



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



CITY OF MIDDLETOWN  
BUTLER COUNTY

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CITY OF MIDDLETOWN  
BUTLER COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed through the Ohio Department of Housing and Urban Development:</i>			
Community Development Block Grant Entitlements	N/A	14.218	\$988,311
<i>Passed through Butler County</i>			
Home Program - Investment Partnership Program	N/A	14.239	72,378
<i>Direct Grants</i>			
Section 8 - Project Based Cluster	N/A	14.856	<u>4,338,402</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>5,399,091</u></b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct Grants</i>			
Cops in Schools Grant	N/A	16.710	258,388
Bulletproof Vest Partnership Program	N/A	16.607	<u>6,287</u>
Sub-total Direct Grants			<u>264,675</u>
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Federal Block Grant	N/A	16.592	117,944
<b>Total U.S. Department of Justice</b>			<b><u>382,619</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Public Transportation for Urbanized Areas			
Operating Assistance	N/A	20.507	289,488
Capital Assistance	N/A	20.507	<u>154,447</u>
Total Passed through Ohio Department of Transportation			<u>443,935</u>
<i>Passed Through Ohio Department of Public Safety:</i>			
State and Community Highway Safety (STEP)	N/A	20.600	31,681
SAFE Communities Program	09031ADO	20.600	<u>26,997</u>
Total Passed through Ohio Department of Public Safety			<u>58,678</u>
<b>Total U.S. Department of Transportation</b>			<b><u>502,613</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through Butler County Department of Job &amp; Family Services</i>			
Title XX Social Services Block Grant	9-99-2627	93.667	<u>25,631</u>
Total Passed through Butler County Department of Job & Family Services			<u>25,631</u>
<i>Passed through the Ohio Department of Health</i>			
<i>Passed through the City of Hamilton, Butler County</i>			
Immunization Action Plan	182-B	93.268	33,408
Title XIX, Tobacco Prevention Grant	9-2-001-2-EE-01	93.991	51,960
Title XIX, Cardiovascular Disease Risk Reduction Project	226-I	93.991	<u>20,684</u>
Sub-total Title XIX			72,644
Block Grant Maternal and Child Health Services	9-2-01-F-AI-320	93.994	<u>257,408</u>
Total Passed through Ohio Department of Health			<u>363,460</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>389,091</u></b>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<b><u><u>\$6,673,414</u></u></b>

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

**CITY OF MIDDLETOWN  
BUTLER COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001**

**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 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 Housing and Urban 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.



**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 ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Middletown  
Butler County  
One Donham 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, 2001, and have issued our report thereon dated June 25, 2002, wherein we noted the City adopted Governmental Accounting Standards Board Statements 33 and 36. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 25, 2002.

**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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 25, 2002.

City of Middletown  
Butler County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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", written in a cursive style.

**Jim Petro**  
Auditor of State

June 25, 2002





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 ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the City Council:

**Compliance**

We have audited the compliance of the City of Middletown, Butler County, Ohio (the City), 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 its major federal program for the year ended December 31, 2001. 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 its major federal program for the year ended December 31, 2001.

**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.

### **Schedule of Federal Awards Expenditures**

We have audited the general purpose financial statements of the City as of and for the year ended December 31, 2001, and have issued our report thereon dated June 25, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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.



**Jim Petro**  
Auditor of State

June 25, 2002

**CITY OF MIDDLETOWN  
BUTLER COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2001**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Section 8 – Project Based Cluster – CFDA 14.856
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**None**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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**None**



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2001



**CITY OF MIDDLETOWN, OHIO**



**CITY OF MIDDLETOWN, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the year ended December 31, 2001**

**Prepared by  
Finance Department**

**John T. Lyons  
Finance Director**

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**CITY OF MIDDLETOWN, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the year ended December 31, 2001**

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**CITY OF MIDDLETOWN, OHIO  
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# **INTRODUCTORY SECTION**

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# MIDDLETOWN

June 28, 2002

## **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, 2001, 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, a 310 bed community hospital which is Middletown's second largest employer with over 1,400 employees was again named a top 100 hospital in the "Top 100

Hospital: Benchmark for Success” study conducted by HCIA. Only five Ohio hospitals received this recognition. Among the hospital’s 2001 milestones were:

- The accreditation of its McKnight Terrace assisted living facility.
- The accreditation of the inpatient rehabilitation center.
- The accreditation of the hospitals’ Echocardiography Laboratory as well as the certification of the MRI and Ultrasound Services facility.

In nearby Trenton, Ohio, the Miller Brewing Company’s plant produced nine million barrels. The Trenton plant is the largest brewery in Ohio and is Miller’s “flagship brewery.” The plant employs 640 workers with a payroll of \$57.6 million.

#### Miami University-Middletown

Miami University – Middletown is a regional campus of Miami University. The branch campus served a record 3,000 students in 2001. The Middletown School offers certificate programs, associate degrees, limited four-year degrees and beginning course work for most degrees. The Middletown campus also offers graduate degrees in business administration and education.

#### A.K. Steel Company, Inc.

A.K. Steel, the City’s largest employer, finished 2001 leading the domestic steel market in operating profit per ton shipped. This is the eighth straight year that A.K. has been the industry’s profit leader. The company’s operating profits were \$124.5 million or \$21 per ton shipped. A.K. experienced a net loss of \$92.4 million in 2001, a year when many of its competitors sought bankruptcy protection.

### **MAJOR INITIATIVES**

#### Community Policing

In 2001, the City made a commitment to improving the response to citizen complaints concerning quality of life issues. One step taken to accomplish this goal was to combine the Customer Service Center and the Neighborhood Improvement Officers and transfer the unit to the Division of Police. To compliment their efforts, a Community Policing unit was formed. By working together, this dedicated group of employees was able to respond to complaints such as weed complaints, abandoned automobiles, and litter violations which are outside of the traditional law enforcement arena and to focus City resources in a concerted effort to solve problems.

#### Health Center

In 2001, the City received a \$147,500 grant from the Health Foundation of Greater Cincinnati. This grant allowed the City to hire an Executive Director for the City funded Middletown clinic. This grant was also used to purchase an updated patient billing system. Both of these operational changes improve both the clinic’s finances and its medical services to its patients.

#### City Water System

The City received the “Outstanding Public Water System” award from the Ohio Environmental Protection Agency in 2001. The City’s water system was recognized for its 100% compliance with

the Safe Drinking Water Act and its effective maintenance program on the City water distribution system. The EPA also acknowledged Middletown's fully endorsed Well Head Protection Plan and its effective program to investigate consumer complaints. Only five Ohio water systems received this EPA award in 2001.

#### For the Future

- Middletown's 2002 capital improvements budget contains projects totaling \$2.3 million and \$2.9 million respectively for its water and sewer systems. The largest utility project on the schedule is the construction of the \$1.2 million biosolids utilization upgrades.
- Improvements scheduled for the City's east end bordering I-75 are expected to cost about \$4.6 million in 2002. Development in this area is expected to increase substantially in 2002 with the extension of Towne Boulevard.
- The removal of the City Centre Mall roof and construction of a new street in the mall area will be completed in the fall of 2002. The City of Middletown, Butler County, and the State of Ohio have all contributed to this \$13.0 million 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 Council. 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, 2001, and the amount and percentage of increases/decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2000	Percent of Increase (Decrease)
Property taxes	\$4,772,754	10.23	(367,204)	(7.14)
Municipal income taxes	19,230,474	41.23	2,260,840	13.32
Special assessments	816,107	1.75	6,158	0.76
Intergovernmental revenues	13,807,921	29.60	1,856,288	15.53
Charges for services	2,568,336	5.51	1,197,608	87.37
Fees, licenses, and permits	335,329	0.72	27,591	8.97
Fines and forfeits	1,301,300	2.79	29,560	2.32
Interest earnings	1,905,425	4.08	(68,146)	(3.45)
Increase-Investment Fair Value	394,271	0.85	0	-
Miscellaneous	1,514,799	3.25	(28,983)	(1.88)
<b>Total</b>	<b>\$46,646,716</b>	<b>100%</b>	<b>\$4,913,712</b>	<b>11.89%</b>

Significant Revenue Changes

- Property taxes were down because 2000 was the last year of the library bonded debt property tax levy that yielded \$390,000 annually.
- Income taxes increased because of continued steady employment at AK Steel, the City's largest employer.
- Intergovernmental revenues were up in 2001 because Health Department grants distributed through the State of Ohio increased by \$353,859. Also, increased funding in the amount of \$1,187,883 was received for the Section 8 Housing Assistance program from the federal government.
- Charges for services increased by \$1,198,611 (87%) in 2001. This is mostly attributed to an increase of \$1,377,633 for Administrative Services provided by the General Fund for the Water and Sewer Funds. In 2000, these General Fund services were funded by interfund transfers from the Water and Sewer Funds. This increase was partially offset by a decrease in jail prisoner boarding fees.

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, 2001, and the amount and percentage of increases/decreases in comparison to prior year expenditures:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2000	Percent of Increase (Decrease)
<b>Current:</b>				
Public safety	\$20,862,947	43.21	1,406,335	7.23
Public health and welfare	1,698,681	3.52	151,016	9.76
Leisure time activities	1,071,555	2.22	49,354	4.83
Community environment	11,194,744	23.19	3,727,209	49.91
Highways and streets	5,138,716	10.64	520,803	11.28
General government	4,803,654	9.95	128,042	2.74
Miscellaneous	1,001,135	2.07	(243,515)	(19.56)
Capitalized Lease	0	-	(361,730)	(100.00)
<b>Debt service:</b>				
Principal retirement	1,299,987	2.70	63,207	5.11
Interest and fiscal charges	1,209,258	2.50	17,392	1.46
<b>Total</b>	<b>\$48,280,677</b>	<b>100%</b>	<b>\$5,458,113</b>	<b>12.75%</b>

There were significant changes in two categories in 2001.

- X Community Environment expenditures increased by \$3,727,209 (50%) in 2001. Most of this increase is attributable to the CrossLinks 2000 project (\$2.1 million), and increased Housing Assistance payments (\$1.9 million).
- X Public Safety expenditures increased by \$1.4 million in 2001. About \$838,000 of this change was due to the increased costs of maintaining the Police and Fire Divisions. Most of the remaining increase was due to the City's \$500,000 investment in the new Twelfth District Court of Appeals building scheduled for completion in 2003.

#### General Fund Balance

The undesignated fund balance of the City's General Fund at year-end was \$10,192,858. This fund balance is equal to approximately five 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, and Airport Funds all had profitable years in 2001.

- The Golf Course broke even in 2001.
- The Parking Fund reported a loss of \$122,294 for the year.
- The Transit Fund's operating loss of \$735,797 was partially offset by federal and state grants totaling \$516,177.
- The City Centre Mall Fund reported a loss of \$1,468,524 in 2001 because of the removal of the mall roof which had been recorded on the City's books at a depreciated value of \$1,418,818 and because of an operating loss of \$45,661.

### Fiduciary Funds

The City of Middletown operated with seven fiduciary funds in 2001. 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 \$1,390,058 on December 31, 2001.

### Debt Administration

The City of Middletown had a number of debt issues outstanding at December 31, 2001. These issues included \$25,555,000 of general obligation bonds, and \$3,352,439 of special assessment bonds.

Middletown maintained its A-1 bond rating with Moody's Investors Service in 2001. The City's general obligation debt limit is \$88.4 million. The City's \$5.0 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 2001 was 6.05% versus 6.20% in 2000. The amount of interest revenue for all City funds in 2001 was \$2,649,343.

### Risk Management

The City transfers its risk for general liability, police professional, automobile fleet liability, transit 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, 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 2001 were \$3,211,103). 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 \$2.3 million in 2001.

## **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 2001 audit. The Auditor of State report of independent accountants 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, 2000.

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.

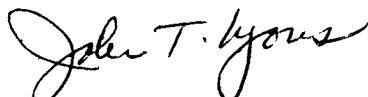
### Acknowledgments

The 2001 Comprehensive Annual Financial Report of the City of Middletown is the result of the combined efforts of the City's Finance Department and the Ohio Auditor of State.

The support of the Middletown City Council was essential in 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

Presented to

City of Middletown,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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.



