)	(1,045,000)	(321,000)	(321,000)	0
Net income (loss)	(2,362,683)	475,352	2,838,035	(905,607)	(564,467)	341,140
Retained earnings, beginning of the year	7,881,957	7,881,957	-	1,575,136	1,575,136	-
Appropriation for prior year encumbrances	3,236,884	3,236,884	-	235,482	235,482	-
Retained earnings, end of year	\$ 8,756,158	\$ 11,594,193	\$ 2,838,035	\$ 905,011	\$ 1,246,151	\$ 341,140

See accompanying notes to financial statements.

Non-Expendable Trust Funds			Totals (Memorandum only)			
Revised Budget	Revised Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
\$ 40,000	\$ 53,098	\$ 13,098	\$ 16,896,321	\$ 17,306,117	\$ 409,796	\$ 16,168,616
-	255	255	2,407,600	2,431,429	23,829	2,396,298
40,000	53,353	13,353	19,303,921	19,737,546	433,625	18,564,914
-	-	-	5,560,857	5,475,329	85,528	5,753,987
-	-	-	7,547,622	6,727,570	820,052	1,771,545
93,000	58,441	34,559	2,008,809	1,820,340	188,469	6,547,403
-	-	-	9,179,376	6,739,654	2,439,722	6,914,809
93,000	58,441	34,559	24,296,664	20,762,893	3,533,771	20,987,744
(53,000)	(5,088)	47,912	(4,992,743)	(1,025,347)	3,967,396	(2,422,830)
-	-	-	530,527	568,339	37,812	758,149
-	-	-	(480,740)	(378,407)	102,333	(433,447)
-	-	-	(543,265)	(543,229)	36	(1,332,337)
-	-	-	2,900,000	2,945,000	45,000	57,730
-	-	-	257,730	249,175	(8,555)	486,242
-	-	-	558,082	579,445	21,363	494,259
-	-	-	0	306,702	306,702	-
-	-	-	0	(200,000)	(200,000)	-
-	-	-	400,000	400,000	-	350,000
0	0	0	3,622,334	3,927,025	304,691	380,596
(53,000)	(5,088)	47,912	(1,370,409)	2,901,678	4,272,087	(2,042,234)
-	-	-	-	-	-	4,250
-	-	-	(1,950,881)	(2,995,881)	(1,045,000)	(1,595,571)
0	0	0	(1,950,881)	(2,995,881)	(1,045,000)	(1,591,321)
(53,000)	(5,088)	47,912	(3,321,290)	(94,203)	3,227,087	(3,633,555)
62,894	62,894	-	9,519,987	9,519,987	-	9,861,425
-	-	-	3,472,366	3,472,366	-	3,292,117
\$ 9,894	\$ 57,806	\$ 47,912	\$ 9,671,063	\$ 12,898,150	\$ 3,227,087	\$ 9,519,987



**NOTES TO
FINANCIAL STATEMENTS**

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

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 Commission-Manager form of government and provides the following services as authorized by its Charter: Public Safety (police and fire), Human Resources (social services), Planning and Economic Development, Public Works (maintenance and construction of public improvements), Recreation (swimming pools and golf course), Public Utilities (water and sewer service), 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 more significant of the City's accounting policies are described 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.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

The City of Middletown does not have any component units to be included in its financial report.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

Related Organization

The City is associated with the Middletown Public Library, which is a related organization. The library is presented in Note 20 to the general purpose 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 parks and recreation 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 Commission, which appropriates for and finances its operation and is not legally separable. Each is, therefore, included as part of the reporting entity.

B. FUND ACCOUNTING

The City uses funds and account groups 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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a non-expendable trust fund or an expendable trust fund is used. The terms "non-expendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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. A thirty-day availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. 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 considers unpaid contractually required pension contributions to be a current liability (governmental fund liability) because the liability is expected to be liquidated with available expendable resources.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and income tax. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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The City of Middletown's proprietary funds and nonexpendable trust funds have elected to apply applicable statements of financial accounting standards issued by the Financial Accounting Standards Board (FASB), on or before November 30, 1989 provided they do not conflict with or contradict GASB pronouncements.

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

The City reports deferred revenues in the balance sheets of its governmental funds. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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, purchases of the City's special assessment bonds, U. S. Treasury and agency securities, and money market funds containing only U. S. Treasury and agency securities. Investments in bonds, U.S. Treasury and agency securities, and money market funds 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 1999.

For purposes of the statements of cash flows, the City of Middletown considers the Proprietary Fund types and Non-Expendable Trust Fund equity in pooled cash, deposits, and investments to be highly liquid because those funds are able to withdraw (expend)

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cash at any time without prior notice or penalty. Restricted cash is not considered to be cash equivalents because these investments have a maturity of over three months when purchased.

E. CASH WITH FISCAL AND ESCROW AGENT

Money held on behalf of the City by a fiscal or escrow agent represents either money earmarked for the payment of debt, payroll withholdings, or retained by agents administering loan programs.

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 balance sheet.

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 no expenditure is recorded for the inventory of supplies on hand at year-end. Recorded inventories in the Governmental Fund types are offset equally by fund balance reserves, which indicates that they do not constitute "available spendable resources."

H. RESTRICTED ASSETS

Restricted assets in the Proprietary Funds represent assets earmarked for the payment of debt obligations, and the interest earned from the investment of these assets. These assets have been classified as restricted since their use is limited by applicable bond indentures.

I. FIXED ASSETS AND DEPRECIATION

Fixed assets, which are acquired or constructed for general governmental purposes, are reported as expenditures in the fund that finances the asset acquisition. When purchased, such assets are capitalized (recorded and accounted for) at historical cost in the General Fixed Asset Account Group. Public domain infrastructure such as streets, bridges, storm sewers, and drains are not capitalized by the City and are not reported. Fixed assets are capitalized at historical cost in the Proprietary Fund in which they are utilized. Donated fixed assets are recorded at market value on the date donated.

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The fixed asset values other than land, land improvements, and infrastructure items were initially determined at December 31, 1986, by an independent appraisal company. Acquisition amounts for assets were estimated with the use of a back trend modifier. Accordingly, accumulated depreciation amounts were developed with these estimated acquisition dates. Land is valued at estimated historical cost based on indexing current values backward to estimated acquisition dates.

The City has elected not to record depreciation in the General Fixed Asset Account Group. Depreciation for the Proprietary Funds is determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated lives are as follows:

Equipment	6 to 20 Years
Land Improvements	20 Years
Infrastructure Assets	45 Years
Buildings	45 Years

J. CAPITALIZATION OF INTEREST

The City's policy is to capitalize net interest on Proprietary Fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the construction project and the interest earned from the temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 1999, interest costs incurred on construction projects in the Proprietary Funds were not material.

K. CONTRIBUTED CAPITAL

Contributions for (or of) capital assets are credited directly to contributed capital. These include grants restricted for capital construction, donations by developers, contributions made by the City and recorded assets whose construction was financed through special assessments. Depreciation expense on assets acquired through restricted grants is not closed to contributed capital. Contributed capital activity in 1999 is disclosed in the Combined Statement of Revenues, Expenses, and Changes in Equity All Proprietary and Non-Expendable Trust Fund Types.

L. RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

Reserves and designations indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved

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or designated for inventory of supplies and materials, encumbrances, endowments, future expenditures, and loans. Retained earnings in the Enterprise Funds are reserved for debt service.

M. 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 operating transfers.

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

The Internal Service Fund records charges for services to all City funds, departments and other governmental units as operating revenue. Both Governmental and Proprietary Funds record these payments to the Internal Service 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.

Operating 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 operating transfers-in (out) in Proprietary Funds. A summary of operating transfers by fund type follows:

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INTERFUND TRANSFERS

Fund Type	Transfers In	Transfers Out
General Fund	\$ 3,791,050	\$2,781,956
Special Revenue	169,706	13,125
Capital Improvements	6,539,467	5,208,132
Debt Service	212,098	-
Proprietary	-	2,709,108
Total	\$10,712,321	\$10,712,321

N. INTERGOVERNMENTAL REVENUES

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

In Proprietary Funds, grants restricted for the construction of capital assets are recorded as contributed capital when measurable and earned.

O. COMPENSATED ABSENCES

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

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

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Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

All City employees (except firefighters), earn sick leave at the rate of ten hours per calendar month of service. 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-fire employees with twenty-five years of service are paid for one-half their accumulated unused sick leave up to a maximum of 424 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 500 hours.

At December 31, 1999, the total liability of the City for compensated absences was \$3,507,872.

P. TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present cash flows, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriation budget is prepared on the cash basis for all funds of the City except Agency Funds. The following are the procedures used by the City for establishing the budgetary data reported in the combined 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

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as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

A. BUDGETARY PROCEDURES

Budget

A tax budget of estimated revenues and expenditures for all funds other than Agency 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 1999.

Appropriations

An appropriation measure to control expenditures is passed on or about January 1 of each year for the period from January 1 to December 31. The appropriation resolution may be supplemented during the year by action of City Commission as new information becomes available, but fund appropriations may not exceed estimated resources. Twenty-six supplemental appropriation measures were legally enacted during 1999. The supplemental appropriations increased the original 1999 Appropriation Resolution by \$6,570,162.

Budgeted Level of Expenditures

Appropriations are made by fund, function or department, and expenditure category, including personal services, commodities, contractual services, capital outlay, and other. The legal level of control is the expenditure category within each fund and department. A fund's expenditures may not exceed its appropriations without City Commission approval. City Commission may alter amounts allocated to various funds during the year as the need arises by adopting modification to the appropriation measure. Management may make transfers within individual funds, but may not make interfund transfers

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without City Commission approval. Amounts shown in the budgetary financial statements represent the final amounts appropriated for 1999, 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 statements for funds that had outstanding encumbrances at December 31, 1998, reflect an "Appropriation for prior year encumbrances."

B. BUDGETARY ACCOUNTING

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types and Expendable Trust Funds; and the Combined Statement of Revenues, Expenses, and Changes in fund balances, Budget and Actual (Non-GAAP Basis) - all Proprietary Fund Types and similar Trust 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 as a reservation of fund balance (GAAP basis).
- iv) Receipt and payment of year-end interfund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).

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

EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP basis (as reported)	\$3,030,226	\$505,691	\$224,715	\$11,647,560	\$73,281
Adjustments: revenue and other source accruals	(1,153,231)	213,425	286,683	86,006	151,078
Expenditures and other use accruals	(334,394)	(385,892)	(336,774)	(4,729,049)	(69,564)
Budget basis	\$1,542,601	\$333,224	\$174,624	\$7,004,517	\$154,795

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

**NET INCOME/EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)
EXPENSES AND OTHER USES**

	Proprietary Funds		Fiduciary Funds
	Enterprise	Internal Service	Non-Expendable Trust
GAAP basis (as reported)	\$1,702,358	\$541,095	(\$5,203)
Adjustments: revenue and other source accruals	37,473	(11,058)	115
Expenditures and other accruals	(1,389,415)	(678,886)	0
Debt retirement	(422,729)	(120,500)	0
Encumbrances	(2,246,510)	(695,118)	0
Sale of bonds	2,545,000		0
Sale of notes	249,175	400,000	0
Budget basis	\$475,352	(\$564,467)	(\$5,088)

**NOTE 3 - CASH AND EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS,
CASH WITH FISCAL AGENTS AND RESTRICTED CASH AND INVESTMENTS**

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, Housing Assistance Fund, Sewer Fund, and the Community Development Escrow Fund.

**CITY OF MIDDLETOWN
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Cash deposits and investments of the City as of December 31, 1999, are comprised of the following:

Deposits	
Petty Cash	\$ 17,088
Demand deposit accounts	3,585,745
Certificates of deposit	6,000
Subtotal deposits	<u>\$3,608,833</u>
 Investments	
Money Market Funds	646,463
U.S. Gov't and Agency Securities	16,654,805
STAROhio	25,099,828
Investment in City issued bonds	133,175
Subtotal investments	<u>\$42,534,271</u>
 Total	 <u>\$46,143,104</u>

Deposits

The bank balance for all City deposits at December 31, 1999, was \$4,626,417. The difference between the bank balance and the amounts recorded by the City is caused by deposits in transit and outstanding checks. Of this amount, \$400,000 was covered by FDIC Insurance, and \$4,226,417 was collateralized with securities held by the Federal Reserve Bank of Cleveland in the City's name and by the trust departments of two banks. The Federal Reserve Bank of Cleveland is acting as the agent for the counterparty in regard to the collateralization of these City deposits.

Investments

The State of Ohio statutes authorize the City to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, and certificates of deposits. Citywide investments at December 31, 1999, were \$42,545,833. Investments are carried at cost.

The City's investments are categorized as either (1) insured or registered, or securities held by the City or its agent in the City's name; or (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name; or (3) uninsured unregistered with securities held by the counterparty or its trust department or agent but not in the City's name. City investments in STAROhio are unclassified because they are not evidenced by securities in either physical or book entry form.

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	Category 1	Uncategorized	Fair Value
City of Middletown Notes & Bonds	\$ 133,175	\$ -	\$ 133,175
U.S. Treasury & Agency Securities	16,654,805	-	16,654,805
Money Market Mutual Fund	-	646,463	646,463
Uncategorized Investments: Investment in STAROhio	-	25,099,828	25,099,828
Total	\$ 16,787,980	\$ 25,746,291	\$ 42,534,271

NOTE 4 - UNRESERVED/UNDESIGNATED FUND BALANCE RETAINED EARNINGS DEFICITS

At December 31, 1999, the following funds had unreserved/undesignated fund balance deficit retained earnings:

Special Revenue Funds

- *Community Development Fund*
The \$18,833 deficit in the Community Development Fund is caused by outstanding purchase orders for approved construction projects. Funds are requested from the Federal Government as the work progresses.
- *Litter Control Fund*
The \$11,320 fund balance deficit in the Litter Control Fund will be corrected in 2000 when the City's \$16,000 cash contribution is received.

Debt Service Funds

- *Special Assessment Debt Service Fund*
The fund deficit of \$121,400 arises due to special assessments being recognized as revenue only to the extent the individual installments are considered as current assets. The fund's deficit will be reduced and eventually eliminated as deferred special assessment installments become current assets.

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Capital Project Funds

- Burbank Street Improvements Fund
The \$219,263 deficit in this fund will be eliminated in 2000 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.
- Garfield Sidewalk Repairs Fund
The \$40,981 deficit in this fund will be eliminated in 2000 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.
- Dick's Creek Sewer Extension Fund
The \$7,350 deficit in this fund will be eliminated in 2000 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.

Enterprise Funds

- Water Fund
The \$1,087,087 deficit in this fund is offset with contributed capital of \$17,169,095.
- Sewer Fund
The \$1,105,596 deficit in this fund is offset with contributed capital of \$22,723,742.
- Transit System Fund
The \$641,987 deficit in this fund is offset with contributed capital of \$932,883, which represents the purchase of transit vehicles for the system by the Federal Government.
- Solid Waste Disposal Fund
The \$1,808,296 deficit in this fund is caused by the landfill bonds, which will be repaid over the next sixteen years with customer refuse pickup charges.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the City. Real property taxes and 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 35 per cent of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at

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true value (normally 50 per cent of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25 per cent of true value. The assessed value upon which the 1999 taxes were collected was \$813,809,721. The full tax rate for all City operations for the fiscal year ended December 31, 1999, was \$6.51 per \$1,000 of assessed valuation.

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.

Tangible personal property taxes are also payable annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by October 9. Multi-county corporations may pay the entire tax due in one payment by October 9.

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 represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies that are measurable as of December 31, 1999. 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 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 6 - INCOME TAX

The City levies an income tax of 1.50 per cent on substantially all earned income arising from employment, residency, or business activities inside 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.

As of December 31, 1999, the City accrued \$1,802,161 revenue for income taxes to be remitted within thirty days of year-end.

NOTE 7 - RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, accounts (billing for user charged services, including utility services), special assessments, loans, and interest on investments. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts

CITY OF MIDDLETOWN
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classification. Taxes receivable are reported based on amounts certified as collectible by the Butler County Auditor. Special assessments are recorded as fully collectible due to available foreclosure procedures.

Fund Type	Gross Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	\$4,399,391	\$ -	\$4,399,391
Special Revenue	982,568	-	982,569
Debt Service	6,143,363	-	6,143,363
Capital Project	900,174	-	900,174
Enterprise	2,125,461	335,694	1,799,767
Internal Service	38,346	-	38,346
Trust and Agency	3,159,986	-	3,159,986

NOTE 8 - FIXED ASSETS

A summary of Proprietary Fund fixed assets at December 31, 1999 follows:

	Enterprise	Internal Service	Total Proprietary
Land	\$ 6,466,784	\$ 195,750	\$ 6,662,534
Land improvements	2,053,342		2,053,342
Infrastructure assets	43,996,294		43,996,294
Buildings	25,261,695	337,507	25,599,202
Equipment	<u>8,325,551</u>	<u>9,248,074</u>	<u>17,573,625</u>
Total	86,103,666	9,781,331	\$95,884,997
Accumulated depreciation	<u>(42,364,596)</u>	<u>(6,301,143)</u>	<u>(48,665,739)</u>
Net	<u>\$ 43,739,070</u>	<u>\$ 3,480,188</u>	<u>\$47,219,258</u>

A summary of changes in general fixed assets follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 7,287,133	\$ 36,807	\$ -	\$ 7,323,940
Buildings	18,837,846	485,269	-	19,323,115
Equipment	<u>4,572,505</u>	<u>1,209,606</u>	<u>298,187-</u>	<u>5,483,924</u>
Total	<u>\$ 30,697,484</u>	<u>\$1,731,682</u>	<u>\$298,187-</u>	<u>\$32,130,979</u>

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

NOTE 9 - PENSION PLANS

Eligible employees of the City of Middletown are covered by either the Public Employees Retirement System (PERS) of Ohio or the Police and Firemen's Disability and Pension Fund (PFDPF) of the State of Ohio.

A. Public Employees Retirement System of Ohio

Public Employees Retirement System of Ohio is a cost sharing, multiple employer-defined, pension benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute per Chapter 145 of the Ohio Revised Code.

The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085, or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for employees other than law enforcement is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55% of covered payroll. The City of Middletown's contribution to PERS for the years ending December 31, 1999, 1998, and 1997 were \$1,768,335, \$1,511,977, and \$1,474,605 respectively, equal to the required contributions billed to the City by PERS.

Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records.

B. The Police and Firemen's Disability and Pension Fund

The City of Middletown contributes to the Police and Firemen's Disability and Pension Fund, a cost sharing, multiple-employer, defined benefit pension plan. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to Plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to PFDPF, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. Middletown's contributions for the years ending December 31, 1999, 1998, and 1997 were \$1,831,735, \$1,851,916, and \$1,702,739 respectively, equal to the required contribution for each year.

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, 1999, 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 \$207,900.

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 11 - LONG-TERM OBLIGATIONS

Long-term obligation of the City as of December, 31, 1999, are as follows:

A. GENERAL LONG-TERM DEBT ACCOUNT GROUP

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>Special Assessment Bonds:</i>				
1979 Street Improvements	\$ 50,000	-	\$ 50,000	\$ -
1980 Street Improvements	28,000	-	14,000	14,000
1981 Street Improvements	45,000	-	15,000	30,000
1982-1 Street Improvements	120,000	-	30,000	90,000
1983-2 Street Improvements	105,000	-	20,000	85,000
1985 Street Improvements	315,000	-	45,000	270,000
1985 Manchester Road Improvements	98,000	-	14,000	84,000
1986 Street Improvements	145,000	-	15,000	130,000
1988 Street Improvements	22,000	-	2,000	20,000
1990 Street Improvements	138,000	-	11,000	127,000
1991 Street Improvements	265,000	-	20,000	245,000
1991 Street Lighting	18,000	-	6,000	12,000
1992 Street Improvements	25,000	-	1,000	24,000
1993 Street Improvements	110,000	-	8,000	102,000
1994 Street Improvements	65,000	-	2,000	63,000
1995-1 Street Improvements	140,000	-	5,000	135,000
1995 Sidewalk Improvements	65,000	-	30,000	35,000
1995 Street Lighting	14,000	-	2,000	12,000
1995-2 Street Improvements	88,000	-	3,000	85,000
1996 Sidewalk Improvements	75,000	-	25,000	50,000
1996 Street Improvements	205,000	-	10,000	195,000
1996 Sewer Imp.-Dick's Creek	145,246	-	4,539	140,707
1996 Sewer Imp.-Cin/Dayton Rd.	14,754	-	461	14,293
1996 Sidewalk, Curb & Gutter II	120,000	-	30,000	90,000
1997 Sophie Street Improvements	220,000	-	5,000	215,000
1997 Dix Road Improvements	171,295	-	5,000	166,295
1997 Sidewalk, Curb & Gutter I	125,000	-	30,000	95,000
1997 Sidewalk, Curb & Gutter II	53,163	-	9,163	44,000
1998 Sidewalk, Curb & Gutter	89,000	-	14,000	75,000
1998 Lewis Street Improvements	84,213	-	2,213	82,000
1999 Marshall Road Improvements	-	455,780	-	455,780
Total Special Assessment Bonds	3,158,671	455,780	428,376	3,186,075

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1994 Transportation	3,305,000	-	150,000	3,155,000
1994 Recreation	575,000	-	25,000	550,000
1996 Street Improvements	1,970,000	-	70,000	1,900,000
1996 Energy Savings Improvements	400,000	-	40,000	360,000
1999 Downtown Improvements	-	10,525,000	-	10,525,000
<i>General Obligation Bonds Voted:</i>				
1982 Public Library	1,000,000	-	200,000	800,000
Total General Obligation Bonds	7,250,000	10,525,000	485,000	17,290,000
Compensated Absences	3,155,021	-	108,641	3,046,380
Police & Fire Pension Unfunded Accrued Liability	3,469,763	-	97,741	3,372,022
Total General Long-Term Debt Account Group	\$ 17,033,455	\$ 10,980,780	\$ 1,119,758	\$ 26,894,477

B. PAYABLE FROM ENTERPRISE FUNDS

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1974 Airport Fund	20,000	-	10,000	10,000
1994 Landfill "A"	2,555,000	-	115,000	2,440,000
1994 Landfill "B"	265,000	-	10,000	255,000
1994 Water	2,555,000	-	115,000	2,440,000
1996 Golf Course	2,185,000	-	80,000	2,105,000
1994 Sewer	1,525,000	-	160,000	1,365,000
1999 Water	-	2,545,000	-	2,545,000
Total General Obligation Bonds Payable by Enterprise Funds	9,105,000	2,545,000	490,000	11,160,000

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

Enterprise Funds 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 Debt Service Fund from income and property tax revenues. The Public Library bonds will be retired from proceeds of a voted tax levied upon City properties and will be paid from the Debt Service Fund.

In order to initially fund the Downtown Improvements Capital Projects Fund, \$2,492,500 was transferred from the General Fund to the Downtown Improvements Capital Projects Fund. The City subsequently issued \$10,525,000 in general obligation bonds to fund this project and at that time the City transferred \$2,492,500 from the Downtown Improvements Capital Project Fund to the General Fund. These transactions are reflected on the accompanying financial statements.

The City's legal debt margin was approximately \$79,188,085 at December 31, 1999. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 1999 are as follows:

Year	Assessment Bonds	General Obligation Bonds	Police and Fire Pension
2000	\$ 603,242	\$ 3,018,116	\$ 97,741
2001	542,200	2,976,475	97,741
2002	481,618	2,965,891	97,741
2003	369,882	2,930,171	97,741
2004	299,146	2,710,716	97,741
Thereafter	<u>2,304,491</u>	<u>29,873,753</u>	<u>2,932,088</u>
Total	\$ 4,600,579	\$ 44,475,122	\$ 3,420,793

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 Treasurer each year with the property owners' property tax payments. The collections are then sent to the City, which pays the principal and interest due.

In the event of default, a lien is put on the property and it is eventually sold by the county at a tax sale. The City is then reimbursed for any special assessment bond payments it made.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

The City, therefore, does not maintain a reserve or sinking fund to meet its special assessment bond obligations. The police and fire pension unfunded accrued liability represents the City's portion of the unfunded prior service cost of the fund which existed at the time the fund was established in 1967 as determined by actuarial evaluation. This accrued liability has and will continue to be paid over a term of sixty-seven years in annual installments which began in 1969 and which will end in 2036. 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.

NOTE 12 - SHORT-TERM OBLIGATIONS

Short-term obligations of the City consist of the following:

- a) A \$49,175 note was outstanding at December 31, 1999. The note provides operating funds for the City Centre Mall and was purchased by the City Treasurer for the account of the City. The note pays interest at a 6.00% annual rate and matures July 2, 2000.
- b) A \$400,000 note, bearing interest of 4.25%, for the purchase of a fire truck that will be delivered in the fall of 2000 was outstanding at December 31, 1999. The note matures on December 21, 2000.
- c) A \$200,000 note, bearing interest of 3.875%, for the purchase and installation of energy conservation equipment for the City water treatment plant was outstanding at December 31, 1999. The note matures on April 12, 2000.

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Services provided by the City which are financed primarily by user charges are parking facilities, water treatment and distribution, sanitary sewer, airport, transit, solid waste disposal, and a downtown mall area. The key financial information for the year ended December 31, 1999, for these non-similar enterprise activities is as follows:

Key Financial Information

	Parking Garage	Water	Sewer	Airport
Operating revenue	\$ 97,940	\$ 5,147,703	\$ 6,113,872	\$ 71,073
Operating expenses:				
Depreciation	61,027	533,510	361,143	10,966
Other	140,221	2,820,608	3,620,749	91,052
Operating Income	(103,308)	1,793,585	2,131,980	(30,945)
Income tax	50,000	-	-	-
Operating grants	-	-	-	43,096
Operating transfers-in (out)	-	(841,554)	(1,546,554)	-
Net income (loss)	(53,308)	1,006,967	792,735	10,929
Net working capital	91,997	6,194,200	6,463,079	134,953
Property, plant & equipment:				
Additions	-	2,029,715	566,233	-
Total assets	1,409,058	22,313,413	23,935,504	1,593,022
Bonds and other long-term liabilities payable from				
operating revenues	4,834	4,927,039	1,344,842	-
Contributed capital	-	17,169,095	22,723,742	-
Total equity	1,397,177	16,552,678	21,888,182	1,582,139

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Total
\$ 95,873	\$ 340,078	\$ 1,811,125	\$ 1,742,871	\$ 15,420,535
122,869	95,305	143,598	1,659	1,330,077
752,112	476,207	1,460,054	1,548,644	10,909,647
(779,108)	(231,434)	207,473	192,568	3,180,811
175,000	175,000	-	-	400,000
536,349	-	-	-	579,445
-	-	-	-	(2,388,108)
(67,759)	(59,675)	41,171	31,298	1,702,358
238,060	201,858	(373,107)	327,654	13,278,694
(100)	-	(121,211)	-	2,474,637
395,869	3,142,871	6,115,591	1,037,214	59,942,542
49,620	7,412	2,061,176	2,565,000	10,959,923
932,883	744,856	60,349	-	41,630,925
290,986	3,066,897	3,376,078	(1,808,296)	46,345,841

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances as of December 31, 1999, follow:

Fund	Receivables	Payables
General fund	\$ 4,197,157	\$ 80,604
Special revenue funds:		
Auto and gas tax	-	34,109
Health grant	-	932
Litter control	-	11,320
Mandatory drug fine	-	481
Municipal court	-	644
Community development	-	53,045
Total special revenue funds	-	100,531
Debt service funds		
Special assessment	-	-
Capital project funds:		
Capital improvements	303,600	-
Burbank Street	-	231,000
Garfield sidewalk repairs	-	70,000
Dick's Creek sewer extension	-	2,600
Total capital projects funds	303,600	303,600
Enterprise funds:		
Parking	-	283
Water	-	8,827
Sewer	-	9,139
Transit	1,485	18,364
Golf	-	536,537
Total enterprise funds	1,485	573,150
Internal service funds		
Municipal garage	167,965	1,485
Employee benefits	429	
Total internal service funds	168,394	1,485
Agency funds		
Income tax	-	3,380,837
Payroll clearing	-	429
Total agency funds	-	3,381,266
Total all funds	\$ 4,670,636	\$ 4,440,636

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

NOTE 15 - INTERGOVERNMENTAL RECEIVABLES

A summary of intergovernmental receivables at December 31, 1999, follows:

General Fund

Local government fund distribution due from the state of Ohio	\$148,329
Reimbursements from state of Ohio	6,011
Title XX funds due from the federal government	2,610
Liquor permits	3,181
Federal government contribution to Social Health Center (Community Development)	10,000
Total	\$170,131

Special Revenue Funds

Gasoline tax due from the State of Ohio	\$73,434
City share of Butler County auto license tax	22,471
Municipal Motor Vehicle License Tax due from the State of Ohio	50,617
Public Health grant due from the State of Ohio	9,900
Total	\$156,422

Capital Project Funds

Interest reimbursement due from state of Ohio	\$216,716
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Proprietary Funds

Federal transit operating grant	\$50,724
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NOTE 16 - 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.

NOTE 17 - POST EMPLOYMENT BENEFITS

The City provides death benefits to its employees who retire voluntarily or who are forced to retire due to a disability. A life insurance policy with a face value of \$2,000 is paid for by the City for all employees who voluntarily retire. As of December 31, 1999, the City had 201 policies with a total value of \$402,000 in force for 201 voluntarily retired employees.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

The City also provides life insurance to its former employees who are on disability retirement. The amount of the policy is \$5,000. At December 31, 1999, the City had 67 policies in force for its disability retirees with a total face value of \$335,000.

The City records its monthly premium expenditures for these policies as a current General Fund expenditure in the general government category. The approximate cost of these policies in 1999 was \$17,864.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer PERS contributions. The 1999 employer contribution rate for the City was 13.55% of covered payroll. Of that, 4.20% was the portion used to fund health care for the year 1999.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

OPEB are financed through employer contributions and investment earnings there on. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

PFDPF

The Ohio Revised Code provides the statutory authority allowing PFDPF's Board of Trustees to provide health care coverage to all eligible individuals. The PFDPF provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The Ohio Revised Code provides that PFDPF health care cost paid from the funds of the PFDPF shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firemen's employer contribution rate is 24% of covered payroll.

The PFDPF health care funding and accounting is on a pay-as-you-go basis. Currently, 6.5% of covered payroll, the Board-defined allocation, is used to pay retiree health care expenses. The allocation is 7.25% in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as January 1, 1999, are 11,424 for police and 9,186 for firefighters. For the year ended December 31, 1999, the City's contribution to fund OPEB was \$311,259 for police and \$281,698 for firefighters. The PFDPF's total health care expenses as of December 31, 1998, were \$78,596,790, which was net of member contributions of \$5,331,315.

NOTE 18 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In December of 1987, the City joined together with other public entities of the state in a pool formed as a common risk management and self-insurance mechanism. Currently, there are 227 member organizations. The City's agreement with the Public Entities Pool of Ohio (PEP) covers its general liability, public officials' liability, police professional liability, and automobile liability exposures. The Intergovernment Agreement of PEP provides that PEP will be self-sustaining through member contributions. The pool currently has a cumulative reserve of over \$6,500,000. The pool reinsures for each loss in excess of \$250,000 with American Public Entities Excess Pool (APEEP) for a yearly aggregate of five million dollars. APEEP currently has a surplus of \$10,800,000 available to pay losses. As an additional safeguard, General Reinsurance Corporation provides \$5,000,000 of aggregate stop loss protection to APEEP. In addition, APEEP has the ability to assess the member pools up to 40% of their cumulative reserve after the stop loss has been exhausted. Currently, that amounts to \$22.05 million. Demotech, an independent financial stability rating company, has awarded PEP their highest rating (AAA) for the eighth consecutive year. In no year has PEP exceeded the APEEP limits. In 1996, the City exceeded the PEP limits with a settlement of \$1.2 million. The City increased its liability coverage limits to \$10 million on May 1, 1997. Of this, the Public Entities Pool has a two million-dollar limit except for automobile liability, which has a one million-dollar limit. Royal Insurance Company carries the excess policy up to ten million dollars.

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999**

In 1986, the City set up an internal service fund to account for employee health insurance. All funds pay a "premium" for each employee into the internal service fund on a monthly basis. This charge considers recent trends in actual claims experience and is adjusted on an annual basis. Catastrophic losses are provided for by having stop loss insurance for individual claims over \$75,000 or an aggregate loss of \$1,700,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic social factors.

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	Balance At Fiscal Year End
1998	417,000	1,612,808	1,646,464	383,344
1999	383,344	1,794,002	1,969,446	207,900

The City purchases commercial insurance for all other risks of loss. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 19 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

As of December 31, 1999, the City of Middletown has entered into the following contracts to be paid from the City's Capital Project and Enterprise Funds:

Vendor	Purpose	Amount Remaining
Stilson & Associates	Cinti-Dayton road design	\$ 167,903
Traffic Control Products	Controllers	44,650
Seitz Builders	Salt barn	131,950
Ulrich-Chang Associates	North Union Road design	141,610
Hanscomb Associates	Mall construction project manager	653,500
Burgess & Niple Inc	Mall construction design	1,544,218
Piping of Ohio Inc	Yankee Road booster station	491,733
Pohlkat Inc	Sludge removal	400,000
Moody's of Dayton	Water well	94,380
Pitt Des Moines Inc	Water storage tank	237,388
URS Greiner Inc	Long term control plan – sewer	101,333
Data General Corporation	Main frame computer	65,563
Dravo Lime Company	Chemicals – water treatment	115,570
Dravo Lime Company	Chemicals – sewer treatment	50,305

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 20 - 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 21 - COMPLIANCE

The Special Revenue Fund (Community Development) and the Capital Improvement Fund (Dick's Creek Sewer Extension) appropriations for 1999 exceeded the total official estimated revenues as required by Ohio Revised Code. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the official estimate or amended official estimate.

Expenditures in the General Fund and two Special Revenue Funds, the Municipal Court Fund and the Police Grant Fund, exceeded appropriations at the expenditure category level. Excess expenditures were as follows:

General Fund:	
Law Department - Personal services	(\$1,730)
Economic Development – Commodities	(\$748)
Transfers out	(\$5,581)
Municipal Court Fund – Personal services	(\$12,826)
Police Grant Fund – Contractual services	(\$5,575)

GENERAL FUND

To account for government resources which are not accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City or the general laws of the State of Ohio.

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 3,255,918	\$ 3,259,065	\$ 3,147	\$ 3,052,695
Municipal income taxes	12,878,677	12,861,909	(16,768)	11,997,220
Intergovernmental revenue	2,914,813	3,286,627	371,814	3,110,329
Charges for services	924,095	827,444	(96,651)	822,339
Fees, licenses, and permits	421,006	336,109	(84,897)	438,357
Fines and forfeits	16,100	14,120	(1,980)	10,975
Interest earnings	783,000	895,967	112,967	821,255
Miscellaneous	929,346	712,003	(217,343)	1,151,874
Total revenues	22,122,955	22,193,244	70,289	21,405,044

Expenditures:
Current

<i>Public safety</i>				
Fire administration				
Personal services	134,040	133,702	338	128,361
Contractual services	5,247	3,110	2,137	4,930
Commodities	3,350	3,000	350	2,755
Subtotal	142,637	139,812	2,825	136,046
Fire operations				
Personal services	4,334,521	4,218,321	116,200	4,005,539
Contractual services	320,896	319,250	1,646	317,384
Commodities	126,753	109,943	16,810	121,995
Capital outlay	417,085	416,137	948	325,790
Subtotal	5,199,255	5,063,651	135,604	4,770,708
Fire prevention/training				
Personal services	251,824	248,768	3,056	242,692
Contractual services	12,241	8,365	3,876	13,739
Commodities	1,950	1,901	49	1,204
Capital outlay	1,810	1,809	1	-
Subtotal	267,825	260,843	6,982	257,635

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>Public safety (continued)</i>				
Police administration				
Personal services	178,944	176,932	2,012	176,039
Contractual services	44,839	41,269	3,570	46,169
Commodities	7,512	7,291	221	6,224
Capital outlay	5,581	5,527	54	1,229
Subtotal	236,876	231,019	5,857	229,661
Criminal investigation				
Personal services	1,133,257	1,105,162	28,095	1,117,814
Contractual services	34,244	27,454	6,790	29,422
Commodities	7,529	7,355	174	7,855
Capital outlay	5,500	5,082	418	-
Subtotal	1,180,530	1,145,053	35,477	1,155,091
Uniform patrol				
Personal services	3,466,297	3,443,344	22,953	3,025,517
Contractual services	346,288	333,765	12,523	310,470
Commodities	50,979	46,318	4,661	48,249
Capital outlay	336,171	336,124	47	377,188
Subtotal	4,199,735	4,159,551	40,184	3,761,424
Police services				
Personal services	1,232,396	1,201,365	31,031	1,166,129
Contractual services	67,703	65,894	1,809	56,495
Commodities	65,586	65,147	439	58,826
Capital outlay	8,500	8,500	-	32,577
Subtotal	1,374,185	1,340,906	33,279	1,314,027

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>Public safety (continued)</i>				
Humane officer				
Personal services	43,051	38,828	4,223	37,299
Contractual services	36,791	35,822	969	29,779
Commodities	2,100	1,017	1,083	328
Subtotal	81,942	75,667	6,275	67,406
Jail management				
Personal services	617,392	597,949	19,443	583,739
Contractual services	305,985	300,950	5,035	300,933
Commodities	26,953	24,356	2,597	28,668
Capital outlay	5,000	4,245	755	-
Subtotal	955,330	927,500	27,830	913,340
School crossing guards				
Personal services	30,120	21,556	8,564	29,207
Subtotal	30,120	21,556	8,564	29,207
Building inspection and services				
Personal services	370,294	369,435	859	346,697
Contractual services	256,305	252,361	3,944	2,137
Commodities	2,200	2,093	107	238,316
Capital outlay	10,077	9,828	249	12,229
Subtotal	638,876	633,717	5,159	599,379

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>Public safety (continued)</i>				
Building maintenance				
Personal services	189,891	188,242	1,649	200,686
Contractual services	405,569	386,414	19,155	58,961
Commodities	50,245	50,056	189	355,238
Capital outlay	8,123	8,081	42	51,040
Subtotal	653,828	632,793	21,035	665,925
Total Public safety	14,961,139	14,632,068	329,071	13,899,849
<i>Public health & welfare</i>				
Home health aides				
Personal services	85,101	81,138	3,963	76,743
Contractual services	5,941	2,642	3,299	3,440
Commodities	905	642	263	720
Capital outlay	-	-	-	2,020
Subtotal	91,947	84,422	7,525	82,923
Social health program				
Personal services	160,010	158,970	1,040	151,753
Contractual services	322,339	281,166	41,173	297,581
Commodities	2,000	1,518	482	1,151
Capital outlay	3,000	1,377	1,623	5,487
Subtotal	487,349	443,031	44,318	455,972
Job opportunity				
Personal services	14,641	14,588	53	14,050
Subtotal	14,641	14,588	53	14,050
Total public health & welfare	593,937	542,041	51,896	552,945

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>Leisure activities</i>				
Community center				
Personal services	129,337	119,563	9,774	118,312
Contractual services	39,845	36,895	2,950	32,485
Commodities	7,000	3,407	3,593	2,713
Capital outlay	6,710	710	6,000	1,148
Subtotal	182,892	160,575	22,317	154,658
Douglass pool				
Contractual services	34,036	31,298	2,738	25,428
Commodities	5,973	4,815	1,158	6,084
Capital outlay	1,554	1,533	21	108
Subtotal	41,563	37,646	3,917	31,620
Pools				
Contractual services	64,284	63,039	1,245	64,460
Commodities	16,326	12,268	4,058	13,189
Capital outlay	5,480	4,605	875	698
Subtotal	86,090	79,912	6,178	78,347
Recreation				
Personal services	77,190	72,874	4,316	83,830
Contractual services	63,046	44,235	18,811	77,192
Commodities	11,983	11,652	331	4,957
Capital outlay	13,218	12,127	1,091	9,446
Subtotal	165,437	140,888	24,549	175,425
Middfest activities				
Contractual services	-	-	-	16,640
Subtotal	-	-	-	16,640

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>Leisure activities (continued)</i>				
Parks maintenance				
Personal services	258,700	248,622	10,078	244,529
Contractual services	165,221	137,993	27,228	132,302
Commodities	22,724	22,596	128	23,108
Capital outlay	48,576	42,961	5,615	75,867
Subtotal	495,221	452,172	43,049	475,806
Total Leisure activities	971,203	871,193	100,010	932,496
<i>Community environment</i>				
Economic development administration				
Personal services	141,976	139,881	2,095	140,896
Contractual services	3,886	2,722	1,164	179
Commodities	559	1,307	(748)	3,322
Capital outlay	2,135	1,262	873	1,341
Subtotal	148,556	145,172	3,384	145,738
Rehabilitation				
Personal services	194,840	184,471	10,369	184,481
Subtotal	194,840	184,471	10,369	184,481
Street lighting				
Contractual services	463,824	444,079	19,745	423,401
Commodities	21,169	18,688	2,481	15,610
Subtotal	484,993	462,767	22,226	439,011
Total community environment	828,389	792,410	35,979	769,230

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>General government</i>				
City commission				
Personal services	146,350	145,895	455	140,948
Contractual services	71,600	55,871	15,729	51,774
Commodities	9,150	8,982	168	6,779
Capital outlay	-	-	-	3,855
Subtotal	227,100	210,748	16,352	203,356
City manager				
Personal services	254,915	253,681	1,234	187,964
Contractual services	22,133	14,818	7,315	24,930
Commodities	2,400	1,740	660	975
Capital outlay	-	-	-	3,340
Subtotal	279,448	270,239	9,209	217,209
Finance administration				
Personal services	153,370	150,979	2,391	143,461
Contractual services	6,061	5,970	91	3,885
Commodities	900	827	73	735
Capital outlay	1,023	1,022	1	326
Subtotal	161,354	158,798	2,556	148,407
Treasurer				
Personal services	224,085	221,857	2,228	217,737
Contractual services	10,538	7,531	3,007	12,778
Commodities	4,300	2,598	1,702	3,410
Capital outlay	6,192	5,907	285	3,426
Subtotal	245,115	237,893	7,222	237,351

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>General government (continued)</i>				
Taxation				
Personal services	332,456	324,299	8,157	287,025
Contractual services	37,261	31,498	5,763	30,461
Commodities	3,200	2,212	988	2,907
Capital outlay	5,760	3,901	1,859	4,307
Subtotal	378,677	361,910	16,767	324,700
Information systems				
Personal services	343,282	342,837	445	291,366
Contractual services	100,153	97,266	2,887	101,041
Commodities	9,000	8,815	185	8,461
Capital outlay	82,791	82,208	583	48,170
Subtotal	535,226	531,126	4,100	449,038
Personnel				
Personal services	209,264	207,189	2,075	207,853
Contractual services	156,610	131,241	25,369	123,132
Commodities	1,750	944	806	932
Subtotal	367,624	339,374	28,250	331,917
Law				
Personal services	240,319	242,049	(1,730)	311,923
Contractual services	222,679	193,453	29,226	74,541
Commodities	2,160	2,101	59	4,209
Capital outlay	4,049	4,000	49	5,054
Subtotal	469,207	441,603	27,604	395,727

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>General government (continued)</i>				
Purchasing				
Personal services	108,650	108,330	320	104,057
Contractual services	3,555	2,733	822	1,910
Commodities	500	392	108	499
Capital outlay	1,200	879	321	1,531
Subtotal	113,905	112,334	1,571	107,997
Planning				
Personal services	379,047	375,748	3,299	354,813
Contractual services	142,327	142,310	17	69,871
Commodities	3,851	9,126	(5,275)	15,232
Capital outlay	8,923	3,641	5,282	4,869
Subtotal	534,148	530,825	3,323	444,785
Human resources administration				
Personal services	118,844	116,044	2,800	155,513
Contractual services	11,179	8,537	2,642	8,970
Commodities	1,500	435	1,065	1,302
Capital outlay	3,695	1,755	1,940	3,823
Subtotal	135,218	126,771	8,447	169,608
Public works administration				
Personal services	229,404	222,769	6,635	192,302
Contractual services	11,446	8,820	2,626	7,616
Commodities	780	780	-	702
Capital outlay	2,000	1,899	101	1,008
Subtotal	243,630	234,268	9,362	201,628

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<i>General government (continued)</i>				
Engineering				
Personal services	574,841	571,077	3,764	529,643
Contractual services	63,654	54,976	8,678	56,055
Commodities	5,320	4,069	1,251	5,319
Capital outlay	15,810	15,608	202	13,599
Subtotal	659,625	645,730	13,895	604,616
Total general government	4,350,277	4,201,619	148,658	3,836,339
<i>Miscellaneous</i>				
Non-departmental				
Personal services	18,000	17,864	136	18,100
Contractual services	903,544	815,116	88,428	734,006
Commodities	21,849	17,937	3,912	31,456
Capital outlay	24,442	12,009	12,433	14,817
Subtotal	967,835	862,926	104,909	798,379
Year 2000 compliance				
Contractual services	138,000	32,504	105,496	-
Capital outlay	142,069	53,165	88,904	-
Subtotal	280,069	85,669	194,400	-
Total miscellaneous	1,247,904	948,595	299,309	798,379
Total expenditures	22,952,849	21,987,926	964,923	20,789,238
Excess of revenues over (under) expenditures	(829,894)	205,318	1,035,212	615,806

(continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the year ended December 31, 1999**

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Other financing sources (uses)				
Transfers-in	3,791,050	3,791,050	-	1,260,728
Transfers-out	(2,776,375)	(2,781,956)	(5,581)	(154,500)
Other sources	-	328,359	328,359	353
Other uses	-	(170)	(170)	(421,118)
Total other financing sources (uses)	1,014,675	1,337,283	322,608	685,463
Excess of revenues and other financing sources over (under) expenditures and other financing uses	184,781	1,542,601	1,357,820	1,301,269
Fund balance, beginning of year	6,097,697	6,097,697		4,436,214
Appropriation for prior year encumbrances	313,781	313,781		360,214
Fund balance, end of the year	6,596,259	7,954,079	1,357,820	\$ 6,097,697

SPECIAL REVENUE FUNDS

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

AUTO AND GAS TAX

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

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

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.