*Thomas A. Brewer*  
President

*Jeffrey L. Essler*  
Executive Director



**CITY OF MIDDLETOWN, OHIO**

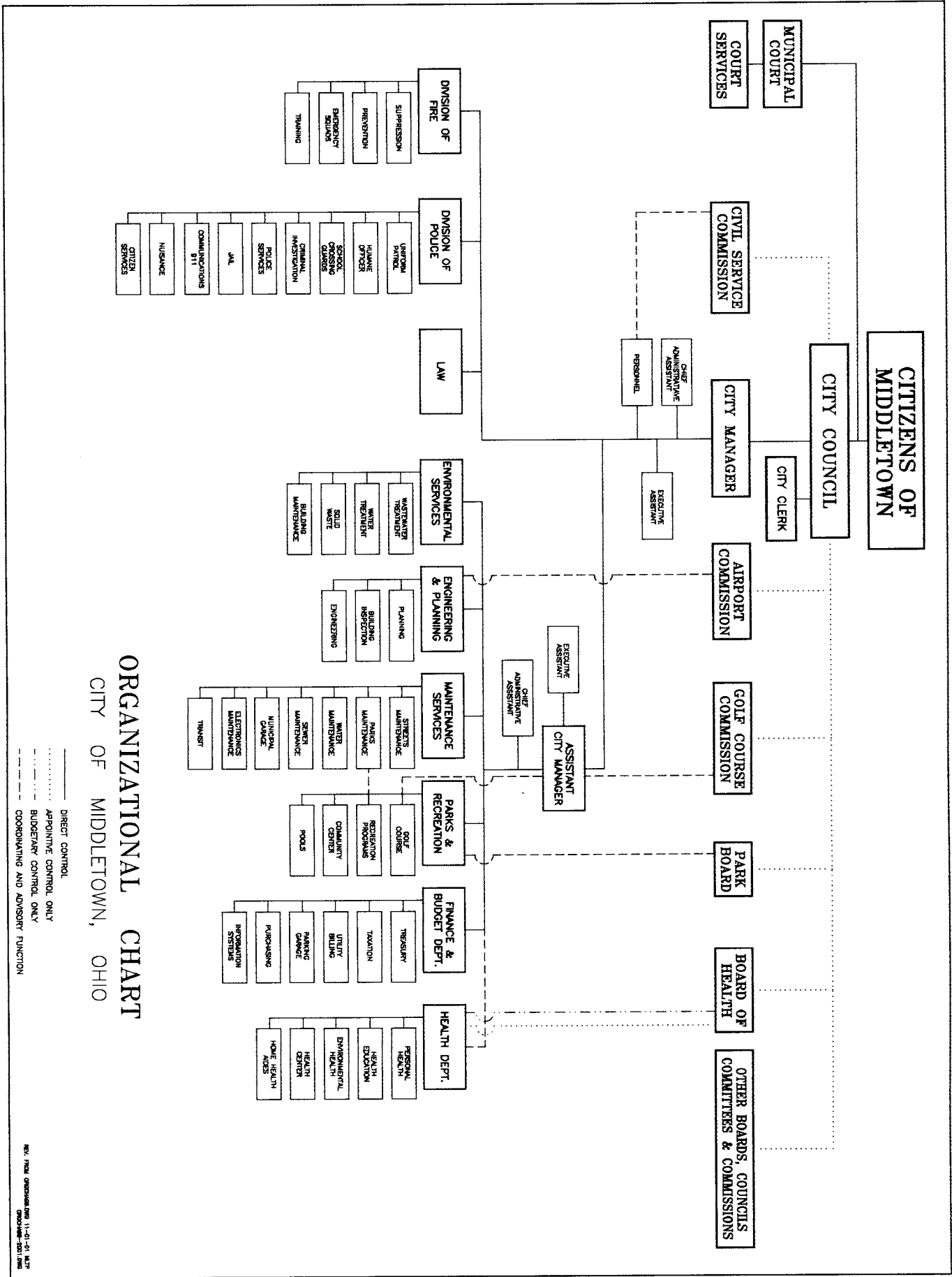
**Principal Officials  
December 31, 2001**

**Legislative**

**Mayor.....Robert Hill**  
**Vice-Mayor..... David Schiavone**  
**Council Member..... Frederick A. Sennet**  
**Council Member.....Laura Williams**  
**Council Member..... Nancy Nix**  
**Council Member..... Earl Smith**  
**Council Member..... Robert Wells**

**Executive/Administrative**

**City Manager.....Ronald L. Olson**  
**Assistant City Manager ..... Preston M. Combs**  
**Chief of Police ..... William A. Becker**  
**Director of Court Services ..... Louis A. Rossi, Jr.**  
**Interim Director of Engineering & Planning.....Andrew J. Braun**  
**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**



**ORGANIZATIONAL CHART**  
CITY OF MIDDLETOWN, OHIO

———— DIRECT CONTROL  
 ..... APPOINTIVE CONTROL ONLY  
 - - - - - BUDGETARY CONTROL ONLY  
 - - - - - COORDINATING AND ADVISORY FUNCTION

REV. FROM ORGANIZATION 11-13-01 L.A.T. PROCEDURE 5-01 1998

## **FINANCIAL SECTION**

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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 Donham 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, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City'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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2001, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

During the year ended December 31, 2001, the City adopted Governmental Accounting Statement No. 33 and No. 36 as indicated in Note 23 of the General Purpose Financial Statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2002, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

We performed our audit to form 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 additional analysis and are not a required part of the general-purpose financial statements. We subjected this information 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 section of this report and therefore express no opinion thereon.

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

**Jim Petro**  
Auditor of State

June 25, 2002

# **COMBINED FINANCIAL STATEMENT**

**CITY OF MIDDLETOWN, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**As of December 31, 2001**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and equity in pooled cash, deposits and investments	\$ 7,441,635	\$ 4,059,385	\$ 749,436	\$ 15,980,445
Cash with fiscal and escrow agent	-	-	131,063	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property taxes	3,771,188	539,000	-	792,500
Estate taxes	214,822	-	-	-
Accounts	784,492	160,589	-	-
Loans	-	258,129	-	-
Special assessments	-	-	5,992,322	-
Due from other funds	3,792,179	11,093	-	240,000
Due from other governments	1,312,384	6,089,546	-	-
Inventory of supplies	11,116	276,621	-	-
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	-	-	-	-
<b>Total assets and other debits</b>	<b>\$17,327,816</b>	<b>\$11,394,363</b>	<b>\$6,872,821</b>	<b>\$17,012,945</b>

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	2001	2000
\$ 14,057,478	\$ 1,332,359	\$ 624,613	\$ -	\$ -	\$ 44,245,351	\$ 46,979,676
-	-	1,843,916	-	-	1,974,979	1,855,012
-	-	2,658,320	-	-	2,658,320	1,055,885
-	-	-	-	-	5,102,688	4,473,643
-	-	-	-	-	214,822	321,288
1,769,671	-	-	-	-	2,714,752	3,036,893
675,908	-	1,390,058	-	-	2,324,095	1,704,864
-	-	-	-	-	5,992,322	5,560,888
1,485	188,436	-	-	-	4,233,193	3,371,222
2,430,920	-	-	-	-	9,832,850	517,294
546,211	137,808	-	-	-	971,756	869,195
-	-	-	-	-	-	361,786
6,652,577	195,750	-	7,711,037	-	14,559,364	14,483,377
2,476,733	-	-	-	-	2,476,733	2,379,535
46,479,703	-	-	-	-	46,479,703	44,871,950
23,171,822	354,064	-	19,593,575	-	43,119,461	45,745,462
8,942,783	10,479,176	-	6,489,667	-	25,911,626	24,884,047
(43,923,721)	(7,018,793)	-	-	-	(50,942,514)	(50,798,647)
-	-	-	-	649,436	649,436	885,201
-	-	-	-	25,147,198	25,147,198	25,723,888
<b>\$63,281,570</b>	<b>\$5,668,800</b>	<b>\$6,516,907</b>	<b>\$33,794,279</b>	<b>\$25,796,634</b>	<b>\$187,666,135</b>	<b>\$178,282,459</b>

(continued)

**CITY OF MIDDLETOWN, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 As of December 31, 2001**

(continued)	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable	\$ 277,166	\$ 195,891	\$ -	\$ 443,051
Accrued wages and benefits	1,161,183	138,289	-	-
Other accrued liabilities	71,850	8,788	-	-
Accrued interest payable	-	-	-	10,026
Due to other funds	85,771	356,123	100,000	240,000
Due to other governments	879	2,603	-	-
Due to individuals	5,159	39,759	-	-
Unapportioned monies	-	-	-	-
Current lease obligation	82,373	-	-	-
Matured bonds and interest	-	-	131,063	-
Current portion of general obligation bonds payable	-	-	-	-
Notes payable	-	-	-	735,000
Payable from restricted assets:				
Current portion of mortgage	-	-	-	-
Deferred revenue	5,229,143	5,747,596	5,992,322	792,500
General obligations bonds payable	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Compensated absences payable	-	-	-	-
Police and fire pension liability	-	-	-	-
Lease obligation payable	-	-	-	-
<b>Total liabilities</b>	<b>6,913,524</b>	<b>6,489,049</b>	<b>6,223,385</b>	<b>2,220,577</b>
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	210,318	186,163	-	8,083,149
Reserved for inventory	11,116	276,621	-	-
Reserved for endowments	-	-	-	-
Reserved for loans	-	258,129	-	-
Unreserved:				
Undesignated	10,192,858	4,184,401	649,436	6,709,219
<b>Total equity and other credits</b>	<b>10,414,292</b>	<b>4,905,314</b>	<b>649,436</b>	<b>14,792,368</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 17,327,816</b>	<b>\$ 11,394,363</b>	<b>\$ 6,872,821</b>	<b>\$ 17,012,945</b>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt	2001	2000
\$ 573,782	\$ 294,188	\$ -	\$ -	\$ -	\$ 1,784,078	\$ 1,645,857
208,625	25,346	-	-	-	1,533,443	1,227,112
7,194	-	-	-	-	87,832	541,650
48,594	286	-	-	-	58,906	54,891
407,577	1,485	3,042,237	-	-	4,233,193	3,371,222
2,206	-	84,841	-	-	90,529	137,357
158,808	-	46,666	-	-	250,392	397,243
-	-	55,971	-	-	55,971	75,728
-	-	-	-	-	82,373	82,373
-	-	-	-	-	131,063	117,298
645,000	-	-	-	-	645,000	605,000
745,641	53,000	-	-	-	1,533,641	1,994,748
3,106,828	-	-	-	-	20,868,389	10,307,913
9,315,000	-	-	-	15,595,000	24,910,000	26,415,000
-	-	-	-	3,352,439	3,352,439	3,007,987
409,363	76,189	-	-	3,449,824	3,935,376	4,057,385
-	-	-	-	3,176,540	3,176,540	3,274,281
-	-	-	-	222,831	222,831	291,160
<b>15,628,618</b>	<b>450,494</b>	<b>3,229,715</b>	<b>-</b>	<b>25,796,634</b>	<b>66,951,996</b>	<b>57,604,205</b>
42,096,380	-	-	-	-	42,096,380	41,963,453
-	-	-	33,794,279	-	33,794,279	33,208,735
1,201,516	-	-	-	-	1,201,516	959,380
4,355,056	5,218,306	-	-	-	9,573,362	10,697,036
-	-	-	-	-	8,479,630	8,529,661
-	-	-	-	-	287,737	175,415
-	-	6,000	-	-	6,000	6,000
-	-	3,142,121	-	-	3,400,250	3,351,702
-	-	139,071	-	-	21,874,985	21,786,872
<b>47,652,952</b>	<b>5,218,306</b>	<b>3,287,192</b>	<b>33,794,279</b>	<b>-</b>	<b>120,714,139</b>	<b>120,678,254</b>
<b>\$ 63,281,570</b>	<b>\$ 5,668,800</b>	<b>\$ 6,516,907</b>	<b>\$ 33,794,279</b>	<b>\$ 25,796,634</b>	<b>\$ 187,666,135</b>	<b>\$ 178,282,459</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**For the year ended December 31, 2001**