EMERGENCY MEDICAL SERVICES FUND (EMS)

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

HOUSING ASSISTANCE

To account for monies received from the Department of Housing and Urban Development for the City's Section 8 Housing Program.

TAX INCREMENT EQUIVALENT

To account for the tax increment equivalent tax collected by the county for City Centre Mall property.

LITTER CONTROL

To account for grant monies received from the State of Ohio to operate a litter control program.

URBAN DEVELOPMENT ACTION GRANT (UDAG)

To account for the Urban Development Action Grant loan to the Sorg Paper Company.

COURT COMPUTERIZATION FUND

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

LAW ENFORCEMENT 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.

TERMINATION PAY FUND

To account for the expenditures resulting from the retirement or resignation of City employees.

INDIGENT DRIVER ALCOHOL TREATMENT

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

ENFORCEMENT/EDUCATION FUND

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

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.

COMMUNITY DEVELOPMENT:

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

POLICE PENSION:

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

FIRE PENSION

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

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
As of December 31, 1999**

	Auto & Gas Tax	Acquisition for Parks	Health Fund	Emergency Medical Services	Housing Assistance	Tax Increment Equivalent	Litter Control
Assets:							
Cash and equity in pooled cash, deposits and investments	\$ 442,647	\$ 123,526	\$ 204,903	\$ 854,514	\$ 791,499	\$ 107,165	\$ -
Receivables (net of allowance for uncollectibles):							
Property taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Due from other governments	146,522	-	9,900	-	-	-	-
Inventory of supplies	263,366	-	-	-	-	-	-
Total assets	\$852,535	\$123,526	\$214,803	\$854,514	\$791,499	\$107,165	\$0
Liabilities:							
Accounts payable	\$ 112,167	\$ -	\$ 52,841	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	60,845	-	26,385	-	-	-	-
Other accrued liabilities	23,970	-	16,856	-	-	-	-
Due to other funds	34,109	-	932	-	-	-	11,320
Due to other governments	-	-	11,304	-	-	-	-
Due to individuals	-	-	-	-	31,065	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	231,091	0	108,318	0	31,065	0	11,320
Fund equity:							
Fund balance							
Reserved for encumbrances	59,490	-	841	-	-	-	-
Reserved for inventory	263,366	-	-	-	-	-	-
Reserved for loans	-	-	-	-	-	-	-
Unreserved and undesignated	298,588	123,526	105,644	854,514	760,434	107,165	(11,320)
Total fund equity	621,444	123,526	106,485	854,514	760,434	107,165	(11,320)
Total liabilities and fund equity	\$852,535	\$123,526	\$214,803	\$854,514	\$791,499	\$107,165	\$0

Urban Develop- ment Action Grant	Court Computer- ization	Law Enforce- ment	Mandatory Drug Fine	Probation Services	Termin- ation Pay	Indigent Driver Alcohol Treatment	Enforce- ment Education	Civic Develop- ment
\$ 563,866	\$ 76,207	\$ 59,356	\$ 30,390	\$ 71,242	\$ 90,442	\$ 29,705	\$ 53,352	\$ 53,937
-	-	-	-	-	-	-	-	-
-	-	-	2,757	3,553	-	735	749	33,802
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$563,866	\$76,207	\$59,356	\$33,147	\$74,795	\$90,442	\$30,440	\$54,101	\$87,739
\$ -	\$ 2,883	\$ -	\$ 1,540	\$ -	\$ -	\$ 5,740	\$ -	\$ 7,500
-	-	-	-	-	-	-	262	-
-	-	-	-	-	-	-	-	-
-	-	-	481	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
0	2,883	0	2,021	0	0	5,740	262	7,500
-	-	4,346	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
563,866	73,324	55,010	31,126	74,795	90,442	24,700	53,839	80,239
563,866	73,324	59,356	31,126	74,795	90,442	24,700	53,839	80,239
\$563,866	\$76,207	\$59,356	\$33,147	\$74,795	\$90,442	\$30,440	\$54,101	\$87,739

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
As of December 31, 1999**

(continued)	Municipal Court	Police Grant	Community Develop- ment	Police Pension	Fire Pension	Totals	
						1999	1998
Assets:							
Cash and equity in pooled cash, deposits and investments	\$ 161,255	\$ 47,037	\$ 91,790	\$ 61,010	\$ 170,047	\$ 4,083,890	\$ 3,486,431
Receivables (net of allowance for uncollectibles):							
Property taxes	-	-	-	266,665	266,665	533,330	488,286
Accounts	56,610	-	-	-	-	98,206	161,877
Loans	-	-	351,032	-	-	351,032	393,052
Accrued interest	-	-	-	-	-	-	4,991
Due from other governments	-	-	-	-	-	156,422	252,908
Inventory of supplies	-	-	-	-	-	263,366	226,885
Total assets	\$217,865	\$47,037	\$442,822	\$327,675	\$436,712	\$5,486,246	\$5,014,430
Liabilities:							
Accounts payable	\$ 4,043	\$ 11,930	\$ 13,546	\$ -	\$ -	\$212,190	\$208,965
Accrued wages and benefits	45,261	-	-	-	-	132,753	127,860
Other accrued liabilities	15,595	2,091	-	-	-	58,512	66,430
Due to other funds	644	-	53,045	-	-	100,531	185,905
Due to other governments	-	-	-	-	-	11,304	9,790
Due to individuals	-	-	-	-	-	31,065	26,324
Deferred revenue	-	-	-	266,665	266,665	533,330	488,286
Total liabilities	65,543	14,021	66,591	266,665	266,665	1,079,685	1,113,560
Fund equity:							
Fund balance							
Reserved for encumbrances	24,533	18,069	57,579	-	-	164,858	144,833
Reserved for inventory	-	-	-	-	-	263,366	226,885
Reserved for loans	-	-	351,031	-	-	351,031	393,051
Unreserved and undesignated	127,789	14,947	(32,379)	61,010	170,047	3,627,306	3,136,101
Total fund equity	152,322	33,016	376,231	61,010	170,047	4,406,561	3,900,870
Total liabilities and fund equity	\$217,865	\$47,037	\$442,822	\$327,675	\$436,712	\$5,486,246	\$5,014,430

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Year Ended December 31, 1999

	Auto & Gas Tax	Acquisition for Parks	Health Fund	Emergency Medical Services	Housing Assistance	Tax Increment Equivalent	Litter Control
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	200,000	-	300,000	-	-	-	16,000
Intergovernmental revenues	1,875,462	-	195,816	-	2,155,582	-	57,400
Charges for services	-	4,500	151,041	477,675	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interest earnings	24,189	-	-	-	7,953	-	-
Miscellaneous	162,664	-	-	-	17,608	22,800	-
Total revenues	2,262,315	4,500	646,857	477,675	2,181,143	22,800	73,400
Expenditures:							
Current							
Public safety	603,536	-	-	2,012	-	-	-
Public health and welfare	-	-	689,049	-	-	-	-
Leisure time activities	-	90,650	-	-	-	-	-
Community environment	-	-	-	-	1,909,677	5,480	73,400
Highways and streets	1,971,716	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	2,575,252	90,650	689,049	2,012	1,909,677	5,480	73,400
Excess of revenues over (under) expenditures	(312,937)	(86,150)	(42,192)	475,663	271,466	17,320	0
Other financing sources (uses):							
Transfers-in	151,000	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-	-
Total other financing sources (uses)	151,000	0	0	0	0	0	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(161,937)	(86,150)	(42,192)	475,663	271,466	17,320	0
Fund balance, beginning of the year	783,381	209,676	148,677	378,851	488,968	89,845	(11,320)
Fund balance, end of the year	\$621,444	\$123,526	\$106,485	\$854,514	\$760,434	\$107,165	(\$11,320)

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the year ended December 31, 1999

(continued)	Urban Develop- ment Action Grant	Court Computer- ization	Law Enforce- ment	Mandatory Drug Fine	Probation Services	Termin- ation Pay	Indigent Driver Alcohol Treatment
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	350,000	-
Intergovernmental revenues	-	-	-	-	-	-	14,550
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	49,996	50,012	20,665	44,425	-	10,643
Interest earnings	25,186	-	-	-	-	-	-
Miscellaneous	55,735	-	-	-	-	-	-
Total revenues	80,921	49,996	50,012	20,665	44,425	350,000	25,193
Expenditures:							
Current							
Public safety	-	23,354	12,828	68,009	56,717	124,638	22,959
Public health and welfare	-	-	-	-	-	6,108	-
Leisure time activities	-	-	-	-	-	3,389	-
Community environment	-	-	-	-	-	72,032	-
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	71,025	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	0	23,354	12,828	68,009	56,717	277,192	22,959
Excess of revenues over (under) expenditures	80,921	26,642	37,184	(47,344)	(12,292)	72,808	2,234
Other financing sources (uses):							
Transfers-in	-	-	-	-	-	-	13,125
Transfers-out	-	-	-	-	-	-	-
Total other financing sources (uses)	0	0	0	0	0	0	13,125
Excess of revenues and other financing sources over (under) expenditures and other financing uses	80,921	26,642	37,184	(47,344)	(12,292)	72,808	15,359
Fund balance, beginning of the year	482,945	46,682	22,172	78,470	87,087	17,634	9,341
Fund balance, end of the year	\$563,866	\$73,324	\$59,356	\$31,126	\$74,795	\$90,442	\$24,700

Enforce- ment Education	Civic Develop- ment	Municipal Court	Police Grant	Community Develop- ment	Police Pension	Fire Pension	Totals	
							1999	1998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,897	\$ 233,897	\$ 467,794	\$ 504,461
-	-	40,000	-	-	550,000	700,000	2,156,000	2,669,000
-	-	-	200,769	871,226	20,880	20,880	5,412,565	5,143,959
-	-	-	-	-	-	-	633,216	417,276
14,868	-	947,524	-	-	-	-	1,138,133	1,206,713
-	-	-	3,576	16,873	-	-	77,777	80,032
-	168,174	2,390	3,900	43,217	-	-	476,488	527,732
14,868	168,174	989,914	208,245	931,316	804,777	954,777	10,361,973	10,549,173
9,871	-	1,072,857	285,392	-	867,017	964,718	4,113,908	4,312,269
-	-	-	-	-	-	-	695,157	591,132
-	-	-	-	-	-	-	94,039	9,260
-	-	-	-	868,390	-	-	2,928,979	2,891,820
-	-	-	-	-	-	-	1,971,716	1,756,310
-	-	-	-	-	-	-	71,025	47,962
-	138,039	-	-	-	-	-	138,039	176,475
9,871	138,039	1,072,857	285,392	868,390	867,017	964,718	10,012,863	9,785,228
4,997	30,135	(82,943)	(77,147)	62,926	(62,240)	(9,941)	349,110	763,945
-	-	-	5,581	-	-	-	169,706	-
-	-	(13,125)	-	-	-	-	(13,125)	-
0	0	(13,125)	5,581	0	0	0	156,581	0
4,997	30,135	(96,068)	(71,566)	62,926	(62,240)	(9,941)	505,691	763,945
48,842	50,104	248,390	104,582	313,305	123,250	179,988	3,900,870	3,136,925
\$53,839	\$80,239	\$152,322	\$33,016	\$376,231	\$61,010	\$170,047	\$4,406,561	\$3,900,870

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 the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income tax	\$ 200,000	\$ 200,000	\$ -	\$ 385,000
Intergovernmental revenue	1,960,259	1,871,180	(89,079)	1,908,104
Interest earnings	26,700	26,801	101	29,244
Miscellaneous	155,352	162,664	7,312	154,388
Total revenues	2,342,311	2,260,645	(81,666)	2,476,736
Expenditures:				
Current				
Public safety:				
Personal services	311,065	309,859	1,206	288,737
Contractual services	129,477	107,536	21,941	113,506
Commodities	116,037	109,389	6,648	89,133
Capital outlay	174,497	169,270	5,227	137,517
Total public safety	731,076	696,054	35,022	628,893
Highways and streets:				
Personal services	992,144	972,010	20,134	914,457
Contractual services	572,872	550,490	22,382	539,110
Commodities	188,324	179,699	8,625	165,959
Capital outlay	349,453	350,333	(880)	189,312
Total highways and streets	2,102,793	2,052,532	50,261	1,808,838
Total expenditures	2,833,869	2,748,586	85,283	2,437,731
Excess of revenues over (under) expenditures	(491,558)	(487,941)	3,617	39,005
Other financing sources (uses):				
Transfers-in	151,000	151,000	-	-
Total other financing sources (uses)	151,000	151,000	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(340,558)	(336,941)	3,617	39,005
Fund balance, beginning of the year	500,153	500,153	-	345,617
Appropriation for prior year encumbrances	120,558	120,558	-	115,531
Fund balance, end of the year	\$ 280,153	\$ 283,770	\$ 3,617	\$ 500,153

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ACQUISITION FOR PARKS FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Charges for services	\$ 5,000	\$ 4,500	\$ (500)	\$ 5,775
Total revenues	5,000	4,500	(500)	5,775
Expenditures:				
Current				
Community environment:				
Capital outlay	90,650	90,650	-	9,260
Total expenditures	90,650	90,650	-	9,260
Excess of revenues over (under) expenditures	(85,650)	(86,150)	(500)	(3,485)
Fund balance, beginning of the year	209,676	209,676	-	213,161
Fund balance, end of the year	\$ 124,026	\$ 123,526	\$ (500)	\$ 209,676

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HEALTH FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income taxes	\$ 300,000	\$ 300,000	\$ -	\$ 333,000
Intergovernmental revenue	141,267	188,307	47,040	135,063
Charges for services	149,620	151,891	2,271	145,843
Total revenues	590,887	640,198	49,311	613,906
Expenditures:				
Current				
Public health and welfare:				
Personal Services	518,835	494,105	24,730	465,553
Contractual services	231,859	118,267	113,592	101,560
Commodities	4,215	3,329	886	1,987
Capital outlay	16,050	9,908	6,142	8,845
Total expenditures	770,959	625,609	145,350	577,945
Excess of revenues over (under) expenditures	(180,072)	14,589	194,661	35,961
Other financing sources (uses):				
Other sources		1,514	1,514	-
Other uses	-	-	-	(734)
Total other financing sources (uses)	-	1,514	1,514	(734)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(180,072)	16,103	196,175	35,227
Fund balance, beginning of the year	187,961	187,961	-	152,710
Appropriation for prior year encumbrances	-	-	-	24
Fund balance, end of the year	\$ 7,889	\$ 204,064	\$ 196,175	\$ 187,961

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMS FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Charges for Services	\$ 460,000	\$ 477,675	\$ 17,675	\$ 266,650
Total revenues	460,000	477,675	17,675	266,650
Expenditures:				
Current				
Public safety:				
Contractual services	2,100	2,012	88	-
Capital outlay	-	-	-	2,288
Total expenditures	2,100	2,012	88	2,288
Excess of revenues over (under) expenditures	457,900	475,663	17,763	264,362
Fund balance, beginning of the year	378,851	378,851	-	112,051
Appropriation for prior year encumbrances	-	-	-	2,438
Fund balance, end of the year	\$ 836,751	\$ 854,514	\$ 17,763	\$ 378,851

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HOUSING ASSISTANCE FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Intergovernmental revenue	\$ 2,624,430	\$ 2,159,381	\$ (465,049)	\$ 2,091,411
Interest earnings	6,000	8,895	2,895	5,480
Miscellaneous	100,000	17,608	(82,392)	3,803
Total revenues	2,730,430	2,185,884	(544,546)	2,100,694
Expenditures:				
Current				
Community environment:				
Contractual services	2,726,430	1,909,677	816,753	1,907,439
Total expenditures	2,726,430	1,909,677	816,753	1,907,439
Excess of revenues over (under) expenditures	4,000	276,207	272,207	193,255
Fund balance, beginning of the year	515,292	515,292	-	322,037
Fund balance, end of the year	\$ 519,292	\$ 791,499	\$ 272,207	\$ 515,292

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TAX INCREMENT EQUIVALENT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 30,000	\$ -	\$ (30,000)	\$ 64,393
Miscellaneous	-	22,800	22,800	23,800
Total revenues	30,000	22,800	(7,200)	88,193
Expenditures:				
Current				
Community environment:				
Contractual services	71,500	38,343	33,157	32,911
Capital outlay	20,000	8,907	11,093	(1,538)
Total expenditures	91,500	47,250	44,250	31,373
Excess of revenues over (under) expenditures	(61,500)	(24,450)	37,050	56,820
Fund balance, beginning of the year	131,615	131,615	-	74,795
Fund balance, end of the year	\$ 70,115	\$ 107,165	\$ 37,050	\$ 131,615

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LITTER CONTROL FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income taxes	\$ 28,000	\$ 16,000	\$ (12,000)	\$ 16,000
Intergovernmental revenue	60,000	57,400	(2,600)	56,600
Total revenues	88,000	73,400	(14,600)	72,600
Expenditures:				
Current				
Community environment:				
Contractual services	76,000	73,400	2,600	72,600
Total expenditures	76,000	73,400	2,600	72,600
Excess of revenues over (under) expenditures	12,000	-	(12,000)	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ 12,000	\$ 0	\$ (12,000)	\$ 0

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 the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Interest earnings	\$ 22,000	\$ 27,209	\$ 5,209	\$ 25,731
Miscellaneous	56,000	55,735	(265)	55,735
Total revenues	78,000	82,944	4,944	81,466
Expenditures:				
Current				
Community environment:	-	-	-	-
Total expenditures	0	0	0	0
Excess of revenues over (under) expenditures	78,000	82,944	4,944	81,466
Fund balance, beginning of the year	480,920	480,920	-	399,454
Fund balance, end of the year	\$ 558,920	\$ 563,864	\$ 4,944	\$ 480,920

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT COMPUTERIZATION FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Fines and forfeits	\$ 56,000	\$ 56,157	\$ 157	\$ 57,436
Total revenues	56,000	56,157	157	57,436
Expenditures:				
Current				
Public safety:				
Capital outlay	35,000	20,471	14,529	41,056
Total expenditures	35,000	20,471	14,529	41,056
Excess of revenues over (under) expenditures	21,000	35,686	14,686	16,380
Fund balance, beginning of the year	40,520	40,520	-	24,140
Fund balance, end of the year	\$ 61,520	\$ 76,206	\$ 14,686	\$ 40,520

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LAW ENFORCEMENT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Fines and forfeits	\$ 10,000	\$ 39,357	\$ 29,357	\$ -
Miscellaneous	-	10,655	10,655	5,268
Total revenues	10,000	50,012	40,012	5,268
Expenditures:				
Current				
Public safety:				
Contractual services	9,000	7,174	1,826	17,754
Capital outlay	10,000	10,000	-	8,518
Total expenditures	19,000	17,174	1,826	26,272
Excess of revenues over (under) expenditures	(9,000)	32,838	41,838	(21,004)
Fund balance, beginning of the year	20,595	20,595	-	37,088
Appropriation for prior year encumbrances	1,576	1,576	-	4,511
Fund balance, end of the year	\$ 13,171	\$ 55,009	\$ 41,838	\$ 20,595

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MANDATORY DRUG FINE FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Fines and forfeits	\$ 40,000	\$ 34,613	\$ (5,387)	\$ 34,029
Miscellaneous	-	-	-	1,665
Total revenues	40,000	34,613	(5,387)	35,694
Expenditures:				
Current				
Public safety:				
Contractual services	80,000	66,281	13,719	73,538
Total expenditures	80,000	66,281	13,719	73,538
Excess of revenues over (under) expenditures	(40,000)	(31,668)	8,332	(37,844)
Fund balance, beginning of the year	62,057	62,057	-	99,901
Fund balance, end of the year	\$ 22,057	\$ 30,389	\$ 8,332	\$ 62,057

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROBATION SERVICES FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Fines and forfeits	\$ 60,000	\$ 45,077	\$ (14,923)	\$ 57,069
Total revenues	60,000	45,077	(14,923)	57,069
Expenditures:				
Current				
General government:				
Contractual services	84,000	56,717	27,283	56,552
Total expenditures	84,000	56,717	27,283	56,552
Excess of revenues over (under) expenditures	(24,000)	(11,640)	12,360	517
Fund balance, beginning of the year	82,882	82,882	-	82,365
Fund balance, end of the year	\$ 58,882	\$ 71,242	\$ 12,360	\$ 82,882

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TERMINATION PAY FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income Tax	\$ 350,000	\$ 350,000	\$ -	\$ 460,000
Total revenues	350,000	350,000	-	460,000
Expenditures:				
Current				
Personal services:				
Public safety	175,000	124,637	50,363	361,613
Public health & welfare	10,000	6,108	3,892	13,341
Leisure time activities	5,000	3,389	1,611	-
Community environment	80,000	72,032	7,968	84,769
General government	80,000	71,025	8,975	47,962
Total expenditures	350,000	277,191	72,809	507,685
Excess of revenues over (under) expenditures	0	72,809	72,809	(47,685)
Fund balance, beginning of the year	17,634	17,634	-	65,319
Fund balance, end of the year	\$ 17,634	\$ 90,443	\$ 72,809	\$ 17,634

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Intergovernmental revenue	\$ -	\$ 14,550	\$ 14,550	\$ -
Fines and forfeits	41,000	12,440	(28,560)	14,390
Total revenues	41,000	26,990	(14,010)	14,390
Expenditures:				
Current				
Community environment				
Contractual services	25,000	17,219	7,781	29,050
Total expenditures	25,000	17,219	7,781	29,050
Excess of revenues over (under) expenditures	16,000	9,771	(6,229)	(14,660)
Other financing sources (uses):				
Transfers-in	-	13,125	13,125	-
Total other financing sources (uses)	-	13,125	13,125	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	16,000	22,896	6,896	(14,660)
Fund balance, beginning of the year	6,808	6,808	-	21,468
Fund balance, end of the year	\$ 22,808	\$ 29,704	\$ 6,896	\$ 6,808

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ENFORCEMENT/EDUCATION FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Fines and forfeits	\$ 25,000	\$ 15,519	\$ (9,481)	\$ 16,175
Total revenues	25,000	15,519	(9,481)	16,175
Expenditures:				
Current				
Community environment:				
Personal services	14,412	8,241	6,171	8,624
Contractual services	6,000	3,228	2,772	2,440
Capital outlay	10,000	9,577	423	15,000
Total expenditures	30,412	21,046	9,366	26,064
Excess of revenues over (under) expenditures	(5,412)	(5,527)	(115)	(9,889)
Fund balance, beginning of year	58,883	58,883	-	68,772
Fund balance, end of the year	\$ 53,471	\$ 53,356	\$ (115)	\$ 58,883

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CIVIC DEVELOPMENT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Miscellaneous	\$ 171,000	\$ 172,493	\$ 1,493	\$ 195,551
Total revenues	171,000	172,493	1,493	195,551
Expenditures:				
Current				
Community environment:				
Contractual services	165,500	165,499	1	169,252
Total expenditures	165,500	165,499	1	169,252
Excess of revenues over (under) expenditures	5,500	6,994	1,494	26,299
Fund balance, beginning of the year	46,943	46,943	-	20,644
Fund balance, end of the year	\$ 52,443	\$ 53,937	\$ 1,494	\$ 46,943

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL COURT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income tax	\$ 40,000	\$ 40,000	\$ -	\$ 25,000
Intergovernmental revenue	-	-	-	6,925
Fines and forfeits	988,482	982,818	(5,664)	979,388
Miscellaneous	4,500	2,390	(2,110)	5,732
Total revenues	1,032,982	1,025,208	(7,774)	1,017,045
Expenditures:				
Current				
Public safety:				
Personal services	916,287	929,113	(12,826)	863,923
Contractual services	151,253	120,990	30,263	116,575
Commodities	11,130	9,451	1,679	8,427
Capital outlay	30,234	24,305	5,929	15,028
Total expenditures	1,108,904	1,083,859	25,045	1,003,953
Excess of revenues over (under) expenditures	(75,922)	(58,651)	17,271	13,092
Other financing sources (uses):				
Transfers-out	(13,125)	(13,125)	-	-
Total other financing sources (uses)	(13,125)	(13,125)	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(89,047)	(71,776)	17,271	13,092
Fund balance, beginning of the year	208,101	208,101	-	195,009
Appropriation for prior year encumbrances	399	399	-	-
Fund balance, end of the year	\$ 119,453	\$ 136,724	\$ 17,271	\$ 208,101

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE GRANT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Intergovernmental revenue	\$ 380,245	\$ 309,046	\$ (71,199)	\$ 215,100
Interest earnings	4,000	3,933	(67)	1,400
Miscellaneous	16,600	3,900	(12,700)	9,850
Total revenues	400,845	316,879	(83,966)	226,350
Expenditures:				
Current				
Public safety:				
Personal services	179,102	115,467	63,635	115,076
Contractual services	37,100	42,675	(5,575)	35,410
Commodities	10,200	10,172	28	7,035
Capital outlay	183,131	129,163	53,968	189,007
Total expenditures	409,533	297,477	112,056	346,528
Excess of revenues over (under) expenditures	(8,688)	19,402	28,090	(120,178)
Other financing sources (uses):				
Transfers-in	6,000	5,581	(419)	-
Other sources		(77,000)	(77,000)	77,000
Total other financing sources (uses)	6,000	(71,419)	(77,419)	77,000
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(2,688)	(52,017)	(49,329)	(43,178)
Fund balance, beginning of the year	885	885	-	44,063
Appropriation for prior year encumbrances	80,099	80,099	-	-
Fund balance, end of the year	\$ 78,296	\$ 28,967	\$ (49,329)	\$ 885

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMMUNITY DEVELOPMENT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Intergovernmental revenue	\$ 1,564,000	\$ 871,226	\$ (692,774)	\$ 602,682
Miscellaneous	-	102,110	102,110	-
Total revenues	1,564,000	973,336	(590,664)	602,682
Expenditures:				
Current				
Community environment:				
Contractual services	1,622,881	723,598	899,283	430,241
Capital outlay	388,762	246,304	142,458	208,167
Total expenditures	2,011,643	969,902	1,041,741	638,408
Excess of revenues over (under) expenditures	(447,643)	3,434	451,077	(35,726)
Fund balance, beginning of the year	14,275	14,275	-	(2,427)
Appropriation for prior year encumbrances	16,452	16,452	-	52,428
Fund balance, end of the year	\$ (416,916)	\$ 34,161	\$ 451,077	\$ 14,275

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE PENSION FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 220,615	\$ 233,897	\$ 13,282	\$ 220,034
Intergovernmental revenue	20,415	20,880	465	20,948
Municipal income taxes	550,000	550,000	-	650,000
Total revenues	791,030	804,777	13,747	890,982
Expenditures:				
Current				
Public safety:				
Personal services	877,254	867,017	10,237	866,458
Total expenditures	877,254	867,017	10,237	866,458
Excess of revenues over (under) expenditures	(86,224)	(62,240)	23,984	24,524
Fund balance, beginning of the year	123,241	123,241	-	98,717
Fund balance, end of the year	\$ 37,017	\$ 61,001	\$ 23,984	\$ 123,241

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE PENSION FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 220,615	\$ 233,897	\$ 13,282	\$ 220,034
Intergovernmental revenue	20,415	20,880	465	20,948
Municipal income taxes	700,000	700,000	-	800,000
Total revenues	941,030	954,777	13,747	1,040,982
Expenditures:				
Current				
Public safety:				
Personal services	1,039,230	964,718	74,512	990,062
Total expenditures	1,039,230	964,718	74,512	990,062
Excess of revenues over (under) expenditures	(98,200)	(9,941)	88,259	50,920
Other financing sources (uses):				
Transfers-in			-	-
Transfers-out			-	-
Other sources			-	-
Other uses			-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(98,200)	(9,941)	88,259	50,920
Fund balance, beginning of the year	179,987	179,987	-	129,067
Fund balance, end of the year	\$ 81,787	\$ 170,046	\$ 88,259	\$ 179,987

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOTAL ALL SPECIAL REVENUE FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 471,230	\$ 467,794	\$ (3,436)	\$ 504,461
Municipal income taxes	2,168,000	2,156,000	(12,000)	2,669,000
Intergovernmental revenue	6,771,031	5,512,850	(1,258,181)	5,057,781
Charges for services	614,620	634,066	19,446	418,268
Fines and forfeits	1,220,482	1,185,981	(34,501)	1,158,487
Interest earnings	58,700	66,838	8,138	61,855
Miscellaneous	503,452	550,355	46,903	455,792
Total revenues	11,807,515	10,573,884	(1,233,631)	10,325,644
Expenditures:				
Current				
Public safety	4,477,097	4,139,700	337,397	4,340,661
Public health and welfare	780,959	631,717	149,242	591,286
Leisure time activities	5,000	3,389	1,611	-
Community environment	5,297,135	3,366,675	1,930,460	2,968,215
Highways and streets	2,102,793	2,052,532	50,261	1,808,838
General government	164,000	127,742	36,258	104,514
Total expenditures	12,826,984	10,321,755	2,505,229	9,813,514
Excess of revenues over (under) expenditures	(1,019,469)	252,129	1,271,598	512,130
Other financing sources (uses):				
Transfers-in	157,000	169,706	12,706	-
Transfers-out	(13,125)	(13,125)	-	-
Other sources	-	(75,486)	(75,486)	77,000
Other uses	-	-	-	(734)
Total other financing sources (uses)	143,875	81,095	(62,780)	76,266
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(875,594)	333,224	1,208,818	588,396
Fund balance, beginning of the year	3,267,279	3,267,279	-	2,503,951
Appropriation for prior year encumbrances	219,084	219,084	-	174,932
Fund balance, end of the year	\$ 2,610,769	\$ 3,819,587	\$ 1,208,818	\$ 3,267,279

DEBT SERVICE FUNDS

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

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.

LIBRARY BOND DEBT SERVICE

To account for the annual property tax levy passed to retire the construction debt of the public library. Interest and principal payments to bondholders are the expenditures of the fund.

SPECIAL ASSESSMENT DEBT SERVICE

To accumulate special assessment revenues collected by the county and remitted to the City for the payment of special assessment bonds.

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
As of December 31, 1999

	General Obligation Debt Service	Special Assessment Debt Service	Library Bond Debt Service	Totals	
				1999	1998
Assets					
Cash and equity in pooled cash, deposits and investments	28,049	108,600	465,015	601,664	\$426,949
Cash with fiscal and escrow agent	113,830	-	19,239	133,069	152,098
Receivables (net of allowance for uncollectibles)					
Property taxes	-	-	399,997	399,997	406,905
Special assessments	-	5,743,366	-	5,743,366	5,567,520
Total assets	141,879	5,851,966	884,251	6,878,096	6,553,472
Liabilities					
Due to other funds	\$ -	230,000	\$ -	\$ 230,000	\$ 280,000
Matured bonds and interest	113,830	-	19,239	133,069	152,098
Deferred revenue	-	5,743,366	399,997	6,143,363	5,974,425
Total liabilities	113,830	5,973,366	419,236	6,506,432	6,406,523
Fund equity					
Fund balance (deficit):					
Unreserved and undesignated	28,049	(121,400)	465,015	371,664	146,949
Total fund equity (deficit)	28,049	(121,400)	465,015	371,664	146,949
Total liabilities and fund equity	\$141,879	\$5,851,966	\$884,251	\$6,878,096	\$6,553,472

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
For the year ended December 31, 1999

	General Obligation Debt Service	Special Assessment Debt Service	Library Bond Debt Service	Totals	
				1999	1998
Revenues					
Property taxes	\$ -	\$ -	389,828	389,828	\$356,351
Municipal income taxes	508,416	-	-	508,416	435,626
Intergovernmental			34,800	34,800	-
Special assessments	-	747,375	-	747,375	626,228
Total revenues	508,416	747,375	424,628	1,680,419	1,418,205
Expenditures					
Debt service					
Principal retirement	285,000	428,376	200,000	913,376	875,743
Interest and fiscal charges	414,862	233,056	106,508	754,426	715,908
Total expenditures	699,862	661,432	306,508	1,667,802	1,591,651
Excess of revenues over (under) expenditures	(191,446)	85,943	118,120	12,617	(173,446)
Other financing sources					
Operating transfers-in	200,000	12,098	-	212,098	200,000
Total other financing sources (uses)	200,000	12,098	0	212,098	200,000
Excess of revenues and other financing sources over (under) expenditures	8,554	98,041	118,120	224,715	26,554
Fund balance, beginning of the year	19,495	(219,441)	346,895	146,949	120,395
Fund balance, end of the year	\$28,049	(\$121,400)	\$465,015	\$371,664	\$146,949

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 the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income taxes	\$ 508,416	\$ 508,416	\$ -	\$ 435,626
Total revenues	508,416	508,416	-	435,626
Expenditures:				
Debt service				
Principal retirement	420,000	420,000	-	395,000
Interest and fiscal charges	582,964	577,910	5,054	523,213
Total expenditures	1,002,964	997,910	5,054	918,213
Excess of revenues over (under) expenditures	(494,548)	(489,494)	5,054	(482,587)
Other financing sources (uses):				
Operating transfers-in	498,048	498,048	-	487,333
Operating transfers-out			-	-
Other sources			-	-
Other uses			-	-
Total other financing sources (uses)	498,048	498,048	-	487,333
Excess of revenues and other financing sources over (under) expenditures	3,500	8,554	5,054	4,746
Fund balance, beginning of the year	19,495	19,495	-	14,749
Fund balance, end of the year	\$ 22,995	\$ 28,049	\$ 5,054	\$ 19,495

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 the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ 747,000	\$ 747,284	\$ 284	\$ 626,228
Total revenues	747,000	747,284	284	626,228
Expenditures:				
Debt service				
Principal retirement	427,163	428,376	(1,213)	400,743
Interest and fiscal charges	234,328	233,056	1,272	233,574
Total expenditures	661,491	661,432	59	634,317
Excess of revenues over (under) expenditures	85,509	85,852	343	(8,089)
Other financing sources (uses):				
Operating transfers-in	240,000	12,098	(227,902)	-
Operating transfers-out			-	-
Other sources			-	-
Other uses	-	(50,000)	(50,000)	-
Total other financing sources (uses)	240,000	(37,902)	(277,902)	-
Excess of revenues and other financing sources over (under) expenditures	325,509	47,950	(277,559)	(8,089)
Fund balance, beginning of the year	60,650	60,650	-	68,739
Fund balance, end of the year	\$ 386,159	\$ 108,600	\$ (277,559)	\$ 60,650

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LIBRARY BOND DEBT SERVICE FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 390,000	\$ 389,828	\$ (172)	\$ 324,929
Intergovernmental revenue	34,000	34,800	800	31,421
Total revenues	424,000	424,628	628	356,350
Expenditures:				
Current				
Contractual services	4,050	4,008	42	3,453
Debt service				
Principal retirement	200,000	200,000	-	200,000
Interest and fiscal charges	102,500	102,500	-	123,000
Total expenditures	306,550	306,508	42	326,453
Excess of revenues over (under) expenditures	117,450	118,120	670	29,897
Other financing sources (uses):				
Operating transfers-in			-	-
Operating transfers-out			-	-
Other sources			-	-
Other uses			-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	117,450	118,120	670	29,897
Fund balance, beginning of the year	346,894	346,894	-	316,997
Fund balance, end of the year	\$ 464,344	\$ 465,014	\$ 670	\$ 346,894

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL DEBT SERVICE FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 390,000	\$ 389,828	\$ (172)	\$ 324,929
Municipal income taxes	508,416	508,416	-	435,626
Intergovernmental revenue	34,000	34,800	800	31,421
Special assessments	747,000	747,284	284	626,228
Total revenues	1,679,416	1,680,328	912	1,418,204
Expenditures:				
Current				
Contractual Services	4,050	4,008	42	3,453
Debt service				
Principal retirement	1,047,163	1,048,376	(1,213)	995,743
Interest and fiscal charges	919,792	913,466	6,326	879,787
Total expenditures	1,971,005	1,965,850	5,155	1,878,983
Excess of revenues over (under) expenditures	(291,589)	(285,522)	6,067	(460,779)
Other financing sources (uses):				
Operating transfers-in	738,048	510,146	(227,902)	487,333
Operating transfers-out	-	-	-	-
Other sources	-	-	-	-
Other uses	-	(50,000)	(50,000)	-
Total other financing sources (uses)	738,048	460,146	(277,902)	487,333
Excess of revenues and other financing sources over (under) expenditures	446,459	174,624	(271,835)	26,554
Fund balance, beginning of the year	427,039	427,039	-	400,485
Fund balance, end of the year	\$ 873,498	\$ 601,663	\$ (271,835)	\$ 427,039

CAPITAL PROJECT FUNDS

To account for financial resources to be used for the construction or acquisition of major capital facilities.

CAPITAL IMPROVEMENTS

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

CAPITAL IMPROVEMENTS 1994

BONDED FUND:

To account for the expenditure of the proceeds of the 1994 \$3,465,000 transportation bonds and the 1994 \$610,000 recreation bonds.

CAPITAL IMPROVEMENTS 1996

BONDED FUND

To account for the expenditure of the proceeds of the \$2,000,000 1996 general obligation bond issue.

EAST END DEVELOPMENT

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

DOWNTOWN IMPROVEMENTS

To accumulate costs for the City Centre Mall improvements project.

RIVER CORRIDOR

To accumulate construction costs for the river corridor-widening project.

COMPUTER REPLACEMENT

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

LEEDS FARM DEVELOPMENT

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

MARSHALL ROAD

To accumulate construction costs for the improvement of Marshall Road. Property owners will be partially assessed for this improvement.

1998 SIDEWALK, CURB, & GUTTER IMPROVEMENTS

To accumulate costs for the improvement to various sidewalks, curbs, and gutters in Middletown. Property owners will be assessed for part of the cost of this project.

LEWIS STREET IMPROVEMENTS

To accumulate costs for the improvement of Lewis Street. Property owners will be partially assessed for this project.

BURBANK STREET IMPROVEMENTS

To accumulate costs for the improvement of Burbank Street. Property owners will be partially assessed for this project.

GARFIELD SIDEWALK, CURB, AND GUTTER IMPROVEMENTS

To accumulate costs for the improvement to various sidewalks, curbs, and gutters on Garfield Street. Property owners will be assessed 100% of the cost of this project.

DICK'S CREEK SEWER EXTENSION

To accumulate costs for the Dick's Creek sewer extension project. Property owners will be partially assessed for this project.

**CITY OF MIDDLETOWN, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECT FUNDS
 As of December 31, 1999**

	Capital Improve- ments	Capital Improve- ments 1994 Bonded	Capital Improve- ments 1996 Bonded	East End Development	Downtown Improvements	River Corridor
Assets						
Cash and equity in pooled cash, deposits and investments	\$793,432	\$0	\$0	\$1,086,610	\$10,151,256	\$134,278
Receivables (net of allowance for uncollectibles)						
Property taxes	888,883	-	-	-	-	-
Accounts	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Due from other funds	303,600	-	-	-	-	-
Due from other governments	216,716	-	-	-	-	-
Total assets	\$2,202,631	\$0	\$0	\$1,086,610	\$10,151,256	\$134,278
Liabilities						
Accounts payable	\$103,704	\$0	\$0	\$0	\$0	\$0
Accrued interest payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Deferred revenue	888,883	-	-	-	-	-
Total liabilities	992,587	0	0	0	0	0
Fund equity						
Fund balance						
Reserved for encumbrances	443,493	-	-	151,245	2,199,818	-
Unreserved and undesignated	766,551	-	-	935,365	7,951,438	134,278
Total fund equity	1,210,044	0	0	1,086,610	10,151,256	134,278
Total liabilities and fund equity	\$2,202,631	\$0	\$0	\$1,086,610	\$10,151,256	\$134,278

Computer Replace- ment	Leeds Farm Develop- ment	Marshall Road Improve- ments	Lewis Street Improve- ments	Burbank Street Improve- ments	Garfield Sidewalk Repairs	Dick's Creek Sewer Extension	Totals	
							1999	1998
\$352,385	\$155,557	\$1,400	\$30,465	\$127,990	\$33,747	\$771,752	\$13,638,872	\$2,746,269
-	-	-	-	-	-	-	888,883	813,810
-	-	-	-	11,291	-	-	11,291	-
-	-	-	-	-	-	-	-	10,414
-	-	-	-	-	-	-	303,600	41,000
-	-	-	-	-	-	-	216,716	-
\$352,385	\$155,557	\$1,400	\$30,465	\$139,281	\$33,747	\$771,752	\$15,059,362	\$3,611,493
\$15,220	\$0	\$0	\$0	\$0	\$0	\$4,770	\$123,694	\$115,222
-	-	-	-	-	-	-	0	836
-	-	-	-	231,000	70,000	2,600	303,600	41,000
-	-	-	-	-	-	-	0	545,000
-	-	-	-	-	-	-	888,883	813,810
15,220	0	0	0	231,000	70,000	7,370	1,316,177	1,515,868
50,343	-	-	30,465	127,544	4,728	771,732	3,779,368	345,674
286,822	155,557	1,400	-	(219,263)	(40,981)	(7,350)	9,963,817	1,749,951
337,165	155,557	1,400	30,465	(91,719)	(36,253)	764,382	13,743,185	2,095,625
\$352,385	\$155,557	\$1,400	\$30,465	\$139,281	\$33,747	\$771,752	\$15,059,362	\$3,611,493

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL CAPITAL PROJECT FUNDS
For the year ended December 31, 1999**

	Capital Improve- ments	Capital Improve- ments 1994 Bonded	Capital Improve- ments 1996 Bonded	East End Development	Downtown Improvements	River Corridor
Revenues						
Property taxes	\$ 720,129	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	800,000	-	-	-	-	-
Intergovernmental	280,724	-	51,657	-	-	-
Charges for services	22,378	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Interest earnings	64,439	-	1,806	-	90,766	6,912
Miscellaneous	21,360	-	-	-	-	-
Total revenues	1,909,030	0	53,463	0	90,766	6,912
Expenditures						
Current						
Public safety	119,455	-	-	-	-	-
Public health & welfare	12,251	-	-	-	-	-
Leisure time activities	311,873	-	-	-	-	-
Community environment	32,951	-	-	-	464,510	25,341
Highways & streets	544,894	-	-	21,390	-	-
General government	24,946	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,046,370	0	0	21,390	464,510	25,341
Excess of revenues over (under) expenditures	862,660	0	53,463	(21,390)	(373,744)	(18,429)
Other financing sources (uses)						
Operating transfers-in	475,533	-	-	1,983,000	2,492,500	-
Operating transfers-out	(1,638,000)	(1,000)	(110,340)	(875,000)	(2,492,500)	(25,000)
Proceeds from bonds	-	-	-	-	10,525,000	-
Total other financing sources (uses)	(1,162,467)	(1,000)	(110,340)	1,108,000	10,525,000	(25,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(299,807)	(1,000)	(56,877)	1,086,610	10,151,256	(43,429)
Fund balance, beginning of the year	1,509,851	1,000	56,877	-	-	177,707
Fund balance, end of the year	\$1,210,044	\$0	\$0	\$1,086,610	\$10,151,256	\$134,278

Computer Replace- ment	Leeds Farm Develop- ment	Marshall Road Improve- ments	Lewis Street Improve- ments	Burbank Street Improve- ments	Garfield Sidewalk Repairs	Dick's Creek Sewer Extension	Totals	
							1999	1998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$720,129	\$679,319
8,000	-	-	-	-	-	-	808,000	1,205,012
-	-	-	-	-	-	-	332,381	175,431
-	-	-	-	-	-	-	22,378	22,125
-	-	209,749	-	11,291	11,177	-	232,217	63,698
33,373	-	773	-	-	-	-	198,069	113,612
45,500	1,575	-	-	-	-	-	68,435	86,720
86,873	1,575	210,522	0	11,291	11,177	0	2,381,609	2,345,917
-	-	-	-	-	-	-	119,455	37,903
-	-	-	-	-	-	-	12,251	1,120
-	-	-	-	-	-	-	311,873	25,421
-	17,642	-	-	-	-	110,618	651,062	54,195
-	-	55,751	10,636	603,010	47,430	-	1,283,111	2,189,716
635,497	-	-	-	-	-	-	660,443	221,163
-	-	-	-	-	-	-	0	22,202
-	-	-	-	-	-	-	0	0
-	-	7,969	-	-	-	-	7,969	23,766
635,497	17,642	63,720	10,636	603,010	47,430	110,618	3,046,164	2,575,486
(548,624)	(16,067)	146,802	(10,636)	(591,719)	(36,253)	(110,618)	(664,555)	(229,569)
213,434	-	-	-	500,000	-	875,000	6,539,467	405,123
-	-	(62,932)	(3,360)	-	-	-	(5,208,132)	(407,363)
-	-	455,780	-	-	-	-	10,980,780	226,438
213,434	0	392,848	(3,360)	500,000	0	875,000	12,312,115	224,198
(335,190)	(16,067)	539,650	(13,996)	(91,719)	(36,253)	764,382	11,647,560	(5,371)
672,355	171,624	(538,250)	44,461	-	-	-	2,095,625	2,100,996
\$337,165	\$155,557	\$1,400	\$30,465	(\$91,719)	(\$36,253)	\$764,382	\$13,743,185	\$2,095,625