	Governmental Fund Types				Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	(Memorandum Only)	
						2001	2000
<b>Revenues:</b>							
Property taxes	\$ 3,494,963	\$ 503,714	\$ 2,825	\$ 771,252	\$ -	\$ 4,772,754	\$ 5,139,958
Municipal income taxes	13,219,710	3,076,000	1,326,764	1,608,000	-	19,230,474	16,969,634
Intergovernmental revenues	3,650,826	8,587,183	-	1,569,912	-	13,807,921	11,951,633
Charges for services	2,029,728	523,054	-	15,554	-	2,568,336	1,370,728
Fees, licenses, and permits	335,329	-	-	-	-	335,329	307,738
Fines and forfeits	13,200	1,288,100	-	-	-	1,301,300	1,271,740
Special assessments	-	-	603,269	212,838	-	816,107	809,949
Interest earnings	960,794	70,017	-	733,403	141,211	1,905,425	1,973,571
Miscellaneous	633,794	617,303	-	262,364	1,338	1,514,799	1,543,782
Increase in Investment Fair Value	394,271	-	-	-	-	394,271	-
<b>Total revenues</b>	<b>24,732,615</b>	<b>14,665,371</b>	<b>1,932,858</b>	<b>5,173,323</b>	<b>142,549</b>	<b>46,646,716</b>	<b>41,338,733</b>
<b>Expenditures:</b>							
<b>Current</b>							
Public safety	15,467,027	4,821,602	-	574,318	-	20,862,947	19,456,612
Public health and welfare	503,524	1,195,157	-	-	-	1,698,681	1,547,665
Leisure time activities	873,522	145,742	-	52,291	-	1,071,555	1,022,201
Community environment	1,604,833	5,657,726	-	3,932,185	-	11,194,744	7,467,535
Highways and streets	-	2,116,123	-	3,022,593	-	5,138,716	4,617,913
General government	4,535,245	34,145	-	234,264	-	4,803,654	4,675,612
Miscellaneous	799,418	162,583	-	14,454	24,680	1,001,135	1,244,650
Capitalized Lease	-	-	-	-	-	-	361,730
<b>Debt service</b>							
Principal retirement	68,329	-	1,231,658	-	-	1,299,987	1,236,780
Interest and fiscal charges	14,050	-	1,136,965	58,243	-	1,209,258	1,191,866
<b>Total expenditures</b>	<b>23,865,948</b>	<b>14,133,078</b>	<b>2,368,623</b>	<b>7,888,348</b>	<b>24,680</b>	<b>48,280,677</b>	<b>42,822,564</b>
Excess of revenues over (under) expenditures	866,667	532,293	(435,765)	(2,715,025)	117,869	(1,633,961)	(1,483,831)
<b>Other financing sources (uses):</b>							
Operating transfers-in	-	122,505	200,000	2,461,731	-	2,784,236	4,124,844
Operating transfers-out	(880,505)	-	-	(870,583)	-	(1,751,088)	(2,741,443)
Proceeds from bonds	-	-	-	716,110	-	716,110	223,692
Capitalized Lease	-	-	-	-	-	-	361,730
<b>Total other financing sources (uses)</b>	<b>(880,505)</b>	<b>122,505</b>	<b>200,000</b>	<b>2,307,258</b>	<b>-</b>	<b>1,749,258</b>	<b>1,968,823</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(13,838)	654,798	(235,765)	(407,767)	117,869	115,297	484,992
Fund balance, beginning of year	10,428,130	-	885,201	15,200,135	3,024,252	29,537,718	32,303,242
<b>Fund balance, end of year</b>	<b>\$ 10,414,292</b>	<b>\$ 654,798</b>	<b>\$ 649,436</b>	<b>\$ 14,792,368</b>	<b>\$ 3,142,121</b>	<b>\$ 29,653,015</b>	<b>\$ 32,788,234</b>

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 FUND**  
**For the year ended December 31, 2001**

	General Fund			Special Revenue Funds		
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)
Revenues:						
Property taxes	\$ 3,696,513	\$ 3,494,811	\$ (201,702)	\$ 606,834	\$ 587,248	\$ (19,586)
Municipal income taxes	12,413,756	12,337,345	(76,411)	3,121,000	3,076,000	(45,000)
Intergovernmental revenues	3,332,007	3,774,243	442,236	8,854,102	7,882,544	(971,558)
Charges for services	2,233,974	2,303,146	69,172	474,623	506,667	32,044
Fees, licenses, and permits	350,515	333,731	(16,784)	-	-	-
Fines and forfeits	10,300	13,200	2,900	1,259,850	1,245,485	(14,365)
Interest earnings	1,150,000	960,794	(189,206)	50,695	56,484	5,789
Miscellaneous	531,194	588,637	57,443	567,667	631,123	63,456
<b>Total revenues</b>	<b>23,718,259</b>	<b>23,805,907</b>	<b>87,648</b>	<b>14,934,771</b>	<b>13,985,551</b>	<b>(949,220)</b>
Expenditures:						
Current:						
Public safety	16,056,952	15,718,243	338,709	4,968,826	4,753,261	215,565
Public health and welfare	556,179	528,848	27,331	1,462,568	1,191,157	271,411
Leisure time activities	990,090	918,269	71,821	10,000	3,480	6,520
Community environment	1,002,196	917,947	84,249	7,214,755	6,152,859	1,061,896
Highways and streets	-	-	-	2,364,097	2,298,481	65,616
General government	5,521,564	5,184,418	337,146	110,000	95,154	14,846
Miscellaneous	854,469	804,417	50,052	-	-	-
<b>Total expenditures</b>	<b>24,981,450</b>	<b>24,072,142</b>	<b>909,308</b>	<b>16,130,246</b>	<b>14,494,392</b>	<b>1,635,855</b>
Excess of revenues over (under) expenditures	(1,263,191)	(266,235)	996,956	(1,195,475)	(508,841)	686,635
Other financing sources (uses):						
Operating transfers-in	-	-	-	115,005	122,505	7,500
Operating transfers-out	(880,505)	(880,505)	-	-	-	-
Other sources	-	12,546	12,546	-	239,500	239,500
Other uses	-	(139,000)	(139,000)	-	(9,399)	(9,399)
<b>Total other financing sources (uses)</b>	<b>(880,505)</b>	<b>(1,006,959)</b>	<b>(126,454)</b>	<b>115,005</b>	<b>352,606</b>	<b>237,601</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,143,696)	(1,273,194)	870,502	(1,080,470)	(156,235)	924,236
Fund balance, beginning of year	7,314,848	7,314,848	-	3,755,026	3,755,026	-
Appropriation for prior year encumbrances	535,622	535,622	-	308,457	308,457	-
<b>Fund balance, end of year</b>	<b>\$ 5,706,774</b>	<b>\$ 6,577,276</b>	<b>\$ 870,502</b>	<b>\$ 2,983,012</b>	<b>\$ 3,907,248</b>	<b>\$ 924,236</b>

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 FUND**  
**For the year ended December 31, 2001**

	Debt Service Fund			Capital Projects Funds		
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)
<b>(continued)</b>						
Revenues:						
Property taxes	\$ 3,000	\$ 2,825	\$ (175)	\$ 787,000	\$ 771,252	\$ (15,748)
Municipal income taxes	1,326,764	1,326,764	-	1,608,000	1,608,000	-
Intergovernmental revenue	-	-	-	1,570,000	1,569,912	(88)
Charges for services	-	-	-	24,000	15,554	(8,446)
Special assessments	640,000	603,269	(36,731)	233,000	260,744	27,744
Interest earnings	-	-	-	769,581	733,401	(36,180)
Miscellaneous	-	-	-	259,500	262,364	2,864
<b>Total revenues</b>	<b>1,969,764</b>	<b>1,932,858</b>	<b>(36,906)</b>	<b>5,251,081</b>	<b>5,221,227</b>	<b>(29,854)</b>
Expenditures:						
Current:						
Personal Services	-	-	-	43,000	41,398	1,602
Contractual services	2,700	-	2,700	194,394	147,845	46,549
Capital outlay:						
Public safety	-	-	-	324,877	323,915	962
Public health & welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	58,728	117,528	(58,800)
Community environment	-	-	-	11,778,287	11,133,564	644,723
Highways and streets	-	-	-	4,890,484	4,303,824	586,659
General government	-	-	-	1,702,728	1,138,973	563,755
Debt service:						
Principal retirement	1,232,658	1,231,658	1,000	275,600	960,000	(684,400)
Interest and fiscal charges	1,141,451	1,136,965	4,486	-	48,217	(48,217)
<b>Total expenditures</b>	<b>2,376,809</b>	<b>2,368,623</b>	<b>8,186</b>	<b>19,268,098</b>	<b>18,215,265</b>	<b>1,052,833</b>
Excess of revenues over (under) expenditures	(407,045)	(435,765)	(28,720)	(14,017,017)	(12,994,038)	1,022,979
Other financing sources (uses):						
Operating transfers-in	200,000	200,000	-	2,524,362	2,461,731	(62,631)
Operating transfers-out	-	-	-	(870,586)	(870,582)	4
Other sources	-	-	-	350,000	385,000	35,000
Other uses	-	(100,000)	(100,000)	-	(385,000)	(385,000)
Proceeds from bonds	-	-	-	745,905	716,110	(29,795)
Proceeds from notes	-	-	-	735,000	735,000	-
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>100,000</b>	<b>(100,000)</b>	<b>3,484,681</b>	<b>3,042,259</b>	<b>(442,422)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(207,045)	(335,765)	(128,720)	(10,532,336)	(9,951,779)	580,557
Fund balance, beginning of year	1,085,198	1,085,198	-	13,471,058	13,471,058	-
Appropriation for prior year encumbrances	-	-	-	3,061,391	3,061,391	-
<b>Fund balance, end of year</b>	<b>\$ 878,153</b>	<b>\$ 749,433</b>	<b>\$ (128,720)</b>	<b>\$ 6,000,113</b>	<b>\$ 6,580,670</b>	<b>\$ 580,557</b>

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 FUND**  
**For the year ended December 31, 2001**

	Expendable Trust Fund			Totals (Memorandum only)			
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
<b>(continued)</b>							
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 5,093,347	\$ 4,856,136	\$ (237,211)	\$ 5,145,764
Municipal income taxes	-	-	-	18,469,520	18,348,109	(121,411)	18,191,477
Intergovernmental revenues	-	-	-	13,756,109	13,226,699	(529,410)	12,133,301
Charges for services	-	-	-	2,732,597	2,825,367	92,770	1,105,028
Special assessments	-	-	-	873,000	864,013	(8,987)	773,334
Fees, licences, and permits	-	-	-	350,515	333,731	(16,784)	308,101
Fines and forfeits	-	-	-	1,270,150	1,258,685	(11,465)	1,259,695
Interest earnings	65,000	141,211	76,211	2,035,276	1,891,890	(143,386)	1,956,874
Miscellaneous	-	-	-	1,358,361	1,482,124	123,763	1,261,176
<b>Total revenues</b>	<b>65,000</b>	<b>141,211</b>	<b>76,211</b>	<b>45,938,875</b>	<b>45,086,754</b>	<b>(852,121)</b>	<b>42,134,750</b>
Expenditures:							
Current:							
Personal Services	-	-	-	43,000	41,398	1,602	-
Contractual services	-	-	-	197,094	147,845	49,249	290,877
Capital outlay:							
Public safety	-	-	-	21,350,655	20,795,419	555,236	19,683,135
Public health and welfare	-	-	-	2,018,747	1,720,005	298,742	1,616,614
Leisure time activities	-	-	-	1,058,818	1,039,277	19,541	1,126,486
Community environment	-	-	-	19,995,238	18,204,370	1,790,868	6,287,296
Highways and streets	-	-	-	7,254,581	6,602,305	652,275	8,349,666
General government	-	-	-	7,334,292	6,418,545	915,747	5,143,583
Miscellaneous	-	-	-	854,469	804,417	50,052	1,041,996
Debt service:							
Principal retirement	-	-	-	1,508,258	2,191,658	(683,400)	1,236,780
Interest and fiscal charges	-	-	-	1,141,451	1,185,182	(43,731)	1,186,857
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,756,603</b>	<b>59,150,421</b>	<b>3,606,181</b>	<b>45,963,290</b>
Excess of revenues over (under) expenditures	65,000	141,211	76,211	(16,817,728)	(14,063,667)	2,754,060	(3,828,540)
Other financing sources (uses):							
Operating transfers-in	-	-	-	2,839,367	2,784,236	(55,131)	4,124,843
Operating transfers-out	-	-	-	(1,751,091)	(1,751,087)	4	(2,741,443)
Other sources	327,000	63,589	(263,411)	677,000	700,635	23,635	560,343
Other uses	(360,000)	(205,504)	154,496	(360,000)	(838,903)	(478,903)	(401,126)
Proceeds from bonds	-	-	-	745,905	716,110	(29,795)	223,692
Proceeds from notes	-	-	-	735,000	735,000	-	960,000
<b>Total other financing sources (uses)</b>	<b>(33,000)</b>	<b>(141,915)</b>	<b>(108,915)</b>	<b>2,886,181</b>	<b>2,345,991</b>	<b>(540,190)</b>	<b>2,726,309</b>
Excess of revenues and other financing sources over (under) exp. & other fin. sources (uses)	32,000	(704)	(32,704)	(13,931,547)	(11,717,676)	2,213,870	(1,102,231)
Fund balance, beginning of year	1,756,802	1,756,802	-	27,382,932	27,382,932	-	23,821,832
Appropriation for prior year encumbrances	-	-	-	3,905,470	3,905,470	-	4,663,331
<b>Fund balance, end of year</b>	<b>\$ 1,788,802</b>	<b>\$ 1,756,098</b>	<b>\$ (32,704)</b>	<b>\$ 17,356,855</b>	<b>\$ 19,570,725</b>	<b>\$ 2,213,870</b>	<b>\$ 27,382,932</b>