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL IMPROVEMENTS FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 719,300	\$ 720,130	\$ 830	\$ 679,318
Municipal income taxes	800,000	800,000	-	1,197,012
Intergovernmental revenue	65,170	64,008	(1,162)	64,524
Charges for services	20,000	22,378	2,378	22,125
Interest earnings	59,165	70,985	11,820	64,071
Miscellaneous	5,000	21,360	16,360	134,129
Total revenues	1,668,635	1,698,861	30,226	2,161,179
Expenditures:				
Current				
Contractual services	9,000	8,235	765	22,202
Capital outlay:				
Public safety	140,315	126,617	13,698	79,219
Public health & welfare	12,796	12,796	-	1,120
Leisure time activities	408,437	352,407	56,030	25,858
Community environment	100,000	61,594	38,406	1,955
Highways and streets	864,286	690,380	173,906	1,146,597
General government	392,414	319,216	73,198	156,229
Total expenditures	1,927,248	1,571,246	356,002	1,433,180
Excess of revenues over (under) expenditures	(258,613)	127,615	386,228	727,999
Other financing sources (uses):				
Operating transfers-in	475,000	475,533	533	67,364
Operating transfers-out	(1,653,000)	(1,638,000)	15,000	(340,000)
Other sources	-	-	-	6,000
Other uses	-	(262,600)	(262,600)	
Total other financing sources (uses)	(1,178,000)	(1,425,067)	(247,067)	(266,636)
Excess of revenues and other financing sources over (under) expenditures	(1,436,613)	(1,297,452)	139,161	461,363
Fund balance, beginning of the year	1,218,634	1,218,634	-	18,403
Appropriation for prior year encumbrances	335,258	335,258	-	738,868
Fund balance, end of the year	\$ 117,279	\$ 256,440	\$ 139,161	\$ 1,218,634

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL IMPROVEMENTS 1994 BONDED FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current				
Capital outlay				
Highways and streets	-	-	-	43,806
Total expenditures	-	-	-	43,806
Excess of revenues over (under) expenditures	-	-	-	(43,806)
Other financing sources (uses):				
Operating transfers-in			-	
Operating transfers-out	(1,000)	(1,000)	-	-
Other sources	-	-	-	-
Other uses			-	
Total other financing sources (uses)	(1,000)	(1,000)	-	-
Excess of revenues and other financing sources over (under) expenditures	(1,000)	(1,000)	-	(43,806)
Fund balance, beginning of the year	1,000	1,000	-	-
Appropriation for prior year encumbrance				44,806
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ 1,000

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL IMPROVEMENTS 1996 BONDED FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Intergovernmental revenues	\$ 100,000	\$ 51,656	\$ (48,344)	\$ 159,383
Interest earnings	5,000	2,039	(2,961)	3,073
Total revenues	105,000	53,695	(51,305)	162,456
Expenditures:				
Current				
Capital outlay				
Highways and streets	-	-	-	30,820
Total expenditures	-	-	-	30,820
Excess of revenues over (under) expenditures	105,000	53,695	(51,305)	131,636
Other financing sources (uses):				
Operating transfers-in			-	
Operating transfers-out	(110,340)	(110,340)	-	-
Other sources	-	-	-	-
Other uses	-	-	-	(120,000)
Total other financing sources (uses)	(110,340)	(110,340)	-	(120,000)
Excess of revenues and other financing sources over (under) expenditures	(5,340)	(56,645)	(51,305)	11,636
Fund balance, beginning of the year	56,645	56,645	-	8,948
Appropriation for prior year encumbrances	-	-	-	36,061
Fund balance, end of the year	\$ 51,305	\$ -	\$ (51,305)	\$ 56,645

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EAST END DEVELOPMENT FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current				
Capital outlay				
Highways and streets	500,000	172,633	327,367	-
Total expenditures	500,000	172,633	327,367	-
Excess of revenues over (under) expenditures	(500,000)	(172,633)	327,367	-
Other financing sources (uses):				
Operating transfers-in	1,813,000	1,983,000	170,000	
Operating transfers-out	(875,000)	(875,000)	-	
Other sources	-	-	-	-
Other uses	-	-	-	-
Total other financing sources (uses)	938,000	1,108,000	170,000	-
Excess of revenues and other financing sources over (under) expenditures	438,000	935,367	497,367	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ 438,000	\$ 935,367	\$ 497,367	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN IMPROVEMENTS FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Interest earnings	\$ -	\$ 90,766	\$ 90,766	\$ -
Total revenues	-	90,766	90,766	-
Expenditures:				
Current				
Contractual services	218,500	218,328	172	
Capital outlay				
Highways and streets	2,446,000	2,446,000	-	-
Total expenditures	2,664,500	2,664,328	172	-
Excess of revenues over (under) expenditures	(2,664,500)	(2,573,562)	90,938	-
Other financing sources (uses):				
Operating transfers-in	2,492,500	2,492,500	-	
Operating transfers-out	(2,492,500)	(2,492,500)	-	
Other sources	-	-	-	-
Other uses	-	-	-	-
Proceeds from bonds	10,525,000	10,525,000	-	
Total other financing sources (uses)	10,525,000	10,525,000	-	-
Excess of revenues and other financing sources over (under) expenditures	7,860,500	7,951,438	90,938	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ 7,860,500	\$ 7,951,438	\$ 90,938	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RIVER CORRIDOR

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Interest earnings	\$ 5,000	\$ 7,658	\$ 2,658	\$ 9,450
Total revenues	5,000	7,658	2,658	9,450
Expenditures:				
Current				
Contractual services	22,500	7,260	15,240	15,515
Capital outlay				
Community environment	112,426	18,081	94,345	11,457
Total expenditures	134,926	25,341	109,585	26,972
Excess of revenues over (under) expenditures	(129,926)	(17,683)	112,243	(17,522)
Other financing sources (uses):				
Operating transfers-in			-	
Operating transfers-out	(25,000)	(25,000)	-	-
Other sources	-	-	-	-
Other uses	-	-	-	-
Total other financing sources (uses)	(25,000)	(25,000)	-	-
Excess of revenues and other financing sources over (under) expenditures	(154,926)	(42,683)	112,243	(17,522)
Fund balance, beginning of the year	166,819	166,819	-	159,710
Appropriation for prior year encumbrances	10,143	10,143	-	24,631
Fund balance, end of the year	\$ 22,036	\$ 134,279	\$ 112,243	\$ 166,819

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMPUTER REPLACEMENT
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Interest earnings	29,000	36,262	7,262	34,268
Miscellaneous	45,500	45,500	-	45,500
Total revenues	82,500	89,762	7,262	87,768
Expenditures:				
Current				
General government				
Capital outlay	728,206	703,046	25,160	109,632
Total expenditures	728,206	703,046	25,160	109,632
Excess of revenues over (under) expenditures	(645,706)	(613,284)	32,422	(21,864)
Other financing sources (uses):				
Operating transfers-in	213,433	213,433	-	197,760
Operating transfers-out			-	-
Other sources	-	-	-	-
Other uses	-	-	-	-
Total other financing sources (uses)	213,433	213,433	-	197,760
Excess of revenues and other financing sources over (under) expenditures	(432,273)	(399,851)	32,422	175,896
Fund balance, beginning of the year	664,211	664,211	-	451,640
Appropriation for prior year encumbrances	22,460	22,460	-	36,675
Fund balance, end of the year	\$ 254,398	\$ 286,820	\$ 32,422	\$ 664,211

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LEEDS FARM DEVELOPMENT
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Miscellaneous	\$ 2,000	\$ 1,575	\$ (425)	\$ 1,575
Total revenues	2,000	1,575	(425)	1,575
Expenditures:				
Current				
Contractual services	55,500	17,642	37,858	35,956
Total expenditures	55,500	17,642	37,858	35,956
Excess of revenues over (under) expenditures	(53,500)	(16,067)	37,433	(34,381)
Other financing sources (uses):				
Operating transfers-in			-	
Operating transfers-out			-	-
Other sources	-	-	-	-
Other uses	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures	(53,500)	(16,067)	37,433	(34,381)
Fund balance, beginning of the year	171,624	171,624	-	180,564
Appropriation for prior year encumbrances	-	-	-	25,441
Fund balance, end of the year	\$ 118,124	\$ 155,557	\$ 37,433	\$ 171,624

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MARSHALL ROAD IMPROVEMENTS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ 210,000	\$ 209,749	\$ (251)	\$ 8,075
Interest earnings	1,000	773	(227)	-
Total revenues	211,000	210,522	(478)	8,075
Expenditures:				
Current				
Contractual services	-	3,106	(3,106)	-
Highways and streets				
Capital outlay	52,655	52,644	11	1,009,262
Debt Service				
Principal retirement	545,000	545,000	-	545,000
Interest expense	12,000	8,805	3,195	23,913
Total expenditures	609,655	609,555	100	1,578,175
Excess of revenues over (under) expenditures	(398,655)	(399,033)	(378)	(1,570,100)
Other financing sources (uses):				
Operating transfers-in			-	-
Operating transfers-out	(62,932)	(62,932)	-	-
Other sources	-	-	-	41,000
Other uses		(41,000)	(41,000)	
Proceeds from notes	456,000	455,780	(220)	545,000
Total other financing sources (uses)	393,068	351,848	(41,220)	586,000
Excess of revenues and other financing sources over (under) expenditures	(5,587)	(47,185)	(41,598)	(984,100)
Fund balance, beginning of the year	631	631	-	1,672
Appropriation for prior year encumbrances	47,955	47,955	-	983,059
Fund balance, end of the year	\$ 42,999	\$ 1,401	\$ (41,598)	\$ 631

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
1998 SIDEWALK, CURB & GUTTER
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ 37,376
Interest earnings	-	-	-	87
Total revenues	-	-	-	37,463
Expenditures:				
Current				
Highways and streets				
Capital outlay	6,428	6,428	-	130,463
Total expenditures	6,428	6,428	-	130,463
Excess of revenues over (under) expenditures	(6,428)	(6,428)	-	(93,000)
Other financing sources (uses):				
Operating transfers-in	-	-	-	40,000
Operating transfers-out	-	-	-	(36,000)
Other sources	-	-	-	-
Other uses	-	-	-	-
Proceeds from bonds	-	-	-	89,000
Total other financing sources (uses)	-	-	-	93,000
Excess of revenues and other financing sources over (under) expenditures	(6,428)	(6,428)	-	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	6,428	6,428	-	-
Fund balance, end of the year	\$0	\$0	\$0	\$0

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LEWIS STREET IMPROVEMENTS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ 15,617
Miscellaneous	-	-	-	200
Total revenues	-	-	-	15,817
Expenditures:				
Current				
Highways and streets				
Capital outlay	41,101	41,101	-	194,222
Total expenditures	41,101	41,101	-	194,222
Excess of revenues over (under) expenditures	(41,101)	(41,101)	-	(178,405)
Other financing sources (uses):				
Operating transfers-in	-	-	-	100,000
Operating transfers-out	(3,361)	(3,360)	1	-
Other sources	-	-	-	-
Other uses	-	-	-	-
Proceeds from bonds	-	-	-	84,213
Total other financing sources (uses)	(3,361)	(3,360)	1	184,213
Excess of revenues and other financing sources over (under) expenditures	(44,462)	(44,461)	1	5,808
Fund balance, beginning of the year	5,808	5,808	-	-
Appropriation for prior year encumbrances	38,653	38,653	-	-
Fund balance, end of the year	\$ (1)	\$ -	\$ 1	\$ 5,808

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
BURBANK STREET IMPROVEMENTS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current				
Highways and streets				
Capital outlay	900,000	730,555	169,445	-
Total expenditures	900,000	730,555	169,445	-
Excess of revenues over (under) expenditures	(900,000)	(730,555)	169,445	-
Other financing sources (uses):				
Operating transfers-in	500,000	500,000	-	-
Operating transfers-out			-	-
Other sources	400,000	231,000	(169,000)	-
Other uses	-	-	-	-
Total other financing sources (uses)	900,000	731,000	(169,000)	-
Excess of revenues and other financing sources over (under) expenditures	-	445	445	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ -	\$ 445	\$ 445	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GARFIELD SIDEWALK REPAIRS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ 10,000	\$ 11,177	\$ 1,177	\$ -
Total revenues	10,000	11,177	1,177	-
Expenditures:				
Current				
Highways and streets				
Capital outlay	64,000	52,158	11,842	-
Total expenditures	64,000	52,158	11,842	-
Excess of revenues over (under) expenditures	(54,000)	(40,981)	13,019	-
Other financing sources (uses):				
Operating transfers-in	70,000	-	(70,000)	-
Operating transfers-out			-	-
Other sources	-	70,000	70,000	-
Other uses	-	-	-	-
Total other financing sources (uses)	70,000	70,000	-	-
Excess of revenues and other financing sources over (under) expenditures	16,000	29,019	13,019	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ 16,000	\$ 29,019	\$ 13,019	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DICK'S CREEK SEWER EXTENSION
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current				
Highways and streets				
Capital outlay	1,150,000	877,580	272,420	-
Total expenditures	1,150,000	877,580	272,420	-
Excess of revenues over (under) expenditures	(1,150,000)	(877,580)	272,420	-
Other financing sources (uses):				
Operating transfers-in	-	875,000	875,000	-
Operating transfers-out	-	-	-	-
Other sources	-	2,600	2,600	-
Other uses	-	-	-	-
Total other financing sources (uses)	-	877,600	877,600	-
Excess of revenues and other financing sources over (under) expenditures	(1,150,000)	20	1,150,020	-
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	\$ (1,150,000)	\$ 20	\$ 1,150,020	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOTAL ALL CAPITAL PROJECT FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Revenues:				
Property taxes	\$ 719,300	\$ 720,130	\$ 830	\$ 679,318
Municipal income taxes	808,000	808,000	-	1,205,012
Intergovernmental revenue	165,170	115,664	(49,506)	228,560
Charges for services	20,000	22,378	2,378	22,125
Special assessments	220,000	220,926	926	68,364
Interest earnings	99,165	208,483	109,318	110,949
Miscellaneous	52,500	68,435	15,935	181,404
Total revenues	2,084,135	2,164,016	79,881	2,495,732
Expenditures:				
Current				
Contractual services	305,500	254,571	50,929	106,363
Capital outlay:				
Public safety	140,315	126,617	13,698	79,219
Public health & welfare	12,796	12,796	-	1,120
Leisure time activities	408,437	352,407	56,030	25,858
Community environment	212,426	79,675	132,751	13,412
Highways and streets	6,024,470	5,069,479	954,991	2,622,226
General government	1,120,620	1,022,262	98,358	265,861
Debt service				
Principal retirement	545,000	545,000	-	545,000
Interest expense/fiscal charges	12,000	8,805	3,195	23,913
Total expenditures	8,781,564	7,471,613	1,309,951	3,682,972
Excess of revenues over (under) expenditures	(6,697,429)	(5,307,597)	1,389,832	(1,187,240)
Other financing sources (uses):				
Operating transfers-in	5,563,933	6,539,466	975,533	405,124
Operating transfers-out	(5,223,133)	(5,208,132)	15,001	(407,364)
Other sources	400,000	303,600	(96,400)	47,000
Other uses	-	(303,600)	(303,600)	(167,000)
Proceeds from bonds	10,525,000	10,525,000	-	226,438
Proceeds from notes	456,000	455,780	(220)	545,000
Total other financing sources (uses)	11,721,800	12,312,114	590,314	649,198
Excess of revenues and other financing sources over (under) expenditures	5,024,371	7,004,517	1,980,146	(538,042)
Fund balance, beginning of the year	2,285,372	2,285,372	-	830,129
Appropriation for prior year encumbrances	460,897	460,897	-	1,993,285
Fund balance, end of the year	\$ 7,770,640	\$ 9,750,786	\$ 1,980,146	\$ 2,285,372

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.

PARKING GARAGE

To account for the operation of the City's downtown parking garage and parking lot facilities.

WATER

To account for the provision of water treatment and distribution to the residents and commercial users of the City.

SEWER

To account for the City's provision of sanitary sewer services to the residents and commercial users of the City.

AIRPORT

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 CENTRE MALL

To account for the operation of the City's downtown mall area.

GOLF COURSE

To account for the operation of the City's public golf course.

SOLID WASTE DISPOSAL

To account 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 \$3.3 million 1994 bond issue in connection with the closing of the City landfill are made by this fund.

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
As of December 31, 1999

	Parking Garage	Water	Sewer	Airport
Asset				
Current assets				
Equity in pooled cash, deposits and investments	\$ 98,147	\$ 5,900,025	\$ 6,058,595	\$ 145,836
Receivables (net of allowance for uncollectibles):				
Accounts	897	789,103	1,002,506	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory of supplies	-	338,768	104,458	-
Total current assets	99,044	7,027,896	7,165,559	145,836
Restricted assets				
Cash and investments	-	-	288,000	-
Total restricted assets	0	0	288,000	0
Property, plant, and equipment:				
Land	16,900	376,347	152,500	1,385,587
Land Improvements	-	-	-	-
Infrastructure assets	-	20,841,737	23,154,557	-
Buildings	2,701,786	8,126,064	8,871,436	271,550
Equipment	27,670	1,299,151	5,536,076	50,695
Less: Accumulated depreciation	(1,436,342)	(15,357,782)	(21,232,624)	(260,646)
Net property, plant, and equipment	1,310,014	15,285,517	16,481,945	1,447,186
Total assets	\$1,409,058	\$22,313,413	\$23,935,504	\$1,593,022

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				1999	1998
\$ 241,114	\$ 263,159	\$ 237,663	\$ 608,164	\$ 13,552,703	\$ 11,102,234
-	7,261	-	-	1,799,767	1,791,123
-	-	-	-	-	36,626
1,485	-	-	-	1,485	1,485
50,724	-	-	-	50,724	50,724
-	-	67,567	-	510,793	509,017
293,323	270,420	305,230	608,164	15,915,472	13,491,209
-	-	-	-	288,000	0
0	0	0	0	288,000	0
-	536,600	3,616,250	382,600	6,466,784	6,436,384
-	-	2,053,342	-	2,053,342	2,008,342
-	-	-	-	43,996,294	43,179,858
343,200	4,277,973	595,034	74,652	25,261,695	23,313,826
1,104,095	5,071	302,793	-	8,325,551	8,690,519
(1,344,749)	(1,947,193)	(757,058)	(28,202)	(42,364,596)	(41,092,353)
102,546	2,872,451	5,810,361	429,050	43,739,070	42,536,576
\$395,869	\$3,142,871	\$6,115,591	\$1,037,214	\$59,942,542	\$56,027,785

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
As of December 31, 1999

	Parking Garage	Water	Sewer	Airport
(continued)				
Liabilities				
Current liabilities				
Accounts payable	\$ 2,755	\$ 86,576	\$ 121,602	\$ 830
Accrued wages and benefits	2,955	70,742	78,518	-
Other accrued liabilities	1,054	25,592	29,087	-
Accrued interest payable	-	22,973	6,134	53
Due to other funds	283	8,827	9,139	-
Due to other governments	-	22,628	288,000	-
Due to individuals	-	196,358	-	-
General obligation bonds payable	-	200,000	170,000	10,000
Loans payable	-	-	-	-
Notes payable	-	200,000	-	-
Total current liabilities	7,047	833,696	702,480	10,883
Payable from restricted assets				
Mortgage revenue bonds	-	-	-	-
Accrued interest payable	-	-	-	-
Total restricted liabilities	0	0	0	0
Long-term liabilities				
General obligation bonds payable	-	4,785,000	1,195,000	-
Mortgage revenue bonds payable	-	-	-	-
Compensated absences payable	4,834	142,039	149,842	-
Total long-term liabilities	4,834	4,927,039	1,344,842	0
Total liabilities	11,881	5,760,735	2,047,322	10,883
Fund equity				
Contributed capital	-	17,169,095	22,723,742	-
Retained earnings				
Reserved for debt service	-	470,670	243,605	-
Unreserved	1,397,177	(1,087,087)	(1,079,165)	1,582,139
Total fund equity	1,397,177	16,552,678	21,888,182	1,582,139
Total liabilities and fund equity	\$1,409,058	\$22,313,413	\$23,935,504	\$1,593,022

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				1999	1998
\$ 6,791	\$ 11,161	\$ 3,295	\$ 137,532	\$ 370,542	\$ 650,539
22,060	4,699	27,292	-	206,266	174,292
8,048	1,814	14,473	-	80,068	78,790
-	1,713	9,261	12,978	53,112	99,557
18,364	-	536,537	-	573,150	775,594
-	-	2,479	-	313,107	18,777
-	-	-	-	196,358	184,384
-	-	85,000	130,000	595,000	490,000
-	-	-	-	-	0
-	49,175	-	-	249,175	57,730
55,263	68,562	678,337	280,510	2,636,778	2,529,663
-	-	-	-	-	0
-	-	-	-	-	-
0	0	0	0	0	0
-	-	2,020,000	2,565,000	10,565,000	8,615,000
-	-	-	-	-	0
49,620	7,412	41,176	-	394,923	391,690
49,620	7,412	2,061,176	2,565,000	10,959,923	9,006,690
104,883	75,974	2,739,513	2,845,510	13,596,701	11,536,353
932,883	744,856	60,349	-	41,630,925	41,478,874
-	-	-	-	714,275	502,350
(641,897)	2,322,041	3,315,729	(1,808,296)	4,000,641	2,510,208
290,986	3,066,897	3,376,078	(1,808,296)	46,345,841	44,491,432
\$395,869	\$3,142,871	\$6,115,591	\$1,037,214	\$59,942,542	\$56,027,785

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL
ALL ENTERPRISE FUNDS
For the year ended December 31, 1999