**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, 2001**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non- expendable Trust	2001	2000
Operating revenues:					
Charges for services	\$ 14,845,731	\$ 5,382,729	\$ 112,740	\$20,341,200	\$20,359,502
Other operating revenue	127,728	341,672	-	469,400	47,460
<b>Total operating revenue</b>	<b>14,973,459</b>	<b>5,724,401</b>	<b>112,740</b>	<b>20,810,600</b>	<b>20,406,962</b>
Operating expenses:					
Personal services	4,864,151	557,032	-	5,421,183	5,207,975
Contractual services	5,804,895	3,498,450	29,085	9,332,430	7,195,141
Commodities	1,212,890	556,361	-	1,769,251	1,702,875
Depreciation	1,584,053	806,527	-	2,390,580	2,565,815
Other operating expenses	1,083,552	3,887	-	1,087,439	1,335,656
<b>Total operating expenses</b>	<b>14,549,541</b>	<b>5,422,257</b>	<b>29,085</b>	<b>20,000,883</b>	<b>18,007,462</b>
Operating income	423,918	302,144	83,655	809,717	2,399,500
Nonoperating revenues (expenses)					
Interest revenue	687,315	56,603	-	743,918	729,689
Interest expense and fiscal charges	(623,443)	(13,106)	-	(636,549)	(649,226)
Operating grants	583,977	-	-	583,977	477,453
Income taxes	150,000	-	-	150,000	350,000
Gain (loss) on sale or disposal of fixed assets	(1,426,473)	10,675	-	(1,415,798)	6,631
<b>Total nonoperating revenues (expenses)</b>	<b>(628,624)</b>	<b>54,172</b>	<b>-</b>	<b>(574,452)</b>	<b>914,547</b>
Income before operating transfers	(204,706)	356,316	83,655	235,265	3,314,047
Operating transfers-in	14,124	-	-	14,124	-
Operating transfers-out	(1,047,272)	-	-	(1,047,272)	(1,383,401)
Net income (loss)	(1,237,854)	356,316	83,655	(797,883)	1,930,646
Total equity, beginning of year	48,757,879	4,861,990	61,416	53,681,285	51,418,111
Increase in contributed capital	132,927	-	-	132,927	332,528
<b>Total equity, end of year</b>	<b>\$47,652,952</b>	<b>\$5,218,306</b>	<b>\$145,071</b>	<b>\$53,016,329</b>	<b>\$53,681,285</b>

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, 2001**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum only)	
	Enterprise	Internal Service	Non-expendable Trust	2001	2000
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 14,555,461	\$ -	\$ 112,506	\$ 14,667,967	\$ 15,030,572
Cash payments to suppliers for goods and services	(5,077,035)	(4,081,725)	(29,085)	(9,187,845)	(9,063,281)
Cash payments to employees for services	(4,476,676)	(487,816)	-	(4,964,492)	(4,744,284)
Miscellaneous revenues	16,985	344,545	-	361,530	32,116
Cash received from quasi-external operating activities	-	5,397,123	-	5,397,123	4,896,215
Cash payments for quasi-external operating activities	(2,649,982)	(75,202)	-	(2,725,184)	(1,361,436)
Deposits & collections for other governments	(83,395)	-	-	(83,395)	22,944
<b>Net cash provided by operating activities</b>	<b>2,285,358</b>	<b>1,096,925</b>	<b>83,421</b>	<b>3,465,704</b>	<b>4,812,846</b>
<b>Cash flows from non-capital financing activities:</b>					
Operating grants	706,523	-	-	706,523	372,163
Interfund loan receipts/payments	-	-	-	-	(175,000)
Operating transfers-in from other funds	14,124	-	-	14,124	-
Operating transfers-out to other funds	(1,047,272)	-	-	(1,047,272)	(1,383,401)
Income taxes received	150,000	-	-	150,000	350,000
Return of fine	-	-	-	-	(288,000)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(176,625)</b>	<b>-</b>	<b>-</b>	<b>(176,625)</b>	<b>(1,124,238)</b>
<b>Cash flows from capital and related financing activities:</b>					
Sale of fixed assets	-	59,014	-	59,014	133,485
Purchase of fixed assets	(2,215,468)	(960,442)	-	(3,175,910)	(3,432,235)
Interest expense	(629,415)	(13,145)	-	(642,560)	(647,912)
Repayment of debt principal	(1,379,748)	(260,000)	-	(1,639,748)	(1,244,175)
Note proceeds	745,641	53,000	-	798,641	1,034,748
<b>Net cash (used) by capital and related financing activities</b>	<b>(3,478,990)</b>	<b>(1,121,573)</b>	<b>-</b>	<b>(4,600,563)</b>	<b>(4,156,089)</b>
<b>Cash flows from investing activities:</b>					
Interest income	687,315	56,603	234	744,152	729,943
<b>Net cash provided by investing activities</b>	<b>687,315</b>	<b>56,603</b>	<b>234</b>	<b>744,152</b>	<b>729,943</b>
Net increase in cash and cash equivalents	(682,942)	31,955	83,655	(567,332)	262,462
Cash and cash equivalents, beginning of year	14,740,420	1,300,404	55,416	16,096,240	15,833,778
<b>Cash and cash equivalents, end of year</b>	<b>\$ 14,057,478</b>	<b>\$ 1,332,359</b>	<b>\$ 139,071</b>	<b>\$ 15,528,908</b>	<b>\$ 16,096,240</b>

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, 2001**

<b>(continued)</b>	<b>Proprietary Fund Types</b>		<b>Fiduciary Fund Type</b>	<b>Totals (Memorandum only)</b>	
	<b>Enterprise</b>	<b>Internal Service</b>	<b>Non-expendable Trust</b>	<b>2001</b>	<b>2000</b>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 423,918	\$ 302,144	\$ 83,655	\$ 809,717	\$ 2,399,500
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,584,053	806,527	-	2,390,580	2,565,815
Changes in assets and liabilities:					
Decrease in net accounts receivable	163,169	2,872	-	166,041	(111,245)
Increase in accrued interest receivable	-	-	(234)	(234)	(254)
Decrease in due from other funds	-	14,392	-	14,392	(34,436)
Increase in inventory of supplies	12,069	(2,308)	-	9,761	(51,718)
Decrease in accounts payables	206,391	(32,241)	-	174,150	81,313
Decrease in accrued wages and benefits	50,945	7,187	-	58,132	(54,009)
Increase in other accrued liabilities	(81,531)	(9,818)	-	(91,349)	(20,645)
Increase in due to other funds	9,078	-	-	9,078	349
Increase in compensated absences payable	661	8,170	-	8,831	15,232
Increase in due to other governments	(29,847)	-	-	(29,847)	6,946
Increase in due to individuals	(53,548)	-	-	(53,548)	15,998
<b>Total adjustments</b>	<b>1,861,440</b>	<b>794,781</b>	<b>(234)</b>	<b>2,655,987</b>	<b>2,413,346</b>
<b>Net cash provided by operating activities</b>	<b>\$ 2,285,358</b>	<b>\$ 1,096,925</b>	<b>\$ 83,421</b>	<b>\$ 3,465,704</b>	<b>\$ 4,812,846</b>

(continued)

See accompanying notes to financial statements.

**NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:**

**In 2001, developers contributed infrastructure assets (water and sewer lines) to the Water and Sewer Funds. The Water Fund received \$97,332 and the Sewer Fund received \$35,595 in infrastructure assets from developers.**

**CITY OF MIDDLETOWN, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**NON-EXPENDABLE TRUST FUNDS**  
**For the year ended December 31, 2001**

(continued)	Totals	
	2001	2000

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	\$	624,613	\$	1,393,920
Less:				
Cash and equity in pooled cash - Expendable Trust Fund		4,035		109,964
Cash and equity in pooled cash - Agency Funds		475,507		1,222,540
<b>Balance sheet cash and equity in pooled cash, deposits and investments - Non-Expendable Trust Funds</b>	<b>\$</b>	<b>145,071</b>	<b>\$</b>	<b>61,416</b>

**COMBINED STATEMENT OF CASH FLOWS**

Cash and equity in pooled cash - Non-Expendable Trust Funds	\$	139,071	\$	55,416
Investments - Non-expendable Trust Funds		6,000		6,000
<b>Total</b>	<b>\$</b>	<b>145,071</b>	<b>\$</b>	<b>61,416</b>

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, 2001**

	Enterprise Funds			Internal Service Funds		
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 15,661,565	\$ 14,431,797	\$ (1,229,768)	\$ 5,708,000	\$ 5,800,682	\$ 92,682
Other operating revenue	1,575,720	134,709	(1,441,011)	-	-	-
<b>Total operating revenues</b>	<b>17,237,285</b>	<b>14,566,506</b>	<b>(2,670,779)</b>	<b>5,708,000</b>	<b>5,800,682</b>	<b>92,682</b>
Operating expenses:						
Personal services	5,077,201	4,894,077	183,124	554,315	551,496	2,819
Commodities	6,353,302	5,881,469	471,833	3,602,958	3,536,977	65,981
Contractual services	1,457,057	1,379,445	77,612	599,876	554,789	45,087
Other operating expenses	10,008,668	7,840,324	2,168,344	1,391,181	1,236,326	154,855
<b>Total operating expenses</b>	<b>22,896,228</b>	<b>19,995,315</b>	<b>2,900,913</b>	<b>6,148,330</b>	<b>5,879,588</b>	<b>268,742</b>
Operating income (loss)	(5,658,943)	(5,428,809)	230,134	(440,330)	(78,906)	361,424
Nonoperating revenues (expenses)						
Interest revenue	507,993	687,315	179,322	54,000	56,603	2,603
Interest expenses and fiscal charges	(629,827)	(626,599)	3,228	(13,000)	(13,145)	(145)
Debt retirement	(1,508,000)	(1,379,748)	128,252	(260,000)	(260,000)	-
Proceeds from bonds	-	-	-	-	-	-
Proceeds from notes	725,000	745,641	20,641	53,000	53,000	-
Operating grants	590,356	706,523	116,167	-	-	-
Other sources	-	-	-	-	-	-
Other uses	-	(82,062)	(82,062)	-	-	-
Income taxes	150,000	150,000	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(164,478)</b>	<b>201,070</b>	<b>365,548</b>	<b>(166,000)</b>	<b>(163,542)</b>	<b>2,458</b>
Income (loss) before operating transfers	(5,823,421)	(5,227,739)	595,682	(606,330)	(242,448)	363,882
Operating transfers-in	12,000	14,124	2,124	-	-	-
Operating transfers-out	(1,047,272)	(1,047,272)	-	-	-	-
<b>Total transfers</b>	<b>(1,035,272)</b>	<b>(1,033,148)</b>	<b>2,124</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net income (loss)	(6,858,693)	(6,260,886)	597,807	(606,330)	(242,448)	363,882
Retained earnings, beginning of the year	13,310,082	13,310,082	-	1,114,894	1,114,894	-
Appropriation for prior year encumbrances	1,433,710	1,433,710	-	185,834	185,834	-
<b>Retained earnings, end of year</b>	<b>\$ 7,885,099</b>	<b>\$ 8,482,906</b>	<b>\$ 597,807</b>	<b>\$ 694,398</b>	<b>\$ 1,058,280</b>	<b>\$ 363,882</b>

See accompanying notes to financial statements.