	Parking Garage	Water	Sewer	Airport
Operating revenues:				
Charges for services	\$ 82,166	\$ 5,146,734	\$ 6,060,433	\$ 71,073
Other operating revenue	15,774	969	53,439	-
Total operating revenues	97,940	5,147,703	6,113,872	71,073
Operating expenses:				
Personal services	62,628	1,548,769	1,958,927	-
Contractual services	74,984	743,795	853,542	87,676
Commodities	996	432,520	236,374	3,376
Depreciation	61,027	533,510	361,143	10,966
Other operating expenses	1,613	95,524	571,906	-
Total operating expenses	201,248	3,354,118	3,981,892	102,018
Operating income (loss)	(103,308)	1,793,585	2,131,980	(30,945)
Non-operating revenues (expenses):				
Interest revenue	-	183,534	287,954	-
Interest expense and fiscal charges	-	(128,598)	(80,645)	(1,222)
Operating grants	-	-	-	43,096
Income taxes	50,000	-	-	-
Gain (Loss) on sale of equipment	-	-	-	-
Total non-operating revenues (expenses)	50,000	54,936	207,309	41,874
Income (loss) before operating transfers	(53,308)	1,848,521	2,339,289	10,929
Operating transfers-in	-	-	-	-
Operating transfers-out	-	(841,554)	(1,546,554)	-
Net income (loss)	(53,308)	1,006,967	792,735	10,929
Retained earnings, beginning of year	1,450,485	15,439,272	21,049,835	1,571,210
Increase in contributed capital	-	106,439	45,612	-
Retained earnings, end of the year	\$1,397,177	\$16,552,678	\$21,888,182	\$1,582,139

Transit System	City Centre		Solid Waste		Totals	
	Mall	Golf Course	Disposal	1999	1998	
\$ 92,978	\$ 340,078	\$ 1,805,715	\$ 1,742,871	\$ 15,342,048	\$ 13,877,454	
2,895	-	5,410	-	78,487	81,625	
95,873	340,078	1,811,125	1,742,871	15,420,535	13,959,079	
478,963	102,272	817,406	-	4,968,965	5,205,624	
243,757	372,847	232,178	1,548,244	4,157,023	3,831,376	
2,327	86	295,682	400	971,761	952,532	
122,869	95,305	143,598	1,659	1,330,077	1,387,999	
27,065	1,002	114,788	-	811,898	649,193	
874,981	571,512	1,603,652	1,550,303	12,239,724	12,026,724	
(779,108)	(231,434)	207,473	192,568	3,180,811	1,932,355	
-	-	942	-	472,430	684,670	
-	(3,241)	(114,357)	(161,270)	(489,333)	(629,807)	
536,349	-	-	-	579,445	536,966	
175,000	175,000	-	-	400,000	350,000	
-	-	(52,887)	-	(52,887)	(22,159)	
711,349	171,759	(166,302)	(161,270)	909,655	919,670	
(67,759)	(59,675)	41,171	31,298	4,090,466	2,852,025	
-	-	-	-	0	4,250	
-	-	-	-	(2,388,108)	(1,308,238)	
(67,759)	(59,675)	41,171	31,298	1,702,358	1,548,037	
358,745	3,126,572	3,334,907	(1,839,594)	44,491,432	42,214,186	
-	-	-	-	152,051	729,209	
\$290,986	\$3,066,897	\$3,376,078	(\$1,808,296)	\$ 46,345,841	\$ 44,491,432	

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the year ended December 31, 1999

	Parking Garage	Water	Sewer
Cash flows from operating activities:			
Cash received from customers	\$82,166	\$4,924,177	\$5,827,067
Cash payments to suppliers for goods and services	(82,846)	(1,159,132)	(1,390,446)
Cash payments to employees for services	(55,571)	(1,370,109)	(1,791,860)
Miscellaneous revenues	14,877	-	16,607
Cash payments for quasi-external operating activities	(8,789)	(306,474)	(306,595)
Deposits and collections for other governments	-	18,162	-
Net cash provided by operating activities	(50,163)	2,106,624	2,354,773
Cash flows from non-capital financing activities:			
Operating grants	-	-	-
Interfund loan receipts/payments	-	-	-
Operating transfers-in from other funds	-	-	-
Operating transfers-out to other funds	-	(841,554)	(1,546,554)
Income taxes received	50,000	-	-
Return of fine	-	-	288,000
Net cash provided by non-capital financing activities	50,000	(841,554)	(1,258,554)
Cash flows from capital and related financing activities:			
Sale of fixed assets	-	-	-
Purchase of fixed assets	-	(1,923,276)	(520,621)
Interest expense	-	(173,331)	(81,285)
Repayment of debt principal	-	(115,000)	(160,000)
Bond proceeds	-	2,545,000	-
Note proceeds	-	200,000	-
Net cash provided by capital and related financing activities	0	533,393	(761,906)
Cash flows from investing activities:			
Interest income	-	197,992	309,855
Net cash provided by investing activities	0	197,992	309,855
Net increase in cash and cash equivalents	(163)	1,996,455	644,168
Cash and cash equivalents, beginning of year	98,310	3,903,570	5,702,427
Cash and cash equivalents, end of year	\$98,147	\$5,900,025	\$6,346,595

Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
					1999	1998
\$71,073	\$92,978	\$334,253	\$1,805,715	\$1,898,979	\$15,036,408	\$13,957,316
(90,222)	(9,304)	(388,513)	(470,119)	(1,533,665)	(5,124,247)	(4,752,828)
-	(430,253)	(95,042)	(773,693)	-	(4,516,528)	(4,795,430)
-	2,895	-	5,410	-	39,789	26,827
-	(292,926)	(7,762)	(258,364)	-	(1,180,910)	(1,236,765)
-	-	-	142	-	18,304	35,676
(19,149)	(636,610)	(157,064)	309,091	365,314	4,272,816	3,234,796
43,096	536,349	-	-	-	579,445	486,240
-	-	-	(200,000)	-	(200,000)	459,000
-	-	-	-	-	0	4,250
-	-	-	-	-	(2,388,108)	(1,308,238)
-	175,000	175,000	-	-	400,000	350,000
					288,000	
43,096	711,349	175,000	(200,000)	0	(1,320,663)	(8,748)
-	-	-	55,490	-	55,490	
-	-	-	(45,000)	-	(2,488,897)	(2,917,933)
(1,275)	-	(3,464)	(114,650)	(161,773)	(535,778)	(608,064)
(10,000)	-	(57,730)	(80,000)	(125,000)	(547,730)	(962,566)
-	-	-	-	-	2,545,000	
-	-	49,175	-	-	249,175	57,730
(11,275)	0	(12,019)	(184,160)	(286,773)	(722,740)	(4,430,833)
-	-	-	1,209	-	509,056	550,165
0	0	0	1,209	0	509,056	550,165
12,672	74,739	5,917	(73,860)	78,541	2,738,469	(654,620)
133,164	166,375	257,242	311,523	529,623	11,102,234	11,756,854
\$145,836	\$241,114	\$263,159	\$237,663	\$608,164	\$13,840,703	\$11,102,234

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the year ended December 31, 1999

(continued)	Parking Garage	Water	Sewer
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(\$103,308)	\$1,793,585	\$2,131,980
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	61,027	533,510	361,143
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable (net)	(9,133)	(75,425)	(82,605)
Decrease (increase) in inventory of supplies	-	(12,401)	6,847
(Decrease) increase in accounts payable	-	(163,391)	(37,452)
(Decrease) Increase in accrued wages and benefits	490	12,755	(15,619)
(Decrease) increase in other accrued liabilities	(7)	(3,837)	2,656
(Decrease) increase in due to other funds	(86)	(3,260)	(2,155)
Increase (decrease) in compensated absences payable	854	6,926	(10,022)
Increase (Decrease) in due to other governments	-	6,188	-
Increase (Decrease) in due to individuals	-	11,974	-
Deposits and collections for other governments	-	-	-
Total adjustments	53,145	313,039	222,793
Net cash provided by operating activities	(\$50,163)	\$2,106,624	\$2,354,773

Noncash Investing, Capital and Financing Activities

In 1999, developers contributed infrastructure assets (water and sewer lines) to the Water and Sewer Funds. The Water Fund received \$106,439 and the Sewer Fund received \$45,612 in infrastructure assets from developers.

Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
					1999	1998
(\$30,945)	(\$779,108)	(\$231,434)	\$207,473	\$192,568	\$3,180,811	\$1,932,355
10,966	122,869	95,305	143,598	1,659	1,330,077	1,387,999
-	-	(5,825)	-	156,108	(16,880)	25,032
-	-	-	3,778	-	(1,776)	(47,351)
830	6,791	(16,305)	(50,782)	14,979	(245,330)	53,399
-	5,641	454	1,822	-	5,543	(36,951)
-	1,046	221	1,199	-	1,278	(832)
-	3,955	(315)	(583)	-	(2,444)	(9,299)
-	2,196	835	2,444	-	3,233	(13,835)
-	-	-	142	-	6,330	(4,354)
-	-	-	-	-	11,974	(50,784)
-	-	-	-	-	-	417
11,796	142,498	74,370	101,618	172,746	1,092,005	1,303,441
(\$19,149)	(\$636,610)	(\$157,064)	\$309,091	\$365,314	\$4,272,816	\$3,235,796

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
PARKING GARAGE FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 94,300	\$ 82,166	\$ (12,134)	\$ 96,018
Other operating revenues	18,950	14,877	(4,073)	17,635
Total operating revenues	113,250	97,043	(16,207)	113,653
Operating expenses				
Personal services	61,047	61,291	(244)	70,108
Contractual services	103,429	81,810	21,619	85,579
Commodities	7,448	2,885	4,563	3,890
Other operating expenses	1,646	1,613	33	161,506
Total operating expenses	173,570	147,599	25,971	321,083
Operating income (loss)	(60,320)	(50,556)	9,764	(207,430)
Non-operating revenues (expenses)				
Income tax	50,000	50,000	-	50,000
Income (loss) before operating transfers	(10,320)	(556)	9,764	(157,430)
Operating transfers-in	-	-	-	4,250
Net income (loss)	(10,320)	(556)	9,764	(153,180)
Retained earnings, beginning of the year	97,449	97,449	-	72,573
Appropriation for prior year encumbrances	858	858	-	178,056
Retained earnings, end of the year	\$ 87,987	\$ 97,751	\$ 9,764	\$ 97,449

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
WATER FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 4,680,773	\$ 4,910,801	\$ 230,028	\$ 4,726,856
Other operating revenues	13,225	12,970	(255)	11,388
Total operating revenues	4,693,998	4,923,771	229,773	4,738,244
Operating expenses				
Personal services	1,566,991	1,532,925	34,066	1,924,461
Contractual services	866,733	823,775	42,958	747,238
Commodities	674,111	615,671	58,440	639,223
Other operating expenses	3,956,201	3,443,656	512,545	3,219,077
Total operating expenses	7,064,036	6,416,027	648,009	6,529,999
Operating income (loss)	(2,370,038)	(1,492,256)	877,782	(1,791,755)
Non-operating revenues (expenses)				
Interest revenue	200,668	197,992	(2,676)	217,786
Interest expenses & fiscal charges	(261,065)	(173,331)	87,734	(151,125)
Debt retirement	(115,000)	(115,000)	-	(110,000)
Proceeds from bonds	2,500,000	2,545,000	45,000	-
Proceeds from notes	200,000	200,000	-	-
Other sources		18,560	18,560	35,259
Total non-operating revenues (expenses)	2,524,603	2,673,221	148,618	(8,080)
Income (loss) before operating transfers	154,565	1,180,965	1,026,400	(1,799,835)
Operating transfers-out	(671,554)	(841,554)	(170,000)	(654,119)
Net income (loss)	(516,989)	339,411	856,400	(2,453,954)
Retained earnings, beginning of the year	1,577,804	1,577,804	-	3,404,748
Appropriation for prior year encumbrances	2,325,774	2,325,774	-	627,010
Retained earnings, end of the year	\$ 3,386,589	\$ 4,242,989	\$ 856,400	\$ 1,577,804

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
SEWER FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 5,583,695	\$ 5,790,235	\$ 206,540	\$ 5,293,400
Other operating revenues	16,525	36,838	20,313	61,980
Total operating revenues	5,600,220	5,827,073	226,853	5,355,380
Operating expenses				
Personal services	1,987,200	1,978,449	8,751	1,906,084
Contractual services	1,213,731	943,168	270,563	1,201,327
Commodities	412,853	332,667	80,186	380,715
Other operating expenses	2,887,593	1,277,795	1,609,798	1,956,337
Total operating expenses	6,501,377	4,532,079	1,969,298	5,444,463
Operating income (loss)	(901,157)	1,294,994	2,196,151	(89,083)
Non-operating revenues (expenses)				
Interest revenue	275,000	309,855	34,855	468,867
Interest expenses & fiscal charges	(84,285)	(81,285)	3,000	(152,100)
Debt retirement	(160,000)	(160,000)	-	(1,025,579)
Other sources		288,000	288,000	
Total non-operating revenues (expenses)	30,715	356,570	325,855	(708,812)
Income (loss) before operating transfers	(870,442)	1,651,564	2,522,006	(797,895)
Operating transfers-out	(671,554)	(1,546,554)	(875,000)	(654,119)
Net income (loss)	(1,541,996)	105,010	1,647,006	(1,452,014)
Retained earnings, beginning of the year	4,977,695	4,977,695	-	4,527,510
Appropriation for prior year encumbrances	741,333	741,333	-	1,902,199
Retained earnings, end of the year	\$ 4,177,032	\$ 5,824,038	\$ 1,647,006	\$ 4,977,695

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
AIRPORT FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 67,000	\$ 71,073	\$ 4,073	\$ 67,765
Total operating revenues	67,000	71,073	4,073	67,765
Operating expenses				
Contractual services	25,950	23,499	2,451	18,282
Commodities	7,770	4,890	2,880	11,529
Other operating expenses	83,811	64,598	19,213	68,284
Total operating expenses	117,531	92,987	24,544	98,095
Operating income (loss)	(50,531)	(21,914)	28,617	(30,330)
Non-operating revenues (expenses)				
Interest expenses & fiscal charges	(1,275)	(1,275)	-	(1,913)
Debt retirement	(10,000)	(10,000)	-	(10,000)
Operating grants	43,096	43,096	-	3,600
Total non-operating revenues (expenses)	31,821	31,821	-	(8,313)
Net income (loss)	(18,710)	9,907	28,617	(38,643)
Retained earnings, beginning of the year	70,575	70,575	-	100,352
Appropriation for prior year encumbrances	62,586	62,586	-	8,866
Retained earnings, end of the year	\$ 114,451	\$ 143,068	\$ 28,617	\$ 70,575

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
TRANSIT SYSTEM FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 91,000	\$ 92,978	\$ 1,978	\$ 92,535
Other operating revenues	2,500	2,895	395	2,888
Total operating revenues	93,500	95,873	2,373	95,423
Operating expenses				
Personal services	484,674	470,079	14,595	449,189
Contractual services	247,566	239,873	7,693	199,604
Commodities	2,360	2,327	33	2,062
Other operating expenses	28,338	27,065	1,273	28,091
Total operating expenses	762,938	739,344	23,594	678,946
Operating income (loss)	(669,438)	(643,471)	25,967	(583,523)
Non-operating revenues (expenses)				
Operating grants	514,986	536,349	21,363	482,642
Income tax	175,000	175,000	-	150,000
Total non-operating revenues(expenses)	689,986	711,349	21,363	632,642
Net income (loss)	20,548	67,878	47,330	49,119
Retained earnings, beginning of the year	165,978	165,978	-	100,732
Appropriation for prior year encumbrances	400	400	-	16,127
Retained earnings, end of the year	\$ 186,926	\$ 234,256	\$ 47,330	\$ 165,978

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
CITY CENTRE MALL FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 327,989	\$ 333,842	\$ 5,853	\$ 315,190
Other operating revenues	800	411	(389)	617
Total operating revenues	328,789	334,253	5,464	315,807
Operating expenses				
Personal services	104,029	100,762	3,267	96,272
Contractual services	453,438	389,843	63,595	343,393
Commodities	614	86	528	37
Other operating expenses	1,893	1,002	891	1,645
Total operating expenses	559,974	491,693	68,281	441,347
Operating income (loss)	(231,185)	(157,440)	73,745	(125,540)
Non-operating revenues (expenses)				
Interest expenses and fiscal charges	(3,465)	(3,464)	1	(1,185)
Debt retirement	(57,765)	(57,729)	36	(19,758)
Proceeds from notes	57,730	49,175	(8,555)	57,730
Income tax	175,000	175,000	-	150,000
Total non-operating revenues(expenses)	171,500	162,982	(8,518)	186,787
Net income (loss)	(59,685)	5,542	65,227	61,247
Retained earnings, beginning of the year	256,089	256,089	-	185,809
Appropriation for prior year encumbrances	1,150	1,150	-	9,033
Retained earnings, end of the year	\$ 197,554	\$ 262,781	\$ 65,227	\$ 256,089

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
GOLF COURSE FUND

For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 1,785,639	\$ 1,861,205	\$ 75,566	\$ 1,381,966
Other operating revenues	3,600	5,410	1,810	6,295
Total operating revenues	1,789,239	1,866,615	77,376	1,388,261
Operating expenses				
Personal services	832,523	812,706	19,817	815,222
Contractual services	277,198	277,836	(638)	235,452
Commodities	309,785	304,947	4,838	305,618
Other operating expenses	202,289	159,788	42,501	538,788
Total operating expenses	1,621,795	1,555,277	66,518	1,895,080
Operating income (loss)	167,444	311,338	143,894	(506,819)
Non-operating revenues (expenses)				
Interest revenue	500	1,209	709	16,561
Interest expenses & fiscal charges	(114,650)	(114,650)	-	(117,800)
Debt retirement	(80,000)	(80,000)	-	(75,000)
Other sources	-	142	142	459,000
Other uses	-	(200,000)	(200,000)	
Total non-operating revenues (expenses)	(194,150)	(393,299)	(199,149)	282,761
Net income (loss)	(26,706)	(81,961)	(55,255)	(224,058)
Retained earnings, beginning of the year	245,798	245,798	-	1,876
Appropriation for prior year encumbrances	65,730	65,730	-	467,980
Retained earnings, end of the year	\$ 284,822	\$ 229,567	\$ (55,255)	\$ 245,798

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
SOLID WASTE DISPOSAL FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 1,920,000	\$ 1,898,435	\$ (21,565)	\$ 1,909,800
Other operating revenues	-	544	544	-
Total operating revenues	1,920,000	1,898,979	(21,021)	1,909,800
Operating expenses				
Contractual services	1,825,837	1,565,870	259,967	1,513,608
Commodities	16,215	16,215	-	13,803
Total operating expenses	1,842,052	1,582,085	259,967	1,527,411
Income (loss) before operating transfers	77,948	316,894	238,946	382,389
Operating transfers-out	(286,773)	(286,773)	-	(287,333)
Net income (loss)	(208,825)	30,121	238,946	95,056
Retained earnings, beginning of the year	490,569	490,569	-	359,073
Appropriation for prior year encumbrances	39,053	39,053	-	36,440
Retained earnings, end of the year	\$ 320,797	\$ 559,743	\$ 238,946	\$ 490,569

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL ENTERPRISE FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 14,550,396	\$ 15,040,735	\$ 490,339	\$ 13,883,530
Other operating revenues	55,600	73,945	18,345	100,803
Total operating revenues	14,605,996	15,114,680	508,684	13,984,333
Operating expenses				
Personal services	5,036,464	4,956,212	80,252	5,261,336
Contractual services	5,013,882	4,345,674	668,208	1,356,877
Commodities	1,431,156	1,279,688	151,468	4,344,483
Other operating expenses	7,161,771	4,975,517	2,186,254	5,973,728
Total operating expenses	18,643,273	15,557,091	3,086,182	16,936,424
Operating income (loss)	(4,037,277)	(442,411)	3,594,866	(2,952,091)
Non-operating revenues (expenses)				
Interest revenue	476,168	509,056	32,888	703,214
Interest expenses and fiscal charges	(464,740)	(374,005)	90,735	(424,123)
Debt retirement	(422,765)	(422,729)	36	(1,240,337)
Proceeds from bonds	2,500,000	2,545,000	45,000	-
Proceeds from notes	257,730	249,175	(8,555)	57,730
Operating grants	558,082	579,445	21,363	486,242
Other sources	-	306,702	306,702	494,259
Other uses	-	(200,000)	(200,000)	-
Income taxes	400,000	400,000	-	350,000
Total non-operating revenues (expenses)	3,304,475	3,592,644	288,169	426,985
Income (loss) before operating transfers	(732,802)	3,150,233	3,883,035	(2,525,106)
Operating transfers-in	-	-	-	4,250
Operating transfers-out	(1,629,881)	(2,674,881)	(1,045,000)	(1,595,571)
Total transfers	(1,629,881)	(2,674,881)	(1,045,000)	(1,591,321)
Net income (loss)	(2,362,683)	475,352	2,838,035	(4,116,427)
Retained earnings, beginning of the year	7,881,957	7,881,957	-	8,752,673
Appropriation for prior year encumbrances	3,236,884	3,236,884	-	3,245,711
Retained earnings, end of the year	\$ 8,756,158	\$ 11,594,193	\$ 2,838,035	\$ 7,881,957

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 BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
As of December 31, 1999**

	Totals			
	Municipal Garage	Employees Benefits Fund	1999	1998
Assets:				
Current assets:				
Equity in pooled cash, deposits and investments	\$994,261	\$947,008	\$1,941,269	\$1,810,470
Receivables (net of allowance for uncollectibles):				
Accounts	38,346	-	38,346	14,113
Accrued interest	-	-	-	4,534
Due from other funds	167,965	429	168,394	169,595
Inventory of supplies	131,269	-	131,269	94,284
Total current assets	1,331,841	947,437	2,279,278	2,092,996
Property, plant, and equipment:				
Land	195,750	-	195,750	195,750
Buildings	337,507	-	337,507	337,507
Equipment	9,248,074	-	9,248,074	8,240,834
Less: Accumulated depreciation	(6,301,143)	-	(6,301,143)	(5,733,889)
Net property, plant, and equipment	3,480,188	0	3,480,188	3,040,202
Total assets	\$4,812,029	\$947,437	\$5,759,466	\$5,133,198

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
As of December 31, 1999**

(continued)	Totals			
	Municipal Garage	Employees Benefits Fund	1999	1998
Liabilities:				
Current liabilities:				
Accounts payable	\$36,294	\$207,900	\$244,194	\$449,775
Accrued wages and benefits	23,582	-	23,582	16,547
Other accrued liabilities	8,707	-	8,707	7,530
Accrued interest payable	465	-	465	193
Due to other funds	1,485	-	1,485	1,485
Notes payable	400,000	-	400,000	120,500
Total current liabilities	470,533	207,900	678,433	596,030
Long-term liabilities:				
Compensated absences payable	66,569	-	66,569	63,799
Total long-term liabilities	66,569	0	66,569	63,799
Total liabilities	537,102	207,900	745,002	659,829
Fund equity:				
Retained earnings:				
Reserved for debt service	-	-	-	333,000
Unreserved	4,274,927	739,537	5,014,464	4,140,369
Total fund equity	4,274,927	739,537	5,014,464	4,473,369
Total liabilities and fund equity	\$4,812,029	\$947,437	\$5,759,466	\$5,133,198