Non-Expendable Trust Funds			Totals (Memorandum only)			
Revised Budget	Revised Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
\$ 120,000	\$ 112,506	\$ (7,494)	\$ 21,489,565	\$ 20,344,985	\$ (1,144,580)	\$ 20,048,062
-	234	234	1,575,720	134,943	(1,440,777)	47,735
<b>120,000</b>	<b>112,740</b>	<b>(7,260)</b>	<b>23,065,285</b>	<b>20,479,928</b>	<b>(2,585,357)</b>	<b>20,095,797</b>
-	-	-	5,631,516	5,445,573	185,943	5,234,377
-	-	-	9,956,260	9,418,446	537,814	7,568,048
30,000	29,085	915	2,086,933	1,963,319	123,614	1,916,706
-	-	-	11,399,849	9,076,650	2,323,199	5,501,107
<b>30,000</b>	<b>29,085</b>	<b>915</b>	<b>29,074,558</b>	<b>25,903,988</b>	<b>3,170,570</b>	<b>20,220,238</b>
90,000	83,655	(6,345)	(6,009,273)	(5,424,060)	585,213	(124,441)
-	-	-	561,993	743,918	181,925	729,688
-	-	-	(642,827)	(639,744)	3,083	(647,912)
-	-	-	(1,768,000)	(1,639,748)	128,252	(1,244,174)
-	-	-	-	-	-	260,000
-	-	-	778,000	798,641	20,641	774,748
-	-	-	590,356	706,523	116,167	372,163
-	-	-	-	-	-	22,944
-	-	-	-	(82,062)	(82,062)	(463,000)
-	-	-	150,000	150,000	-	350,000
-	-	-	<b>(330,478)</b>	<b>37,528</b>	<b>368,006</b>	<b>154,457</b>
90,000	83,655	(6,345)	(6,339,751)	(5,386,532)	953,219	30,016
-	-	-	12,000	14,124	2,124	-
-	-	-	(1,047,272)	(1,047,272)	-	(1,383,401)
-	-	-	<b>(1,035,272)</b>	<b>(1,033,148)</b>	<b>2,124</b>	<b>(1,383,401)</b>
90,000	83,655	(6,345)	(7,375,023)	(6,419,679)	955,343	(1,353,385)
61,416	61,416	-	14,486,392	14,486,392	-	12,898,150
-	-	-	1,619,544	1,619,544	-	2,941,627
<b>\$ 151,416</b>	<b>\$ 145,071</b>	<b>\$ (6,345)</b>	<b>\$ 8,730,913</b>	<b>\$ 9,686,257</b>	<b>\$ 955,343</b>	<b>\$ 14,486,392</b>



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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Middletown, Ohio, was incorporated as a City in 1837 under the laws of the State of Ohio. The City operates under a Council-Manager form of government and provides the following services as authorized by its Charter: Public Safety (police and fire), Human Resources (social services), Planning and 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.



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

*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 Council, 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 fund types: governmental, proprietary, and fiduciary.

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

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parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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 AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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 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 funds' operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental and expendable funds. The full accrual basis of accounting is followed for the proprietary fund types.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the

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taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis of accounting, the following revenue sources are considered to be both measurable and available at fiscal year-end: income taxes, interest, and intergovernmental revenue.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenues. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

Under the modified accrual basis, expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources. Allocations of cost, such as depreciation and amortization are not recognized under the modified accrual basis.

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.

**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

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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 notes and 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, 2001.

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) 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

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fund balance reserves, which indicates that they do not constitute "available spendable resources."

**H. 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.

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

**I. 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 2001, interest costs incurred on construction projects in the Proprietary Funds were not material.

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**J. 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 2001 is disclosed in the Combined Statement of Cash Flows All Proprietary and Similar Trust Funds.

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

**L. 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.

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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:

**INTERFUND TRANSFERS**

Fund Type	Transfers In	Transfers Out
General Fund	\$ 0	\$ 880,505
Special Revenue	122,505	-
Capital Improvements	2,461,731	870,583
Debt Service	200,000	-
Proprietary	14,124	1,047,272
Total	\$2,798,360	\$2,798,360

**M. 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.

**N. 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

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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.

*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, 2001, the total liability of the City for compensated absences was \$3,935,376.

**O. 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.



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**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

An annual appropriation budget is prepared on the cash basis for all funds of the City except 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 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 2001.

*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 Council as new information becomes available, but fund appropriations may not exceed estimated resources. Twenty-five supplemental appropriation measures were legally enacted during 2001. The supplemental appropriations decreased the original 2001 Appropriation Resolution by \$2,145,519.

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*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. City Council may alter amounts allocated to various funds during the year as the need arises by adopting modification to the appropriation measure. Management may make appropriation transfers within individual departments, but may not make interfund transfers without City Council approval. Amounts shown in the budgetary financial statements represent the final amounts appropriated for 2001, 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, 2000, 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).

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- 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).

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:

	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Expendable Trust</b>
GAAP basis (as reported)	(13,838)	654,798	(235,765)	(407,767)	117,869
Adjustments: revenue and other source accruals	(914,162)	(440,320)	-	1,167,904	62,251
Expenditures, encumbrances and other use accruals	(345,194)	(370,713)	(100,000)	(10,711,916)	(180,824)
Budget basis	(1,273,194)	(156,235)	(335,765)	(9,951,779)	(704)

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:

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
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**NET INCOME/EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)  
EXPENSES AND OTHER USES**

	<b>Enterprise</b>	<b>Internal Service</b>	<b>Non-Expendable Trust</b>
GAAP basis (as reported)	(\$1,237,854)	\$356,316	\$83,655
Adjustments: revenue and other source accruals	(284,406)	65,606	0
Expenditures and other accruals	1,469,116	(183,290)	0
Debt retirement	(1,379,748)	(260,000)	0
Encumbrances	(5,573,635)	(274,080)	0
Sale of notes	745,641	53,000	0
Budget basis	(\$6,260,886)	(\$242,448)	\$83,655

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
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**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.

Cash deposits and investments of the City as of December 31, 2001, are comprised of the following:

<b>Deposits</b>	
Petty Cash	\$ 5,445
Demand deposit accounts	2,747,213
Certificates of deposit	6,000
Subtotal deposits	\$2,758,658
<b>Investments</b>	
Money Market Funds	330,604
U.S. Gov't and Agency Securities	28,112,466
STAROhio	14,891,961
Investment in City issued bonds	126,641
Subtotal investments	\$43,461,672
<b>Total</b>	<b>\$46,220,330</b>

**Deposits**

The bank balance for all City deposits at December 31, 2001, was \$3,571,062. 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, \$641,216 was covered by FDIC Insurance, and \$2,929,846 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, 2001, were \$43,461,672. Investments are carried at fair value.

**CITY OF MIDDLETOWN  
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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.

	<b>Category 1</b>	<b>Uncategorized</b>	<b>Fair Value</b>
City of Middletown Notes & Bonds	\$ 126,641	\$ -	\$ 126,641
U.S. Treasury & Agency Securities	28,112,466	-	28,112,466
Money Market Mutual Fund	-	330,604	330,604
Uncategorized Investments: Investment in STAROhio	-	14,891,961	14,891,961
Total	\$ 28,239,107	\$ 15,222,565	\$ 43,461,672

**NOTE 4 - UNRESERVED/UNDESIGNATED FUND BALANCE RETAINED EARNINGS DEFICITS**

At December 31, 2001, the following funds had unreserved/undesignated fund balance deficit retained earnings:

**Special Revenue Funds**

- *Auto & Gas Tax Fund*  
The \$72,813 deficit in the Auto & Gas Tax Fund will be corrected in 2002 when the City's local income tax contribution is received by this fund.
- *Community Development Fund*  
The \$184,503 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.

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
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- *Litter Control Fund*  
The \$11,320 fund balance deficit in the Litter Control Fund will be corrected in 2002 when the City's \$16,000 cash contribution is received.
- *Fire Pension Fund*  
The \$2,044 fund balance deficit in the Fire Pension Fund will be corrected in 2002 when the fund's local income tax contribution is received.
- *Mandatory Drug Fine Fund*  
The \$4,371 fund balance deficit in the Mandatory Drug Fine Fund will be corrected in 2002 when additional fine revenues are received.

**Debt Service Funds**

- *Special Assessment Debt Service Fund*  
The fund deficit of \$88,326 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.

**Capital Project Funds**

- *Court of Appeals Project Fund*  
The \$237,805 deficit in this fund will be eliminated in 2002 upon issuance of a general obligation note to finance the design and construction of the new Twelfth District Court of Appeals building.

**Enterprise Funds**

- *Water Fund*  
The \$488,286 deficit in this fund is offset with contributed capital of \$17,513,999.
- *Transit System Fund*  
The \$820,004 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 \$1,855,021 deficit in this fund is caused by the landfill bonds, which will be repaid over the next sixteen years with customer refuse pickup charges.

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 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 2001 taxes were collected was \$904,046,378. The full tax rate for all City operations for the fiscal year ended December 31, 2001, was \$5.86 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, 2001. 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 2001 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.



**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2001, consisted of taxes, accounts (billing for user charged services, including utility services), due from other governments, special assessments and loans. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts 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	\$6,082,886	\$ -	\$6,082,886
Special Revenue	7,047,264	-	7,047,264
Debt Service	5,992,322	-	5,992,322
Capital Project	792,500	-	792,500
Enterprise	4,876,499	550,829	4,325,670
Trust and Agency	4,048,378	-	4,048,378

**NOTE 8 - FIXED ASSETS**

A summary of Proprietary Fund fixed assets at December 31, 2001 follows:

	Enterprise	Internal Service	Total Proprietary
Land	\$ 6,652,577	\$ 195,750	\$ 6,848,327
Land improvements	2,476,733		2,476,733
Infrastructure assets	46,479,703		46,479,703
Buildings	23,171,822	354,064	23,525,886
Equipment	8,942,783	10,479,176	19,421,959
Total	87,723,618	11,028,990	\$98,752,608
Accumulated depreciation	(43,923,721)	(7,018,793)	(50,942,514)
Net	<u>\$ 43,799,897</u>	<u>\$ 4,010,197</u>	<u>\$ 47,810,094</u>

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
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A summary of changes in general fixed assets follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 7,635,050	\$ 75,987	\$ -	\$ 7,711,037
Buildings	19,551,564	42,011	-	19,593,575
Equipment	<u>6,022,121</u>	<u>467,546</u>	-	<u>6,489,667</u>
Total	<u>\$ 33,208,735</u>	<u>585,544</u>	<u>\$ 0</u>	<u>\$ 33,794,279</u>

**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 2001 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, 2001, 2000, and 1999 were \$1,496,958, \$1,455,187, and \$1,768,355 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.

**CITY OF MIDDLETOWN  
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**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.

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, 2001, 2000, and 1999 were \$2,011,801, \$2,065,625, and \$1,831,735 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, 2001, 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 \$239,000. See Note 18 for additional information on claims incurred but not reported.

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 - LONG-TERM OBLIGATIONS**

Long-term obligation of the City as of December, 31, 2001, 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>				
1981 Street Improvements	15,000	-	15,000	-
1982-1 Street Improvements	60,000	-	30,000	30,000
1983-2 Street Improvements	65,000	-	20,000	45,000
1985 Street Improvements	225,000	-	45,000	180,000
1985 Manchester Road Improvements	70,000	-	14,000	56,000
1986 Street Improvements	115,000	-	15,000	100,000
1988 Street Improvements	18,000	-	2,000	16,000
1990 Street Improvements	116,000	-	11,000	105,000
1991 Street Improvements	225,000	-	20,000	205,000
1991 Street Lighting	6,000	-	6,000	-
1992 Street Improvements	23,000	-	1,000	22,000
1993 Street Improvements	94,000	-	8,000	86,000
1994 Street Improvements	61,000	-	2,000	59,000
1995-1 Street Improvements	130,000	-	5,000	125,000
1995 Street Lighting	10,000	-	2,000	8,000
1995-2 Street Improvements	82,000	-	3,000	79,000
1996 Sidewalk Improvements	25,000	-	25,000	-
1996 Street Improvements	185,000	-	10,000	175,000
1996 Sewer Imp.-Dick's Creek	136,168	-	4,539	131,629
1996 Sewer Imp.-Cin/Dayton Rd.	13,832	-	461	13,371
1996 Sidewalk, Curb & Gutter II	60,000	-	30,000	30,000
1997 Sophie Street Improvements	210,000	-	10,000	200,000
1997 Dix Road Improvements	161,295	-	5,000	156,295
1997 Sidewalk, Curb & Gutter I	65,000	-	30,000	35,000
1997 Sidewalk, Curb & Gutter II	34,000	-	11,000	23,000
1998 Sidewalk, Curb & Gutter	60,000	-	20,000	40,000
1998 Lewis Street Improvements	79,000	-	3,000	76,000
1999 Marshall Road Improvements	440,000	-	15,000	425,000
2000 Burbank Street Improvements	183,658	-	3,658	180,000
2000 Garfield Sidewalk Improvements	40,034	-	5,000	35,034
2001 Sidewalk, Curb & Gutter (2000)	-	103,460	-	103,460
2001 Illinois/Longfellow Improvements	-	212,491	-	212,491
2001 Dick's Creek	-	110,197	-	110,197
2001 Oxford State Road Water Line	-	68,905	-	68,905
2001 Oxford State Road Intersection	-	65,000	-	65,000
2001 Sidewalk, Curb & Gutter (2001)	-	156,057	-	156,057
<b>Total Special Assessment Bonds</b>	<b>3,007,987</b>	<b>716,110</b>	<b>371,658</b>	<b>3,352,439</b>

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
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	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1994 Transportation	2,990,000	-	170,000	2,820,000
1994 Recreation	520,000	-	30,000	490,000
1996 Street Improvements	1,825,000	-	80,000	1,745,000
1996 Energy Savings Improvements	315,000	-	45,000	270,000
1999 Downtown Improvements	10,205,000	-	335,000	9,870,000
<i>General Obligation Bonds Voted:</i>				
1982 Public Library	600,000	-	200,000	400,000
<b>Total General Obligation Bonds</b>	<b>16,455,000</b>	<b>-</b>	<b>860,000</b>	<b>15,595,000</b>
Compensated Absences	3,580,661	-	130,837	3,449,824
Police & Fire Pension Unfunded Accrued Liability	3,274,281	-	97,741	3,176,540
2000 Lease (5 years)	291,160	-	68,329	222,831
<b>Total General Long-Term Debt Account Group</b>	<b>\$ 26,609,089</b>	<b>\$ 716,110</b>	<b>\$ 1,528,565</b>	<b>\$25,796,634</b>

**B. PAYABLE FROM ENTERPRISE FUNDS**

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1994 Landfill "A"	2,320,000	-	125,000	2,195,000
1994 Landfill "B"	245,000	-	15,000	230,000
1994 Water	2,320,000	-	125,000	2,195,000
1996 Golf Course	2,020,000	-	85,000	1,935,000
1994 Sewer	1,195,000	-	175,000	1,020,000
1999 Water	2,465,000	-	80,000	2,385,000
<b>Total General Obligation Bonds Payable by Enterprise Funds</b>	<b>10,565,000</b>	<b>-</b>	<b>605,000</b>	<b>9,960,000</b>

**CITY OF MIDDLETOWN  
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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.

The City's legal debt margin was approximately \$88,450,434 at December 31, 2001. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2001 are as follows:

Year	Assessment Bonds	General Obligation Bonds	Police and Fire Pension	Lease Obligation
2002	600,271	2,724,891	97,741	82,374
2003	500,939	2,709,671	97,741	82,374
2004	424,136	2,710,626	97,741	82,374
2005	421,012	2,701,526	97,741	75,509
2006	348,260	2,707,545	97,741	0
Thereafter	<u>2,586,545</u>	<u>24,504,684</u>	<u>2,736,606</u>	<u>0</u>
Total	\$4,881,163	\$38,058,943	\$ 3,225,311	\$ 322,631

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.

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

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 \$70,641 note was outstanding at December 31, 2001. 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, 2002.
- b) A \$53,000 note, bearing interest of 2.89%, for the purchase of a fire truck that was delivered in the fall of 2001 was outstanding at December 31, 2001. The note matures on October 24, 2002.
- c) A \$160,000 note, bearing interest of 4.21%, for the purchase and installation of energy conservation equipment for the City water treatment plant was outstanding at December 31, 2001. The note matures on April 11, 2002.
- d) A \$515,000 note, bearing interest of 2.89%, for City golf course improvements was outstanding at December 31, 2001. The note matures on October 24, 2002.
- e) A \$735,000 note, with an interest rate of 3.41% for the property owners' portion of the Towne Boulevard/Route 122 intersection improvements was outstanding on December 31, 2001. This note matures on August 6, 2002.

**CITY OF MIDDLETOWN, OHIO**  
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**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, 2001, for these non-similar enterprise activities is as follows:

Key Financial Information

	Parking Garage	Water	Sewer	Airport
Operating revenue	\$ 69,633	\$ 5,146,166	\$ 5,585,091	\$ 97,720
Operating expenses:				
Depreciation	61,026	565,867	743,411	13,158
Other	130,901	3,968,665	4,106,523	55,284
Operating Income	(122,294)	611,634	735,157	29,278
Income tax	-	-	-	-
Operating grants	-	-	-	67,800
Operating transfers-in (out)	-	(21,512)	(1,023,636)	-
Net income (loss)	(122,294)	562,947	72,393	97,078
Net working capital	7,753	6,769,790	7,777,345	220,506
Property, plant & equipment:				
Additions	-	895,995	1,231,119	-
Total assets	1,210,735	23,423,102	25,770,671	1,584,979
Bonds and other long-term liabilities payable from				
operating revenues	858	4,513,210	1,004,547	-
Contributed capital	-	17,513,999	22,844,293	-
Total equity	1,194,856	17,502,426	24,343,362	1,582,555



Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Total
\$ 94,845	\$ 163,627	\$ 1,846,533	\$ 1,969,844	\$ 14,973,459
13,096	18,578	167,258	1,659	1,584,053
817,546	190,710	1,665,089	2,030,770	12,965,488
(735,797)	(45,661)	14,186	(62,585)	423,918
150,000	-	-	-	150,000
516,177	-	-	-	583,977
-	-	12,000	-	(1,033,148)
(69,620)	(1,468,524)	(98,636)	(211,198)	(1,237,854)
2,559,642	157,272	(802,309)	(5,753)	16,684,246
40,439	-	338,909	-	2,506,462
2,647,848	1,570,716	6,170,892	902,627	63,281,570
40,370	-	1,890,378	2,275,000	9,724,363
932,883	744,856	60,349	-	42,096,380
112,879	1,497,022	3,274,873	(1,855,021)	47,652,952

**CITY OF MIDDLETOWN, OHIO**  
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**NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables balances as of December 31, 2001, follow:

Fund	Receivables	Payables
<b>General fund</b>	\$ 3,792,179	\$ 85,771
Special revenue funds:		
Auto and gas tax	-	229,199
Health grant	-	938
Litter control	-	11,320
Mandatory drug fine	-	10,134
Municipal court	-	870
Police grant	-	1,152
Fire pension		2,500
Community Development		100,010
Police pension	11,093	0
<b>Total special revenue funds</b>	<b>11,093</b>	<b>356,123</b>
Debt service funds		
<b>Special assessment</b>	-	<b>100,000</b>
Capital project funds:		
Capital improvements	240,000	-
Court of Appeals Project	-	240,000
<b>Total capital projects funds</b>	<b>240,000</b>	<b>240,000</b>
Enterprise funds:		
Parking	-	197
Water	-	11,059
Sewer	-	9,373
Transit	1,485	23,894
Golf	-	363,054
City Centre Mall	-	-
<b>Total enterprise funds</b>	<b>1,485</b>	<b>407,577</b>
Internal service funds		
Municipal garage	187,558	1,485
Employee benefits	878	
<b>Total internal service funds</b>	<b>188,436</b>	<b>1,485</b>
Agency funds		
Income tax	-	3,041,359
Payroll clearing	-	878
<b>Total agency funds</b>	<b>-</b>	<b>3,042,237</b>
<b>Total all funds</b>	<b>\$ 4,233,193</b>	<b>\$ 4,233,193</b>

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**NOTE 15 – DUE FROM OTHER GOVERNMENTS**

A summary of intergovernmental receivables at December 31, 2001, follows:

*General Fund*

Local government fund distribution due from the state of Ohio	\$1,075,161
Federal contribution – Job Opportunity Program	2,075
Title XX funds due from the federal government	35
Liquor permits	2,208
VOCA Grant due from the State of Ohio	16,592
Homestead Rollback due from State of Ohio	206,313
Federal government contribution - Social Health Center (Community Development)	10,000
Total	\$1,312,384

*Special Revenue Funds*

Due from the State of Ohio:	\$852,369
Motor Vehicle Permissive Tax and Motor Vehicle License Tax	
City share of Butler County Auto License Tax, Gasoline Tax	
Public Health grant due from the State of Ohio	131,229
Section 8 Grant due from Federal Government	2,926,997
Community Development Block Grant due from Federal Government	1,070,940
Home Program due from Federal Government	762,601
Department of Justice Grants due from Federal Government	345,410
Total	\$6,089,546

**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 \$5,000 is paid for by the City for all employees who retire. As of December 31, 2001, the City had 300 policies with a total value of \$1,582,500 in force for its retired employees.

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 2001 was \$22,896.

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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*PUBLIC EMPLOYEES RETIREMENT SYSTEM*

PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. 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 2001 employer contribution rate for the City was 13.55% of covered payroll. Of that, 4.30% was the portion used to fund health care for the year 2001.

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

Actuarial Review. The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2000.

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return. The investment assumption rate for 2000 was 7.75%.

Active Employee Total Payroll. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care. Health care costs were assumed to increase 4.75% annually.

1. The number of active contributing participants was 411,076.
2. The rates stated above are the actuarially determined contribution requirements for PERS. The portion of the City's contribution that was used to fund health care benefits was \$474,985.
3. \$11,735.90 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000.
4. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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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 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. A percentage of covered payroll, as defined by the Board is used to pay retiree health care expenses. The Board defined allocation was 7.25% and 7.50% of covered payroll in 2000 and 2001 respectively. The allocation is 7.75% in 2002. 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, 2001, are 12,853 for police and 10,037 for firefighters. For the year ended December 31, 2001, the City's contribution to fund OPEB was \$363,301 for police and \$334,570 for firefighters. The PFDPF's total health care expenses as of December 31, 2000, were \$106,160,054, which was net of member contributions of \$5,657,431.

**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 306 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 \$8,128,116. 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 \$30,000,000 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 \$23.27 million. Demotech, an independent financial stability rating company, has awarded PEP their highest rating (AAA) for nine consecutive years. 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.

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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 \$100,000 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
2000	207,900	2,596,840	2,533,046	271,694
2001	271,964	2,791,737	2,824,701	239,000

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, 2001, 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
Hanscomb Associates Inc.	Mall construction project management	\$187,845
Burgess & Niple Ltd.	Mall project design	468,778
L. P. Cavett Company	SR 122/Towne Blvd.	204,840
Frank Messer & Sons	Mall project	6,782,603
Gillig Corporation	Six transit buses	1,476,288
M. E. Companies	Cin.-Dayton Road project	240,190
CB & I Water	Water storage tank	1,531,500
Environmental Pipeline	Sewer lines project	363,294
Pinnacle Architects	Court of Appeals building construction	231,922
G-S Company Wire & Works	Roosevelt Ave. construction	251,060
Wagner Smith Company	Traffic signal replacement	200,000
Jack Doheny Supplies	Street sweeper	153,626
Pyper Construction	Water main replacement	320,966

**CITY OF MIDDLETOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**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 – CAPITALIZED LEASE**

The City entered into a capitalized lease for the acquisition of a telephone system. Principal payments pertaining to the lease totaled \$68,329 during calendar year 2001.

The terms of the agreement provide an option to purchase the equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Lease payments due within the next twelve months are recorded as a current liability in the General Fund in the amount of \$82,373. Lease payments due beyond the twelve-month period are recorded to the General Long Term Debt account group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments of a calendar year end:

	<u>Governmental</u>
2003	82,374
2004	82,374
2005	<u>75,509</u>
Total Payments	240,257
Less: Amounts representing interest	<u>(17,426)</u>
Present Value of Minimum Lease Payments	<u>\$222,831</u>

**CITY OF MIDDLETOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**NOTE 22 – LOAN RECEIVABLE**

The City of Middletown entered into an agreement in 1997 with the City of Monroe to share the cost of a 1.5 million gallon water storage tank that would deliver water to the residents of both cities. Upon completion of the tank construction, the City of Monroe was to pay one third of the cost of construction to Middletown over a twenty-year period. Construction of the tank was completed in late 2001. Monroe will be paying \$675,908 to Middletown over a twenty-year period at an interest rate of 5.09%. The first payment from Monroe was received in March 2002.

**NOTE 23 – CHANGE IN ACCOUNTING PRINCIPLES**

For 2001, the City implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues.” These statements establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or the modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis, the criteria established for accrual basis revenue recognition must be met and the revenues must be available. At December 31, 2000, there was no effect on fund balance as a result of implementing GASB Statements 33 and 36.



## **GENERAL FUND**

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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.