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 1999

	Municipal Garage	Employees Benefits Fund	Totals	
			1999	1998
Operating revenues:				
Charges for services	\$2,151,970	\$2,354,123	\$4,506,093	\$4,373,511
Other operating revenues	50,704	3,683	54,387	196,632
Total operating revenues	2,202,674	2,357,806	4,560,480	4,570,143
Operating expenses:				
Personal services	530,099	-	530,099	492,181
Contractual services	190,916	1,969,446	2,160,362	2,143,140
Commodities	417,846	-	417,846	407,737
Depreciation	660,054	-	660,054	615,223
Other operating expenses	4,724	-	4,724	-
Total operating expenses	1,803,639	1,969,446	3,773,085	3,658,281
Operating income	399,035	388,360	787,395	911,862
Non-operating revenues (expenses):				
Interest revenue	54,749	-	54,749	55,702
Interest expense	(4,674)	-	(4,674)	(9,108)
Income taxes	-	-	-	-
Gain (Loss) on sale of equipment	24,625	-	24,625	(26,539)
Total non-operating revenues (expenses)	74,700	0	74,700	20,055
Transfers out	(321,000)		(321,000)	0
Net income (loss)	152,735	388,360	541,095	931,917
Retained earnings, beginning of the year	4,122,192	351,177	4,473,369	3,541,542
Retained earnings, end of the year	\$4,274,927	\$739,537	\$5,014,464	\$4,473,369

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 1999

	Totals			
	Municipal Garage	Employees Benefits Fund	1999	1998
Cash flows from operating activities:				
Cash payments to suppliers for goods and services	(\$680,609)	(\$2,144,890)	(\$2,825,499)	(\$2,717,443)
Cash payments to employees for services	(465,580)	-	(465,580)	(440,673)
Miscellaneous revenue	26,471	-	26,471	177,062
Cash received from quasi-external operating activities	2,153,600	2,357,377	4,510,977	4,448,878
Cash payments for quasi-external operating activities	(53,537)	-	(53,537)	(51,978)
Net cash provided by operating activities	980,345	212,487	1,192,832	1,415,846
Cash flows from non-capital financing activities:				
Transfers out	(321,000)	-	(321,000)	-
Net cash used by non-capital financing activities	(321,000)	0	(321,000)	0
Cash flows from capital and related financing activities:				
Sale of fixed assets	32,213	-	32,213	77,123
Purchase of fixed assets	(1,107,628)	-	(1,107,628)	(727,820)
Interest expense	(4,402)	-	(4,402)	(9,324)
Principal payments	(120,500)	-	(120,500)	(212,500)
Sale of notes	400,000	-	400,000	120,500
Net cash used by capital and related financing activities	(800,317)	0	(800,317)	(752,021)
Cash flows from investing activities:				
Interest income	59,284	-	59,284	54,806
Net cash provided by investing activities	59,284	0	59,284	54,806
Net increase (decrease) in cash and cash equivalents	(81,688)	212,487	130,799	718,631
Cash and cash equivalents, beginning of year	1,075,949	734,521	1,810,470	1,091,839
Cash and cash equivalents, end of year	\$994,261	\$947,008	\$1,941,269	\$1,810,470

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 1999

(continued)			Totals	
	Municipal Garage	Employees Benefits Fund	1999	1998
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$399,035	\$388,360	\$787,395	\$911,862
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	660,054	-	660,054	615,223
Changes in assets and liabilities:				
(Increase) decrease in accounts receiv	(24,233)	(429)	(24,662)	44,890
Decrease (increase) in due from other funds	1,630	-	1,630	10,907
(Increase) decrease in supplies inventory	(36,986)	-	(36,986)	(1,186)
(Decrease) Increase in accounts payable	(30,137)	(175,444)	(205,581)	(165,380)
Increase (decrease) in accrued wages	7,035	-	7,035	(6,235)
(Decrease) in accrued liabilities	1,177	-	1,177	28
Increase (decrease) in compensated absences	2,770	-	2,770	5,737
Total adjustments	581,310	(175,873)	405,437	503,984
Net cash provided by operating activities	\$980,345	\$212,487	\$1,192,832	\$1,415,846

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL GARAGE FUND
For the year ended December 31, 1999

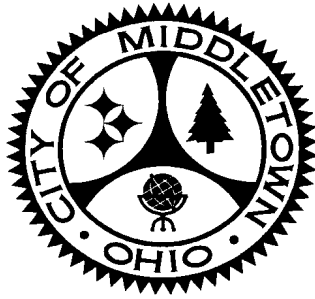
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 2,305,925	\$ 2,212,284	\$ (93,641)	\$ 2,236,169
Total operating revenues	2,305,925	2,212,284	(93,641)	2,236,169
Operating expenses				
Personal services	524,393	519,117	5,276	492,651
Contractual services	237,340	237,006	334	181,173
Commodities	484,653	482,211	2,442	414,668
Other operating expenses	2,017,605	1,764,137	253,468	941,081
Total operating expenses	3,263,991	3,002,471	261,520	2,029,573
Operating income (loss)	(958,066)	(790,187)	167,879	206,596
Non-operating revenues (expenses)				
Interest revenue	54,359	59,283	4,924	54,806
Interest expenses and fiscal charges	(16,000)	(4,402)	11,598	(9,324)
Debt retirement	(120,500)	(120,500)	-	(92,000)
Proceeds from notes	400,000	400,000	-	-
Total non-operating revenues(expenses)	317,859	334,381	16,522	(46,518)
Income(loss) before operating transfers	(640,207)	(455,806)	184,401	160,078
Operating transfers-out	(321,000)	(321,000)	-	
Net income	(961,207)	(776,806)	184,401	160,078
Retained earnings, beginning of the year	840,467	840,467	-	633,983
Appropriation for prior year encumbrances	235,482	235,482	-	46,406
Retained earnings, end of the year	\$ 114,742	\$ 299,143	\$ 184,401	\$ 840,467

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMPLOYEE BENEFITS FUND
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Other operating revenue	\$ 2,352,000	\$ 2,357,229	\$ 5,229	\$ 2,295,495
Total operating revenues	2,352,000	2,357,229	5,229	2,295,495
Operating expenses				
Contractual services	2,296,400	2,144,890	151,510	1,972,425
Total operating expenses	2,296,400	2,144,890	151,510	1,972,425
Net income	55,600	212,339	156,739	323,070
Retained earnings, beginning of the year	734,669	734,669	-	411,599
Retained earnings, end of the year	\$ 790,269	\$ 947,008	\$ 156,739	\$ 734,669

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues				
Charges for services	\$ 2,305,925	\$ 2,212,284	\$ (93,641)	\$ 2,236,169
Other operating revenue	2,352,000	2,357,229	5,229	2,295,495
Total operating revenues	4,657,925	4,569,513	(88,412)	4,531,664
Operating expenses				
Personal services	524,393	519,117	5,276	492,651
Contractual services	2,533,740	2,381,896	151,844	2,153,598
Commodities	484,653	482,211	2,442	414,668
Other operating expenses	2,017,605	1,764,137	253,468	941,081
Total operating expenses	5,560,391	5,147,361	413,030	4,001,998
Operating income (loss)	(902,466)	(577,848)	324,618	529,666
Non-operating revenues (expenses)				
Interest revenue	54,359	59,283	4,924	54,806
Interest expenses and fiscal charges	(16,000)	(4,402)	11,598	(9,324)
Debt retirement	(120,500)	(120,500)	-	(92,000)
Proceeds from notes	400,000	400,000	-	-
Total non-operating revenues(expenses)	317,859	334,381	16,522	(46,518)
Income(loss) before operating transfers	(584,607)	(243,467)	341,140	483,148
Operating transfers-out	(321,000)	(321,000)	-	-
Net income	(905,607)	(564,467)	341,140	483,148
Retained earnings, beginning of the year	1,575,136	1,575,136	-	1,045,582
Appropriation for prior year encumbrances	235,482	235,482	-	46,406
Retained earnings, end of the year	\$ 905,011	\$ 1,246,151	\$ 341,140	\$ 1,575,136



FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

NON-EXPENDABLE TRUST FUNDS

Fire Damage Escrow

To account for funds put into escrow to assure the demolition of structures damaged by fire.

Sawyer Trust

Established to account for an endowment from which income earned is to be used for the City's share of an annual golf tournament.

EXPENDABLE TRUST FUNDS

Community Development Act Escrow

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

AGENCY FUNDS

Conservancy

Established to account for property taxes received for distribution to the Miami Valley Conservancy Flood District.

City Income Tax

Established to account for income taxes received for distribution to other funds of the City.

Payroll Clearing

Established to account for monies aggregated from the various operating funds for payroll and related liabilities. As each pay period ends, the operating funds record the expense as the payroll clearing fund records the related liabilities for payroll and employee withholdings.

Municipal Court

Established to account for monies that are received by the Clerk of the Municipal Court.

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUNDS
As of December 31, 1999

	NON-EXPENDABLE TRUST FUNDS		EXPENDABLE TRUST FUND
	Fire Damage Escrow	Sawyer Trust	Community Development Act Escrow
Assets:			
Cash and equity in pooled cash, deposits and investments	\$50,525	\$7,281	\$104,446
Cash with fiscal and escrow agent	-	-	1,585,911
Receivable (net of allowance for uncollectibles):			
Income taxes	-	-	-
Loans	-	-	1,357,825
Accrued interest receivable	-	-	-
Total assets	\$50,525	\$7,281	\$3,048,182
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Due to other individuals	-	-	104,446
Unapportioned monies	-	-	-
Total liabilities	0	0	104,446
Fund equity:			
Fund balance			
Reserved for endowments	-	6,000	-
Reserved for loans	-	-	2,943,736
Unreserved:			
Designated for subsequent expenditures	-	-	-
Undesignated	50,525	1,281	-
Total fund equity	50,525	7,281	2,943,736
Total liabilities and fund equity	\$50,525	\$7,281	\$3,048,182

AGENCY FUNDS				Totals	
Conservancy	City Income Tax	Payroll Clearing	Municipal Court	1999	1998
\$15,978	\$1,578,676	\$7,441	\$88,293	\$1,852,640	\$1,180,674
-	-	-	-	1,585,911	1,517,298
-	1,802,161	-	-	1,802,161	1,074,407
-	-	-	-	1,357,825	1,317,413
-	-	-	-	-	115
\$15,978	\$3,380,837	\$7,441	\$88,293	\$6,598,537	\$5,089,907
\$ -	3,380,837	429	\$ -	\$3,381,266	\$2,091,257
15,978	-	-	-	15,978	15,741
-	-	7,012	30,131	141,589	23,321
-	-	-	58,162	58,162	47,824
15,978	3,380,837	7,441	88,293	3,596,995	2,178,143
-	-	-	-	6,000	6,000
-	-	-	-	2,943,736	2,848,755
-	-	-	-	0	269
-	-	-	-	51,806	56,740
0	0	0	0	3,001,542	2,911,764
\$15,978	\$3,380,837	\$7,441	\$88,293	\$6,598,537	\$5,089,907

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
ALL NON-EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Fire Damage		Totals	
	Escrow	Sawyer Trust	1999	1998
Operating revenues:				
Charges for services	\$ 53,098	\$ 140	\$ 53,238	\$ 48,970
Total operating revenues	53,098	140	53,238	48,970
Operating expenses:				
Contractual services	58,441	-	58,441	49,322
Total operating expenses	58,441	-	58,441	49,322
Operating income (loss)	(5,343)	140	(5,203)	(352)
Fund balance, beginning of year	55,868	7,141	63,009	63,361
Fund balance, end of year	50,525	7,281	57,806	63,009

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL NON-EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Fire Damage		Totals	
	Escrow	Sawyer Trust	1999	1998
Cash flows from operating activities:				
Cash received from customers	\$ 53,098	\$ -	\$ 53,098	\$ 48,917
Payment to suppliers	(58,441)	-	(58,441)	(49,322)
Net cash provided (used) by operating activities	(5,343)	-	(5,343)	(405)
Cash flows from investing activities:				
Interest income	-	255	255	129
Net increase (decrease) in cash and cash equivalents	(5,343)	255	(5,088)	(276)
Cash and cash equivalents, beginning of year	55,868	1,026	56,894	57,170
Cash and cash equivalents, end of year	\$50,525	\$1,281	\$51,806	\$56,894

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ (5,343)	\$ 140	\$ (5,203)	\$ (352)
Adjustments to reconcile operating income to net cash provided by operating activities				
Increase in accrued interest receivable	-	(140)	(140)	(53)
Net cash provided by operating activities	\$ (5,343)	\$ -	\$ (5,343)	\$ (405)

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
NON-EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Fire Damage Escrow			Sawyer Trust		
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 40,000	\$ 53,098	\$ 13,098	\$ -	\$ -	\$ -
Interest revenue	-	-	-	-	255	255
Total operating revenues	40,000	53,098	13,098	-	255	255
Operating expenses:						
Contractual services	93,000	58,441	34,559	-	-	-
Total operating expenses	93,000	58,441	34,559	-	-	-
Operating income	(53,000)	(5,343)	47,657	-	255	255
Net income (loss)	(53,000)	(5,343)	47,657	-	255	255
Fund balance, beginning of the year	55,868	55,868	-	7,026	7,026	-
Fund balance, end of year	\$2,868	\$50,525	\$47,657	\$7,026	\$7,281	\$255

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL NON-EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
Operating revenues:				
Charges for services	\$ 40,000	\$ 53,098	\$ 13,098	\$ 48,917
Interest revenue	-	255	255	129
Total operating revenues	40,000	53,353	13,353	49,046
Operating expenses:				
Contractual services	93,000	58,441	34,559	49,322
Total operating expenses	93,000	58,441	34,559	49,322
Operating income	(53,000)	(5,088)	47,912	(276)
Net income (loss)	(53,000)	(5,088)	47,912	(276)
Fund balance, beginning of the year	62,894	62,894		63,170
Fund balance, end of year	\$ 9,894	\$ 57,806	\$ 47,912	\$ 62,894

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Community Development Act Escrow		Totals	
		1999		1998
Revenues:				
Interest earnings	\$ 66,392	\$ 66,392	\$ 58,794	
Miscellaneous revenues	35,478	35,478	-	
Total revenues	101,870	101,870	58,794	
Expenditures:				
Current:				
Miscellaneous	28,589	28,589	-	
Total expenditures	28,589	28,589	0	
Excess of revenues over (under) expenditures	73,281	73,281	58,794	
Other financing sources (uses):				
Other sources	-	-	14,634	
Total other financing sources (uses)	0	0	14,634	
Excess of revenues and other financing sources over (under) expenditures and other uses	73,281	73,281	73,428	
Fund balance, beginning of year	2,848,755	2,848,755	2,775,327	
Fund balance, end of year	\$2,922,036	\$2,922,036	\$2,848,755	

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL EXPENDABLE TRUST FUNDS
For the year ended December 31, 1999

	Community Development Act Escrow			Totals	
	Revised Budget	1999 Actual	Variance Favorable (Unfavorable)	1999 Actual	1998 Actual
Revenues					
Interest earnings	\$ 65,000	\$ 66,392	\$1,392	\$66,392	\$43,230
Total revenues	65,000	66,392	1,392	66,392	43,230
Expenditures					
Current					
Community environment	-	-	-	-	0
Total expenditures	0	0	0	0	0
Excess of revenues over (under) expenditures	65,000	66,392	1,392	66,392	43,230
Other financing sources (uses):					
Other sources	327,000	186,556	(140,444)	186,556	185,804
Other uses	(360,000)	(98,153)	261,847	(98,153)	(154,738)
Total other financing sources (uses)	(33,000)	88,403	121,403	88,403	31,066
Excess of revenues and other financing sources over (under) expenditures and other financing uses	32,000	154,795	122,795	154,795	74,296
Fund balance, beginning of year	1,535,562	1,535,562	-	1,535,562	1,461,266
Fund balance, end of year	\$1,567,562	\$1,690,357	\$122,795	\$1,690,357	\$1,535,562

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 1999**

	CONSERVANCY			Balance End of Year
	Balance Beginning of Year	Additions	Deductions	
Assets:				
Cash and equity in pooled cash, deposits and investments	\$15,741	\$86,255	\$86,018	\$15,978
Total assets	\$15,741	\$86,255	\$86,018	\$15,978
Liabilities:				
Due to other governments	\$15,741	\$86,255	\$86,018	\$15,978
Total liabilities	\$15,741	\$86,255	\$86,018	\$15,978

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the year ended December 31, 1999

(continued)	CITY INCOME TAX			Balance End of Year
	Balance Beginning of Year	Additions	Deductions	
Assets:				
Cash and equity in pooled cash, deposits and investments	\$1,016,354	\$17,286,716	\$16,724,394	\$1,578,676
Taxes receivable	1,074,407	18,014,470	17,286,716	1,802,161
Total assets	\$2,090,761	\$35,301,186	\$34,011,110	\$3,380,837
Liabilities:				
Due to other funds	\$2,090,761	\$18,014,470	\$16,724,394	\$3,380,837
Total liabilities	\$2,090,761	\$18,014,470	\$16,724,394	\$3,380,837

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 1999**

(continued)	PAYROLL CLEARING			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash with fiscal and escrow agent	\$7,898	\$10,068,324	\$10,068,781	\$7,441
Total assets	\$7,898	\$10,068,324	\$10,068,781	\$7,441
Liabilities:				
Due to other funds	\$496	\$389,366	\$389,433	\$ 429
Due to other governments	-	5,140,544	5,140,544	-
Due to individuals	7,402	4,538,414	4,538,804	7,012
Total liabilities	\$7,898	\$10,068,324	\$10,068,781	\$7,441

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the year ended December 31, 1999

(continued)	MUNICIPAL COURT			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash and equity in pooled cash, deposits and investments	\$59,523	\$2,865,005	\$2,836,235	\$88,293
Total assets	\$59,523	\$2,865,005	\$2,836,235	\$88,293
Liabilities:				
Due to other funds	\$ -	\$1,037,513	\$1,037,513	\$ -
Due to other governments	-	397,868	397,868	-
Due to individuals	11,699	461,342	442,910	30,131
Unapportioned monies	47,824	968,282	957,944	58,162
Total liabilities	\$59,523	\$2,865,005	\$2,836,235	\$88,293

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the year ended December 31, 1999

(continued)	TOTAL - ALL AGENCY FUNDS			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash and equity in pooled cash, deposits and investments	\$1,091,618	\$20,237,976	\$19,646,647	\$1,682,947
Cash with fiscal and escrow agent	7,898	10,068,324	10,068,781	7,441
Taxes receivable	1,074,407	18,014,470	17,286,716	1,802,161
Total assets	\$2,173,923	\$48,320,770	\$47,002,144	\$3,492,549
Liabilities:				
Due to other funds	\$2,091,257	\$19,441,349	\$18,151,340	\$3,381,266
Due to other governments	15,741	5,624,667	5,624,430	15,978
Due to individuals	19,101	4,999,756	4,981,714	37,143
Unapportioned monies	47,824	968,282	957,944	58,162
Total liabilities	\$2,173,923	\$31,034,054	\$29,715,428	\$3,492,549

**GENERAL FIXED ASSET
ACCOUNT GROUP**

To account for fixed assets other than those accounted for in the proprietary or trust funds.

CITY OF MIDDLETOWN, OHIO
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
As of December 31, 1999 and 1998

	1999	1998
General fixed assets:		
Land	\$7,323,940	\$7,287,133
Buildings	19,323,115	18,837,846
Equipment	5,483,924	4,572,505
Total general fixed assets	\$32,130,979	\$30,697,484
Investment in general fixed assets from:		
General fund revenues	\$28,135,719	\$27,093,337
Special revenue fund revenues	3,995,260	3,604,147
Total investment in general fixed assets	\$32,130,979	\$30,697,484

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
As of December 31, 1999

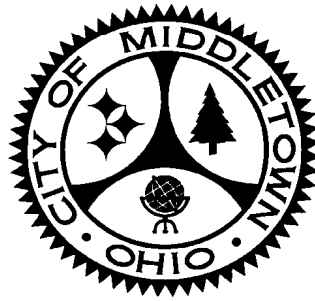
FUNCTION AND ACTIVITY	LAND	BUILDINGS	EQUIPMENT	TOTAL
General government:				
City Commission	\$ -	\$ -	\$ 37,758	\$ 37,758
City Manager	-	-	27,774	27,774
Personnel	-	-	19,338	19,338
Finance	277,050	12,513,691	1,850,595	14,641,336
Law	-	-	32,004	32,004
Human Resources	-	-	19,667	19,667
Engineering	-	-	99,450	99,450
Public Works Administration	-	-	14,159	14,159
Taxation	-	-	22,124	22,124
Municipal Court	-	4,900	128,376	133,276
Total general government	277,050	12,518,591	2,251,245	15,046,886
Community environment:				
Economic Development	1,056,177	7,660	74,369	1,138,206
Community Center	123,050	1,558,454	24,807	1,706,311
Total community environment	1,179,227	1,566,114	99,176	2,844,517
Public safety:				
Fire	205,750	813,852	599,417	1,619,019
Police	-	491,341	1,107,160	1,598,501
Building Inspection	-	-	-	-
Building Maintenance	-	270,999	93,759	364,758
Electronic Maintenance	-	398,300	351,002	749,302
Total public safety	205,750	1,974,492	2,151,338	4,331,580
Public health and welfare:				
Health & Environment	1,643,250	1,037,961	37,499	2,718,710
Social Health	8,100	483,262	35,493	526,855
Total public health and welfare	1,651,350	1,521,223	72,992	3,245,565
Leisure time activities:				
Pools	406,250	1,040,076	37,479	1,483,805
Recreation	3,604,313	534,155	170,636	4,309,104
Parks Maintenance	-	21,986	517,252	539,238
Total leisure time activities	4,010,563	1,596,217	725,367	6,332,147
Highways and streets:				
Street Maintenance	-	146,478	183,806	330,284
Total highways and streets	-	146,478	183,806	330,284
Total general fixed assets	\$ 7,323,940	\$ 19,323,115	\$ 5,483,924	\$ 32,130,979

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the year ended December 31, 1999

FUNCTION AND ACTIVITY	Balance Beginning of Year	Additions	Deductions	Balance End of Year
General government:				
City Commission	\$ 37,758	\$ -	\$ -	\$ 37,758
City Manager	27,774	-	-	27,774
Personnel	19,338	-	-	19,338
Finance	13,563,442	1,077,894	-	14,641,336
Law	32,004	-	-	32,004
Human Resources	19,667	-	-	19,667
Engineering	91,950	7,500	-	99,450
Public Works Administration	14,159	-	-	14,159
Taxation	22,124	-	-	22,124
Municipal Court	121,865	11,411	-	133,276
Total general government	13,950,081	1,096,805	-	15,046,886
Community environment:				
Economic Development	1,180,296	-	42,090	1,138,206
Community Center	1,706,311	-	-	1,706,311
Total community environment	2,886,607	-	42,090	2,844,517
Public safety:				
Fire	1,576,379	42,640	-	1,619,019
Police	1,560,288	38,213	-	1,598,501
Building Inspection	14,800	-	14,800	-
Building Maintenance	492,010	-	127,252	364,758
Electronic Maintenance	700,589	48,713	-	749,302
Total public safety	4,344,066	129,566	142,052	4,331,580
Public health and welfare:				
Health & Environment	2,718,710	-	-	2,718,710
Social Health	524,537	2,318	-	526,855
Total public health and welfare	3,243,247	2,318	-	3,245,565
Leisure time activities:				
Pools	1,482,025	1,780	-	1,483,805
Recreation	4,020,863	288,241	-	4,309,104
Parks Maintenance	653,283	-	114,045	539,238
Total leisure time activities	6,156,171	290,021	114,045	6,332,147
Highways and streets:				
Street Maintenance	117,312	212,972	-	330,284
Total highways and streets	117,312	212,972	-	330,284
Total general fixed assets	30,697,484	1,731,682	298,187	32,130,979

STATISTICAL TABLES

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



STATISTICAL SECTION

CITY OF MIDDLETOWN, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last ten years
(Amounts in 000's)

Table 1

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Public safety	\$11,626	\$12,691	\$12,788	\$13,053	\$14,450	\$15,529	\$16,559	\$17,667	\$17,962	\$18,753
Public health and welfare	795	864	894	868	899	1,120	1,178	1,138	1,098	1,246
Leisure time activities	734	770	882	737	937	875	946	959	957	1,264
Community environment	5,713	6,397	5,654	4,865	4,045	5,407	4,958	3,975	3,694	4,423
Highways and streets	1,955	1,978	2,023	1,826	3,469	2,983	4,043	5,179	3,946	3,255
General government	3,849	3,978	4,025	3,969	3,986	3,827	3,888	3,641	3,915	4,693
Principal and interest	2,796	2,181	2,225	2,175	4,694	1,937	2,067	1,955	1,615	1,676
Other	794	872	693	739	681	705	794	1,381	975	1,098
Total expenditures	\$28,262	\$29,731	\$29,184	\$28,232	\$33,161	\$32,383	\$34,433	\$35,895	\$34,162	\$36,409

(1) The expenditures are those recorded in the General, Special Revenue, Debt Service, Capital Projects Funds, and Expendable Trust Funds.