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**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, 2001

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Property taxes	\$ 3,696,513	\$ 3,494,811	\$ (201,702)	\$ 3,406,385
Municipal income taxes	12,413,756	12,337,345	(76,411)	12,402,301
Intergovernmental revenue	3,332,007	3,774,243	442,236	3,477,295
Charges for services	2,233,974	2,303,146	69,172	814,770
Fees, licenses, and permits	350,515	333,731	(16,784)	308,101
Fines and forfeits	10,300	13,200	2,900	13,379
Interest earnings	1,150,000	960,794	(189,206)	1,103,979
Miscellaneous	531,194	588,637	57,443	615,463
<b>Total revenues</b>	<b>23,718,259</b>	<b>23,805,907</b>	<b>87,648</b>	<b>22,141,673</b>

Expenditures:  
Current

*Public Safety*

Fire administration				
Personal services	147,745	147,070	675	139,184
Contractual services	4,390	3,803	587	5,262
Commodities	4,760	4,504	256	3,856
Subtotal	156,895	155,377	1,518	148,302
Fire operations				
Personal services	4,679,161	4,680,969	(1,808)	4,192,233
Contractual services	357,951	338,829	19,122	334,509
Commodities	124,628	122,440	2,188	146,611
Capital outlay	398,218	396,238	1,980	498,641
Subtotal	5,559,958	5,538,476	21,482	5,171,994
Fire prevention/training				
Personal services	350,983	346,265	4,718	321,839
Contractual services	14,517	10,165	4,352	13,368
Commodities	1,750	1,725	25	800
Capital outlay	-	-	-	1,809
Subtotal	367,250	358,155	9,095	337,816

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>Public Safety (continued)</i>				
Police administration				
Personal services	193,194	193,095	99	180,291
Contractual services	57,282	55,235	2,047	39,599
Commodities	7,433	6,954	479	7,461
Capital outlay	12,072	10,195	1,877	4,362
Subtotal	269,981	265,479	4,502	231,713
Criminal investigation				
Personal services	1,331,532	1,325,303	6,229	1,162,412
Contractual services	29,644	23,449	6,195	23,352
Commodities	6,400	4,080	2,320	5,802
Capital outlay	5,660	5,660	-	6,113
Subtotal	1,373,236	1,358,492	14,744	1,197,679
Uniform patrol				
Personal services	3,667,510	3,589,985	77,525	3,456,572
Contractual services	418,574	416,642	1,932	399,783
Commodities	47,358	46,780	578	51,708
Capital outlay	337,585	333,681	3,904	329,282
Subtotal	4,471,027	4,387,088	83,939	4,237,345
Police services				
Personal services	1,357,207	1,305,358	51,849	1,238,306
Contractual services	66,001	64,834	1,167	67,819
Commodities	79,065	79,040	25	56,991
Capital outlay	1,000	520	480	7,000
Subtotal	1,503,273	1,449,752	53,521	1,370,116

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>Public Safety (continued)</i>				
Humane officer				
Personal services	45,784	33,557	12,227	36,903
Contractual services	46,136	46,026	110	41,845
Commodities	1,039	911	128	739
Subtotal	92,959	80,494	12,465	79,487
Jail management				
Personal services	657,148	574,418	82,730	555,094
Contractual services	322,496	312,845	9,651	273,510
Commodities	31,331	31,051	280	33,172
Capital outlay	3,906	3,906	-	8,151
Subtotal	1,014,881	922,220	92,661	869,927
School crossing guards				
Personal services	35,290	35,211	79	32,590
Subtotal	35,290	35,211	79	32,590
Building inspection and services				
Personal services	386,765	362,088	24,677	358,797
Contractual services	72,595	72,593	2	44,312
Commodities	2,570	2,365	205	2,527
Capital outlay	10,227	10,125	102	8,831
Subtotal	472,157	447,171	24,986	414,467

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>Public Safety (continued)</i>				
Building maintenance				
Personal services	210,854	207,499	3,355	167,475
Contractual services	434,652	421,127	13,525	423,268
Commodities	71,183	71,254	(71)	61,756
Capital outlay	23,356	20,448	2,908	13,937
Subtotal	740,045	720,328	19,717	666,436
<b>Total Public safety</b>	<b>16,056,952</b>	<b>15,718,243</b>	<b>338,709</b>	<b>14,757,872</b>

*Public Health & Welfare*

Home health aides				
Personal services	151,533	139,007	12,526	133,910
Contractual services	4,237	3,088	1,149	3,217
Commodities	1,066	1,002	64	803
Subtotal	156,836	143,097	13,739	137,930
Social health program				
Personal services	25,321	24,505	816	45,397
Contractual services	352,022	339,898	12,124	324,211
Commodities	3,300	2,957	343	1,475
Capital outlay	2,000	1,725	275	-
Subtotal	382,643	369,085	13,558	371,083
Job opportunity				
Personal services	16,700	16,666	34	14,926
Subtotal	16,700	16,666	34	14,926
<b>Total public health &amp; welfare</b>	<b>556,179</b>	<b>528,848</b>	<b>27,331</b>	<b>523,939</b>

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>Leisure Activities</i>				
Community center				
Personal services	119,403	93,203	26,200	95,607
Contractual services	41,550	36,242	5,308	43,321
Commodities	8,000	6,636	1,364	6,192
Capital outlay	5,744	5,177	567	2,460
Subtotal	174,697	141,258	33,439	147,580
Douglass pool				
Contractual services	37,986	37,799	187	31,077
Commodities	6,531	3,692	2,839	7,135
Capital outlay	134	132	2	130
Subtotal	44,651	41,623	3,028	38,342
Pools				
Contractual services	74,025	72,000	2,025	73,278
Commodities	16,557	14,113	2,444	10,811
Subtotal	90,582	86,113	4,469	84,089
Recreation				
Personal services	80,392	75,004	5,388	70,282
Contractual services	92,251	82,032	10,219	51,547
Commodities	13,435	10,385	3,050	14,497
Capital outlay	3,500	546	2,954	2,429
Subtotal	189,578	167,967	21,611	138,755
Parks maintenance				
Personal services	307,573	298,646	8,927	279,123
Contractual services	105,251	106,353	(1,102)	96,406
Commodities	26,779	25,772	1,007	27,600
Capital outlay	50,979	50,537	442	48,004
Subtotal	490,582	481,308	9,274	451,133
<b>Total Leisure activities</b>	<b>990,090</b>	<b>918,269</b>	<b>71,821</b>	<b>859,899</b>

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>Community Environment</i>				
Economic development administration				
Personal services	153,879	110,680	43,199	147,177
Contractual services	102,584	97,944	4,640	354,509
Commodities	1,932	1,928	4	1,909
Capital outlay	3,609	2,668	941	2,593
Subtotal	262,004	213,220	48,784	506,188
Rehabilitation				
Personal services	226,710	192,144	34,566	188,999
Subtotal	226,710	192,144	34,566	188,999
Street lighting				
Contractual services	488,550	488,295	255	456,016
Commodities	24,932	24,288	644	23,070
Subtotal	513,482	512,583	899	479,086
<b>Total community environment</b>	<b>1,002,196</b>	<b>917,947</b>	<b>84,249</b>	<b>1,174,273</b>

*General Government*

City commission				
Personal services	158,679	158,412	267	150,030
Contractual services	73,746	69,184	4,562	83,049
Commodities	9,693	6,403	3,290	7,113
Capital outlay	1,550	1,250	300	2,015
Subtotal	243,668	235,249	8,419	242,207



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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>General Government (continued)</i>				
City manager				
Personal services	240,052	219,890	20,162	262,408
Contractual services	18,339	16,249	2,090	11,724
Commodities	2,250	1,361	889	2,363
Capital outlay	10,892	10,817	75	2,698
Subtotal	271,533	248,317	23,216	279,193
Citizen service center				
Personal services	146,121	135,911	10,210	150,989
Contractual services	31,715	31,651	64	2,616
Commodities	3,000	2,014	986	4,928
Capital outlay	48,515	47,354	1,161	8,339
Subtotal	229,351	216,930	12,421	166,872
Finance administration				
Personal services	158,280	154,033	4,247	140,670
Contractual services	6,500	4,009	2,491	6,247
Commodities	1,200	1,065	135	865
Capital outlay	-	-	-	1,062
Subtotal	165,980	159,107	6,873	148,844
Treasurer				
Personal services	281,586	280,009	1,577	214,777
Contractual services	11,315	10,485	830	16,267
Commodities	4,148	4,121	27	2,687
Capital outlay	-	-	-	4,820
Subtotal	297,049	294,615	2,434	238,551

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>General Government (continued)</i>				
Taxation				
Personal services	334,316	315,008	19,308	312,902
Contractual services	33,540	27,655	5,885	25,048
Commodities	3,250	3,038	212	1,824
Capital outlay	42,650	6,811	35,839	1,567
Subtotal	413,756	352,512	61,244	341,341
Information systems				
Personal services	434,045	428,973	5,072	397,275
Contractual services	380,866	381,036	(170)	323,369
Commodities	7,500	7,477	23	8,700
Capital outlay	34,780	33,550	1,230	45,437
Subtotal	857,191	851,036	6,155	774,781
Personnel				
Personal services	198,784	183,582	15,202	185,203
Contractual services	181,214	164,244	16,970	155,451
Commodities	2,191	2,041	150	2,514
Capital outlay	19,868	7,968	11,900	-
Subtotal	402,057	357,835	44,222	343,168
Law				
Personal services	387,073	382,975	4,098	320,405
Contractual services	142,882	130,216	12,666	118,877
Commodities	2,158	1,801	357	1,681
Capital outlay	6,235	4,534	1,701	9,937
Subtotal	538,348	519,526	18,822	450,900

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<i>General Government (continued)</i>				
Purchasing				
Personal services	117,199	116,040	1,159	109,594
Contractual services	2,408	2,353	55	2,713
Commodities	1,258	1,254	4	641
Capital outlay	1,500	1,370	130	2,020
Subtotal	122,365	121,017	1,348	114,968
Planning				
Personal services	462,403	445,016	17,387	380,339
Contractual services	389,754	308,014	81,740	269,974
Commodities	10,602	10,471	131	9,469
Capital outlay	13,161	13,146	15	6,231
Subtotal	875,920	776,647	99,273	666,013
Human resources administration				
Personal services	132,640	130,913	1,727	120,799
Contractual services	16,387	13,402	2,985	12,132
Commodities	1,500	1,261	239	1,305
Capital outlay	800	418	382	-
Subtotal	151,327	145,994	5,333	134,236
Public works administration				
Personal services	169,111	167,728	1,383	158,684
Contractual services	13,585	10,072	3,513	10,411
Commodities	804	757	47	876
Capital outlay	2,500	2,269	231	1,996
Subtotal	186,000	180,826	5,174	171,967

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

For the year ended December 31, 2001

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
<i>General Government (continued)</i>				
Engineering				
Personal services	614,122	582,508	31,614	539,488
Contractual services	107,086	104,354	2,732	99,425
Commodities	6,200	3,360	2,840	5,182
Capital outlay	39,611	34,585	5,026	15,868
Subtotal	767,019	724,807	42,212	659,963
<b>Total general government</b>	<b>5,521,564</b>	<b>5,184,418</b>	<b>337,146</b>	<b>4,733,004</b>
<i>Miscellaneous</i>				
Non-departmental				
Personal services	23,200	22,896	304	17,571
Contractual services	801,598	756,066	45,532	975,354
Commodities	22,702	19,673	3,029	22,139
Capital outlay	6,969	5,782	1,187	18,437
Subtotal	854,469	804,417	50,052	1,033,501
Year 2000 compliance				
Contractual services	-	-	-	8,495
Subtotal	-	-	-	8,495
<b>Total miscellaneous</b>	<b>854,469</b>	<b>804,417</b>	<b>50,052</b>	<b>1,041,996</b>
<b>Total expenditures</b>	<b>24,981,450</b>	<b>24,072,142</b>	<b>909,308</b>	<b>23,090,983</b>
Excess of revenues over (under) expenditures	(1,263,191)	(266,235)	996,956	(949,310)

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

**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Other financing sources (uses)				
Transfers-in	-	-	-	1,337,507
Transfers-out	(880,505)	(880,505)	-	(1,754,313)
Other sources	-	12,546	12,546	216,051
Other uses	-	(139,000)	(139,000)	(170)
<b>Total other financing     sources (uses)</b>	<b>(880,505)</b>	<b>(1,006,959)</b>	<b>(126,454)</b>	<b>(200,925)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,143,696)	(1,273,194)	870,502	(1,150,235)
Fund balance, beginning of year	7,314,848	7,314,848	-	7,954,079
Appropriation for prior year encumbrances	535,622	535,622	-	511,004
<b>Fund balance, end of the year</b>	<b>\$ 5,706,774</b>	<b>\$ 6,577,276</b>	<b>\$ 870,502</b>	<b>\$ 7,314,848</b>

## **SPECIAL REVENUE FUNDS**

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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.