Source: City of Middletown Finance Department

**CITY OF MIDDLETOWN, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**

**Last ten years
(Amounts in 000's)**

Table 2

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Property taxes	\$4,048	\$4,021	\$4,169	\$3,943	\$4,067	\$4,236	\$4,439	\$4,809	\$4,593	\$4,837
Municipal income tax	10,557	11,365	11,229	11,488	12,781	13,661	14,361	14,959	15,975	17,614
Intergov'tal revenues	5,287	5,518	5,886	6,147	7,043	6,821	7,381	7,734	8,477	9,024
Charges for services	2,038	1,689	1,914	1,579	982	1,214	1,129	1,119	1,273	1,802
Special assessments	584	665	605	511	647	623	810	903	690	980
Licenses and permits	215	215	188	269	408	435	615	179	437	337
Interest earnings	1,094	842	553	397	486	801	985	758	1,073	1,179
Fines and forfeitures	841	772	888	799	907	933	1,162	1,149	1,218	1,152
Miscellaneous	485	543	596	751	1,164	758	875	1,593	1,803	1,276
Total revenues	\$ 25,149	\$ 25,630	\$ 26,028	\$ 25,884	\$ 28,485	\$ 29,482	\$ 31,757	\$ 33,203	\$ 35,539	\$38,201

(1) The revenues are those recorded in the General, Special Revenue, Debt Service, Capital Projects Funds, and Expendable Trust Funds.

Source: City of Middletown Finance Department

**CITY OF MIDDLETOWN, OHIO
REAL AND TANGIBLE
PERSONAL PROPERTY TAXES
BILLED AND COLLECTED**

Last ten years

Table 3

Collection Year	(1) Billed	(2) Collected	Percentage Collected
1990	\$ 3,667,390	\$ 4,047,750	110.37% (3)
1991	4,046,119	4,021,276	99.39
1992	4,045,993	4,180,156	103.32
1993	4,080,497	3,926,389	96.22
1994	4,195,749	4,124,426	98.30
1995	4,278,253	4,235,524	99.00
1996	4,516,177	4,439,402	98.30
1997	4,633,640	4,780,081	103.16
1998	4,727,232	4,561,403	98.44
1999	5,175,830	4,837,000	93.45

(1) "Billed" is current charges, including current and delinquent abatements presented on a cash basis.

(2) "Collected" includes collections of current "Billed" and delinquencies presented on a cash basis.

(3) Money held in escrow by Armco, Inc. was released to the City upon settlement of the Company's property tax dispute.

Source: City of Middletown Finance Department

CITY OF MIDDLETOWN, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last ten years
Table 4

Tax Levy/ Collection Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
1989/1990	\$ 314,622,395	\$ 898,921,129	\$ 184,142,984	\$ 657,653,514
1990/1991	378,813,430	1,082,324,085	184,159,079	682,070,663
1991/1992	383,117,950	1,094,622,714	175,640,350	675,539,808
1992/1993	386,523,770	1,104,353,629	184,235,170	736,940,680
1993/1994	429,178,780	1,226,225,086	156,254,003	625,016,012
1994/1995	472,913,080	1,351,180,229	142,102,798	568,411,192
1995/1996	479,889,030	1,371,111,514	159,765,906	639,063,624
1996/1997	532,779,540	1,522,227,257	177,047,357	708,189,428
1997/1998	564,341,260	1,612,403,600	202,162,822	808,651,288
1998/1999	570,896,656	1,631,133,029	188,367,171	753,468,684

(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 Department.

Public Utility (2)		Totals		Assessed Value as a percent of Estimated Actual Value	Tax Levy/ Collection Year
Assessed	Estimated Actual	Assessed	Estimated Actual		
\$ 42,147,570	\$ 150,455,643	\$ 540,912,949	\$ 1,707,030,286	31.69%	1989/1990
44,552,820	165,010,444	607,525,329	1,929,405,192	31.49	1990/1991
48,748,210	187,365,236	607,506,510	1,957,527,758	31.03	1991/1992
51,268,100	204,915,200	622,027,040	2,046,209,509	30.40	1992/1993
54,163,150	216,484,394	639,595,933	2,067,725,492	30.93	1993/1994
55,286,720	221,146,880	670,302,598	2,160,738,301	31.02	1994/1995
55,223,380	220,893,520	694,878,316	2,231,068,658	31.15	1995/1996
54,505,910	218,023,640	764,332,807	2,448,440,325	31.22	1996/1997
53,128,190	212,512,760	819,632,272	2,633,567,648	31.12	1997/1998
54,545,990	218,183,960	813,809,721	2,602,785,673	31.27	1998/1999

CITY OF MIDDLETOWN, OHIO
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND OVERLAPPING GOVERNMENTS
Last ten years (1)
Table 5

<u>City of Middletown</u>							
Collec- tion Year	Operating	Police and Fire Pension	Debt Retirement	City of Middletown Total	Butler County	Middletown City School District	Total
1990	5.28	0.60	0.90	6.78	7.45	35.33	49.56
1991	5.26	0.60	0.80	6.66	7.45	33.43	47.54
1992	5.26	0.60	0.80	6.66	7.45	33.43	47.54
1993	5.26	0.60	0.70	6.56	7.45	33.23	47.24
1994	5.26	0.60	0.70	6.56	7.44	32.88	46.88
1995	5.15	0.60	0.63	6.38	7.44	38.20	52.02
1996	5.15	0.60	0.63	6.38	7.44	40.13	53.95
1997	5.15	0.60	0.56	6.31	8.45	38.56	53.32
1998	5.15	0.60	0.56	6.31	8.45	38.56	53.32
1999	5.15	0.60	0.61	6.36	8.44	38.49	53.29

(1) The above tax rates are based on \$1,000 of assessed valuation.

Source: Butler County Auditor's Office

**CITY OF MIDDLETOWN, OHIO
SPECIAL ASSESSMENT COLLECTIONS
BILLED AND COLLECTED
Last ten years (1)
Table 6**

Collection Year	Billed	Collected	Percentage Collected	Accumulated Delinquent
1990	\$566,413	\$584,253	103.1%	\$105,132
1991	541,585	486,537	89.8	160,180
1992	538,259	546,264	101.5	152,175
1993	535,208	516,259	96.5	171,124
1994	531,607	511,722	96.3	191,009
1995	507,808	506,804	99.8	192,013
1996	557,611	560,260	100.5	189,364
1997	523,002	591,053	113.0	68,051
1998	625,000	626,228	100.2	66,823
1999	706,541	747,284	105.8	26,080

(1) Presented on a cash basis.

Source: City of Middletown Finance Department.

**CITY OF MIDDLETOWN, OHIO
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**

**Last ten years
Table 7**

Fiscal Year	Population (1)	Assessed Value	Gross General Bonded Debt	Less Cash Available in Debt Service Funds
1990	46,022	\$540,912,949	\$7,828,480	\$278,234
1991	46,486	607,525,329	6,796,740	291,673
1992	46,793	607,506,510	5,895,000	268,623
1993	48,241	622,027,040	4,995,000	260,986
1994	50,742	639,595,933	17,117,536	290,897
1995	51,905	670,302,598	17,731,765	347,950
1996	53,754	694,878,316	21,425,482	371,374
1997	54,405	764,332,807	20,627,803	120,395
1998	54,527	819,632,272	19,513,498	147,041
1999	54,919	813,809,721	31,624,840	493,064

(1) Estimates from the Department of Planning and Economic Development.

Source: City of Middletown Finance Department.

Less Debt Payable from Enterprise Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Per Capital Net General Bonded Debt	Fiscal Year
\$550,000	\$7,000,246	1.29%	\$152.11	1990
475,000	6,030,067	0.99%	129.72	1991
400,000	5,226,377	0.86%	111.69	1992
325,000	4,409,014	0.71%	91.40	1993
8,717,000	8,109,639	1.27%	159.82	1994
8,240,000	9,143,815	1.36%	176.16	1995
9,995,000	11,059,108	1.59%	205.74	1996
9,570,000	10,937,408	1.43%	201.04	1997
9,105,000	10,261,457	1.25%	188.19	1998
11,160,000	19,971,776	2.45%	363.66	1999

CITY OF MIDDLETOWN, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5.5 %)
December 31, 1999
Table 8 (A)

Assessed valuations:	
Total assessed property value	<u><u>\$813,809,721</u></u>
Legal unvoted debt margin:	
Unvoted debt limit 5.5% of assessed valuation	\$44,759,535
Total unvoted bonded debt outstanding at December 31, 1999	\$ 30,824,840
Less: Unvoted general obligation bonds to be paid from enterprise fund revenues	(11,160,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(10,525,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	<u>(3,184,840)</u>
Total	5,955,000
Less: Cash in debt service fund	<u>(28,049)</u>
Net subject to 5.5% limit	<u>5,926,951</u>
Total legal unvoted debt margin	<u><u>\$38,832,584</u></u>

(1) Under the laws of the State of Ohio special assessment bonds outstanding are not counted when measuring a municipality's debt margin.

Source: City of Middletown Finance Department

**CITY OF MIDDLETOWN, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 VOTED AND UNVOTED DEBT LIMIT (10.5%)
 December 31, 1999
 Table 8 (B)**

Assessed valuations:	
Total assessed property value	\$813,809,721
Legal voted and unvoted debt margin:	
Voted and unvoted debt limit 10.5% of assessed valuation	\$85,450,021
Total voted and unvoted bonded debt outstanding at December 31, 1999	\$ 31,624,840
Less: Unvoted general obligation bonds to be paid from enterprise fund and internal service fund revenues	(11,160,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(10,525,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	(3,184,840)
Total	6,755,000
Less: Cash in debt service fund	(493,064)
Net subject to 10.5% limit	6,261,936
Total legal voted and unvoted debt margin	\$79,188,085

(1) Under the laws of the State of Ohio special assessment bonds outstanding are not counted when measuring a municipality's debt margin.

Source: City of Middletown Finance Department

CITY OF MIDDLETOWN, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 1999
Table 9

Political Subdivision	General Bonded Debt	Percent Applicable to City	City's Share
City of Middletown	\$ 31,624,840	100.00%	\$ 31,624,840
Butler County	52,948,000	28.82	15,259,614
Warren County	<u>13,346,738</u>	2.06	<u>274,943</u>
Total	\$ 97,919,578		\$ 47,159,397

Source: Butler and Warren County Auditor's Offices.

CITY OF MIDDLETOWN, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last ten fiscal years
Table 10

Fiscal Year	Principal	Interest and Fiscal Charges	Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
1990	\$ 1,276,740	\$ 742,285	\$ 2,019,025	\$ 28,329,218	7.1%
1991	956,740	641,384	1,598,124	29,730,527	5.4
1992	1,031,740	582,818	1,614,558	29,183,577	5.5
1993	900,000	462,151	1,362,151	28,187,334	4.8
1994	870,000	510,580	1,380,580	33,380,497	4.1
1995	1,140,771	783,299	1,924,070	32,383,058	5.9
1996	1,347,000	720,426	2,067,426	34,433,034	6.0
1997	1,117,018	838,579	1,955,597	35,895,394	5.4
1998	875,743	715,908	1,591,651	34,345,520	4.6
1999	913,376	754,426	1,667,802	36,408,780	4.6

Source: City of Middletown Finance Department

CITY OF MIDDLETOWN, OHIO
GENERAL OBLIGATION COVERAGE
WATER AND SEWER BONDS
Last ten fiscal years (cash basis)

Table 11

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
							<i>Water</i>
1990	\$ 3,675,492	\$ 2,731,769	\$ 943,723	\$ 361,250	\$ 130,081	\$ 491,331	1.92
1991	3,738,876	3,334,264	404,612	115,000	109,198	224,198	1.80
1992	3,920,438	3,663,131	287,307	120,000	96,968	216,968	1.32
1993	4,496,579	3,583,762	912,817	121,250	87,482	208,732	4.37
1994	5,245,029	3,970,845	1,274,184	222,500	200,198	422,698	3.01
1995	5,072,962	4,307,645	765,317	683,200	228,390	911,590	0.84
1996	5,209,994	4,040,121	1,169,873	165,000	170,464	335,464	3.49
1997	5,130,879	3,839,969	1,290,910	165,000	160,774	325,774	3.96
1998	4,991,289	3,965,041	1,026,248	110,000	151,152	261,152	3.93
1999	5,140,331	4,492,751	647,580	115,000	173,331	288,331	2.25
							<i>Sewer</i>
1990	\$ 4,004,293	\$ 3,823,757	\$ 180,536	\$ 313,056	\$ 436,875	\$ 749,931	0.24
1991	4,558,880	2,916,609	1,642,271	335,122	429,203	764,325	2.15
1992	5,384,472	3,439,903	1,944,569	352,942	400,629	753,571	2.58
1993	6,160,383	3,742,643	2,417,740	376,564	386,053	762,617	3.17
1994	7,054,831	4,239,582	2,815,249	233,750	212,370	446,120	6.31
1995	6,371,050	4,055,246	2,315,804	502,071	259,050	761,121	3.04
1996	6,364,374	5,150,628	1,213,746	180,000	237,320	417,320	2.91
1997	5,888,343	3,970,440	1,917,903	195,000	140,565	335,565	5.72
1998	5,824,247	4,142,245	1,682,002	150,000	152,100	302,100	5.57
1999	6,153,529	4,011,458	2,142,071	160,000	81,285	241,285	8.88

(1) Gross revenues consist of cash basis operating revenues, interest revenue, and other sources.

(2) Direct operating expenses consist of total cash operating expenses.

Source: City of Middletown Finance Department

CITY OF MIDDLETOWN, OHIO
DEMOGRAPHIC STATISTICS
December 31, 1999
Table 12 (A)

Population

Year	City of Middletown	Butler County
1940	31,220	120,249
1950	33,695	147,203
1960	42,115	199,076
1970	48,767	226,207
1980	43,719	258,787
1990	46,022	291,479
1999	54,919	335,560

Housing and Income Statistics

	City of Middletown	Butler County	State of Ohio
Total housing units	19,385		4,371,945
Total year-round occupied units	18,362		4,087,546
Owner occupied (percent of total year-round)	60.00%		67.50%
Median value/owner occupied homes	\$ 57,200		\$ 63,200
Percent total units constructed prior to 1940	22.70%		25.80%
Percent total units constructed since 1980	12.70%		12.20%
Median family income (1990)	\$ 31,313	\$ 34,673	\$ 34,351
Per capita income (1990)	\$ 12,988	\$ 13,947	\$ 13,461

Sources: City of Middletown Department of Planning & Economic Development, and 1990 census

CITY OF MIDDLETOWN, OHIO
DEMOGRAPHIC STATISTICS
December 31, 1999
Table 12 (B)

1990 Industry of Employed Persons

Employment	Middletown %	Butler County	State of Ohio
Manufacturing	29.60	24.94	23.15
Services	29.73	29.75	31.38
Retail trade	18.99	17.91	17.64
Transportation	2.70	3.63	4.00
Finance, insurance, and real estate	4.79	6.68	5.79
Wholesale trade	4.25	6.48	4.43
Construction	5.72	5.74	5.15
Agriculture	0.85	1.13	1.88
Mining	0.10	0.17	0.04
Communication and public utilities	0.89	1.47	2.41
Public administration	2.38	2.10	3.75

Source: 1990 U.S. Census

The following table shows comparative average employment and unemployment statistics for the County/MSA, the City of Middletown, Butler County and the State of Ohio.

Year	<i>Employment Data</i>		<i>Unemployment Percentage Rates (%)</i>		
	Employed County/MSA	Unemployed County/MSA	City of Middletown	Butler County	State of Ohio
1989	124,700	7,900	7.70	5.70	5.60
1990	140,500	8,700	7.89	5.88	5.65
1991	143,300	8,900	8.80	6.60	6.40
1992	144,900	10,300	9.70	7.88	7.20
1993	146,900	10,400	9.50	7.74	6.48
1994	152,400	8,600	7.90	5.37	5.53
1995	159,000	6,600	6.20	4.20	4.90
1996	160,800	6,800	6.10	3.40	4.90
1997	169,600	6,100	5.20	3.56	4.60
1998	172,500	5,900	5.00	3.40	4.20

Source: City of Middletown Department of Planning & Economic Development and Ohio Labor Market Information

CITY OF MIDDLETOWN, OHIO
PROPERTY VALUE AND CONSTRUCTION (1)
Last ten fiscal years
Table 13

Fiscal Year	Commercial Construction		Residential Construction		Property Value		
	# of Permits	Value	# of Permits	Value	Commercial	Residential	Nontaxable
1990	95	\$16,720,090	287	\$8,901,653	\$333,172,344	\$207,740,605	\$82,312,840
1991	89	7,067,242	433	11,273,688	352,956,139	254,569,190	86,841,630
1992	74	7,515,926	344	9,465,840	349,616,540	257,889,970	86,841,630
1993	81	10,329,050	425	14,686,487	360,309,050	261,717,990	58,428,910
1994	123	23,076,415	520	13,866,723	336,802,163	302,793,770	88,184,630
1995	167	21,916,721	402	11,443,868	348,714,108	321,858,490	90,386,060
1996	142	18,421,031	348	13,699,542	325,297,899	326,422,380	82,453,310
1997	127	14,558,059	343	13,263,369	324,836,171	369,256,300	81,611,112
1998	165	32,841,518	448	12,117,541	378,357,482	387,992,590	81,726,156
1999	174	16,537,595	382	12,200,500	359,643,120	438,941,970	94,985,310

(1) Although the Government Finance Officers' Association recommends that bank deposits be included in this schedule, the City's local banks are all subsidiaries of larger organizations, and separate banks deposits are not published.

Source: City of Middletown Division of Building Inspection and the Butler County Auditor's Office

**CITY OF MIDDLETOWN, OHIO
REAL AND TANGIBLE PERSONAL PROPERTY
PRINCIPAL TAX PAYERS**

December 31, 1999

Table 14

Real Property: Excluding Public Utility

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 20,865,050	3.65%
Garden manor	Retirement home	3,248,850	0.57
Southwestern Ohio Steel	Steel processing	2,671,700	0.47
Bavarian Woods	Apartment complex	2,073,300	0.36
Armco, Inc.	Diversified holding company	1,906,560	0.33
Garden Olde Towne LP	Apartment complex	1,647,490	0.29
Jefferson Smurfit Corporation	Paper and packaging	1,612,860	0.28
Riverside Village	Apartment complex	1,596,520	0.28
Church of God	Retirement Home	1,546,510	0.27
Bay West Paper Company	Paper manufacturing	1,337,780	0.23
Total		\$ 38,506,620	6.74%

Tangible Personal: Excluding Public Utility

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 97,732,270	51.88%
Jefferson Smurfit Corporation	Paper and packaging	6,752,210	3.58
Bay West Paper Corporation	Paper Company	6,362,100	3.38
Southwestern Ohio Steel	Steel trimming	6,026,350	3.20
Messer Griesheim	Steel trimming	5,994,070	3.18
J. & F. Steel Corporation	Steel Processor	4,462,210	2.37
Sorg Paper Company	Absorbent paper manufacturing	4,262,920	2.26
Air Products & Chemicals	Industrial gas manufacturing	4,138,190	2.20
Aeronca, Inc.	Aircraft parts manufacturing	3,743,750	1.99
MSC Pre-Finish	Steel trimming	2,934,630	1.56
Total		\$ 142,408,700	75.60%

Source: City of Middletown Finance Department

**CITY OF MIDDLETOWN, OHIO
MISCELLANEOUS STATISTICS**

December 31, 1999

Table 15

Date of incorporation	1837
Form of government	Council - Manager
Number of employees	465
Area	25.486 square miles
Miles of streets	229
Fire protection:	
Number of stations	5
Number of sworn firemen	89
Police protection:	
Number of stations	2
Number of sworn policemen	93
Municipal water department:	
Number of customers	19,869
Miles of water mains	331.0
Sewers:	
Miles of sanitary and storm sewer	296
Building permits issued 1999	556
Recreation:	
Parks	31
Pools	2
Community center	1
Senior activity center	1
Golf courses:	
Municipal	1
Private	2
Transportation	
Air:	
Number of airports	1
Number of freight airlines	1
Land:	
Interstate bus lines	1
Local bus lines	1
Rail:	
Number of railroad systems	2
Education:	
Miami University - Middletown Students	2,666

Source: City of Middletown Finance and Public Works Departments.





STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF MIDDLETOWN

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 31, 2000**