**COURT SPECIAL PROJECTS**

To accumulate funds for projects designated by the Municipal Court.

**HOME PROGRAM**

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

**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, 2001**

	<b>Auto &amp; Gas Tax</b>	<b>Acquisition for Parks</b>	<b>Health Fund</b>	<b>Emergency Medical Services</b>	<b>Housing Assistance</b>
<b>Assets:</b>					
Cash and equity in pooled cash, deposits and investments	\$ 84,888	\$ 179,807	\$ 114,094	\$ 1,313,389	\$ 733,303
Receivables (net of allowance for uncollectibles):					
Property taxes	-	-	-	-	-
Accounts	-	-	-	5,861	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	852,369	-	131,229	-	2,926,997
Inventory of supplies	276,621	-	-	-	-
<b>Total assets</b>	<b>1,213,878</b>	<b>179,807</b>	<b>245,323</b>	<b>1,319,250</b>	<b>3,660,300</b>
<b>Liabilities:</b>					
Accounts payable	57,574	-	3,631	15,296	-
Accrued wages and benefits	56,378	-	35,401	-	-
Other accrued liabilities	2,429	-	3,128	-	-
Due to other funds	229,199	-	938	-	-
Due to other governments	-	-	2,603	-	-
Due to individuals	-	-	-	-	39,759
Deferred revenue	631,856	-	50,552	-	2,401,825
<b>Total liabilities</b>	<b>977,436</b>	<b>-</b>	<b>96,253</b>	<b>15,296</b>	<b>2,441,584</b>
<b>Fund equity:</b>					
Fund balance					
Reserved for encumbrances	32,634	18,130	278	3,541	-
Reserved for inventory	276,621	-	-	-	-
Reserved for loans	-	-	-	-	-
Unreserved and undesignated	(72,813)	161,677	148,792	1,300,413	1,218,716
<b>Total fund equity</b>	<b>236,442</b>	<b>179,807</b>	<b>149,070</b>	<b>1,303,954</b>	<b>1,218,716</b>
<b>Total liabilities and fund equity</b>	<b>\$ 1,213,878</b>	<b>\$ 179,807</b>	<b>\$ 245,323</b>	<b>\$ 1,319,250</b>	<b>\$ 3,660,300</b>



<b>Tax Increment Equivalent</b>	<b>Litter Control</b>	<b>Urban Development Action Grant</b>	<b>Court Computerization</b>	<b>Law Enforcement</b>	<b>Mandatory Drug Fine</b>	<b>Probation Services</b>	<b>Termination Pay</b>
\$ 169,548	\$ -	\$ 746,721	\$ 43,663	\$ 66,995	\$ 2,673	\$ 40,591	\$ 600
-	-	-	-	-	-	-	-
-	-	-	-	4,907	4,290	4,180	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>169,548</b>	<b>-</b>	<b>746,721</b>	<b>43,663</b>	<b>71,902</b>	<b>6,963</b>	<b>44,771</b>	<b>600</b>
3,959	-	-	1,243	-	1,200	4,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,320	-	-	-	10,134	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>3,959</b>	<b>11,320</b>	<b>-</b>	<b>1,243</b>	<b>-</b>	<b>11,334</b>	<b>4,000</b>	<b>-</b>
-	-	-	-	184	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
165,589	(11,320)	746,721	42,420	71,718	(4,371)	40,771	600
<b>165,589</b>	<b>(11,320)</b>	<b>746,721</b>	<b>42,420</b>	<b>71,902</b>	<b>(4,371)</b>	<b>40,771</b>	<b>600</b>
<b>\$ 169,548</b>	<b>\$ -</b>	<b>\$ 746,721</b>	<b>\$ 43,663</b>	<b>\$ 71,902</b>	<b>\$ 6,963</b>	<b>\$ 44,771</b>	<b>\$ 600</b>

(continued)

**CITY OF MIDDLETOWN, OHIO  
COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS  
As of December 31, 2001**

	<b>Indigent Driver Alcohol Treatment</b>	<b>Enforcement Education</b>	<b>Civic Develop- ment</b>	<b>Municipal Court</b>	<b>Police Grant</b>
<b>Assets:</b>					
Cash and equity in pooled cash, deposits and investments	\$ 31,864	\$ 9,113	\$ 34,848	\$ 164,151	\$ 20,977
Receivables (net of allowance for uncollectibles):					
Property taxes	-	-	-	-	-
Accounts	485	422	39,216	95,095	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	345,410
Inventory of supplies	-	-	-	-	-
<b>Total assets</b>	<b>32,349</b>	<b>9,535</b>	<b>74,064</b>	<b>259,246</b>	<b>366,387</b>
<b>Liabilities:</b>					
Accounts payable	2,870	-	-	16,671	17,414
Accrued wages and benefits	-	-	-	45,809	701
Other accrued liabilities	-	-	-	3,231	-
Due to other funds	-	-	-	870	1,152
Due to other governments	-	-	-	-	-
Due to individuals	-	-	-	-	-
Deferred revenue	-	-	-	-	320,340
<b>Total liabilities</b>	<b>2,870</b>	<b>-</b>	<b>-</b>	<b>66,581</b>	<b>339,607</b>
<b>Fund equity:</b>					
Fund balance					
Reserved for encumbrances	-	-	-	-	184
Reserved for inventory	-	-	-	-	-
Reserved for loans	-	-	-	-	-
Unreserved and undesignated	29,479	9,535	74,064	192,665	26,596
<b>Total fund equity</b>	<b>29,479</b>	<b>9,535</b>	<b>74,064</b>	<b>192,665</b>	<b>26,780</b>
<b>Total liabilities and fund equity</b>	<b>\$ 32,349</b>	<b>\$ 9,535</b>	<b>\$ 74,064</b>	<b>\$ 259,246</b>	<b>\$ 366,387</b>

Court Special Projects	Home Program	Community Development	Police Pension	Fire Pension	Totals	
					2001	2000
\$ 110,728	\$ 2,021	\$ 86,731	\$ 102,224	\$ 456	\$ 4,059,385	\$ 4,067,828
-	-	-	269,500	269,500	539,000	473,372
6,133	-	-	-	-	160,589	111,756
-	-	258,129	-	-	258,129	327,450
-	-	-	11,093	-	11,093	11,093
-	762,601	1,070,940	-	-	6,089,546	168,612
-	-	-	-	-	276,621	169,461
<b>116,861</b>	<b>764,622</b>	<b>1,415,800</b>	<b>382,817</b>	<b>269,956</b>	<b>11,394,363</b>	<b>5,329,572</b>
-	5,402	66,631	-	-	195,891	252,013
-	-	-	-	-	138,289	106,556
-	-	-	-	-	8,788	66,182
-	-	100,010	-	2,500	356,123	137,372
-	-	-	-	-	2,603	11,502
-	-	-	-	-	39,759	32,059
-	759,702	1,044,321	269,500	269,500	5,747,596	473,372
-	<b>765,104</b>	<b>1,210,962</b>	<b>269,500</b>	<b>272,000</b>	<b>6,489,049</b>	<b>1,079,056</b>
-	-	131,212	-	-	186,163	252,540
-	-	-	-	-	276,621	169,461
-	-	258,129	-	-	258,129	327,450
116,861	(482)	(184,503)	113,317	(2,044)	4,184,401	3,501,065
<b>116,861</b>	<b>(482)</b>	<b>204,838</b>	<b>113,317</b>	<b>(2,044)</b>	<b>4,905,314</b>	<b>4,250,516</b>
<b>\$ 116,861</b>	<b>\$ 764,622</b>	<b>\$ 1,415,800</b>	<b>\$ 382,817</b>	<b>\$ 269,956</b>	<b>\$ 11,394,363</b>	<b>\$ 5,329,572</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**For the year ended December 31, 2001**

	Auto & Gas Tax	Acquisition for Parks	Health Fund	Emergency Medical Services	Housing Assistance
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	850,000	-	320,000	-	-
Intergovernmental revenues	1,781,282	-	783,037	-	4,478,790
Charges for services	-	2,918	176,111	344,025	-
Fines and forfeits	-	-	-	-	-
Interest earnings	7,861	-	-	-	9,974
Miscellaneous	149,249	-	-	-	3,563
<b>Total revenues</b>	<b>2,788,392</b>	<b>2,918</b>	<b>1,279,148</b>	<b>344,025</b>	<b>4,492,327</b>
Expenditures:					
Current					
Public safety	689,460	-	-	15,526	-
Public health and welfare	-	-	1,195,157	-	-
Leisure time activities	-	142,262	-	-	-
Community environment	-	-	-	-	4,338,402
Highways and streets	2,080,110	-	-	-	-
General government	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total expenditures</b>	<b>2,769,570</b>	<b>142,262</b>	<b>1,195,157</b>	<b>15,526</b>	<b>4,338,402</b>
Excess of revenues over (under) expenditures	18,822	(139,344)	83,991	328,499	153,925
Other financing sources (uses):					
Transfers-in	15,005	100,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>15,005</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	33,827	(39,344)	83,991	328,499	153,925
Fund balance, beginning of year	202,615	219,151	65,079	975,455	1,064,791
<b>Fund balance, end of the year</b>	<b>\$ 236,442</b>	<b>\$ 179,807</b>	<b>\$ 149,070</b>	<b>\$ 1,303,954</b>	<b>\$ 1,218,716</b>

<b>Tax Increment Equivalent</b>	<b>Litter Control</b>	<b>Urban Development Action Grant</b>	<b>Court Computer- ization</b>	<b>Law Enforcement</b>	<b>Mandatory Drug Fine</b>	<b>Probation Services</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	16,000	-	-	-	-	-
-	56,600	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	19	39,788	47,776	52,204
-	-	36,914	-	-	-	-
106,334	-	55,735	-	-	-	-
<b>106,334</b>	<b>72,600</b>	<b>92,649</b>	<b>19</b>	<b>39,788</b>	<b>47,776</b>	<b>52,204</b>
-	-	-	25,372	30,715	84,080	58,138
-	-	-	-	-	-	-
-	-	-	-	-	-	-
44,795	72,600	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>44,795</b>	<b>72,600</b>	<b>-</b>	<b>25,372</b>	<b>30,715</b>	<b>84,080</b>	<b>58,138</b>
61,539	-	92,649	(25,353)	9,073	(36,304)	(5,934)
7,500	-	-	-	-	-	-
<b>7,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
69,039	-	92,649	(25,353)	9,073	(36,304)	(5,934)
96,550	(11,320)	654,072	67,773	62,829	31,933	46,705
<b>\$ 165,589</b>	<b>\$ (11,320)</b>	<b>\$ 746,721</b>	<b>\$ 42,420</b>	<b>\$ 71,902</b>	<b>\$ (4,371)</b>	<b>\$ 40,771</b>

(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, 2001**

	Termination Pay	Indigent Driver Alcohol Treatment	Enforcement Education	Civic Develop- ment	Municipal Court
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	305,000	-	-	-	210,000
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	22,531	13,502	-	1,049,412
Interest earnings	-	-	-	-	-
Miscellaneous	-	-	-	177,344	13,432
<b>Total revenues</b>	<b>305,000</b>	<b>22,531</b>	<b>13,502</b>	<b>177,344</b>	<b>1,272,844</b>
Expenditures:					
Current					
Public safety	186,866	25,830	50,466	-	1,180,575
Public health and welfare	-	-	-	-	-
Leisure time activities	3,480	-	-	-	-
Community environment	53,065	-	-	-	-
Highways and streets	36,013	-	-	-	-
General government	34,145	-	-	-	-
Miscellaneous	-	-	-	162,583	-
<b>Total expenditures</b>	<b>313,569</b>	<b>25,830</b>	<b>50,466</b>	<b>162,583</b>	<b>1,180,575</b>
Excess of revenues over (under) expenditures	(8,569)	(3,299)	(36,964)	14,761	92,269
Other financing sources (uses):					
Transfers-in	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(8,569)	(3,299)	(36,964)	14,761	92,269
Fund balance, beginning of year	9,169	32,778	46,499	59,303	100,396
<b>Fund balance, end of the year</b>	<b>\$ 600</b>	<b>\$ 29,479</b>	<b>\$ 9,535</b>	<b>\$ 74,064</b>	<b>\$ 192,665</b>

<b>Police Grant</b>	<b>Court Special Projects</b>	<b>Home Program</b>	<b>Community Development</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Totals</b>	
						<b>2001</b>	<b>2000</b>
\$ -	\$ -	\$ -	\$ -	\$ 251,857	\$ 251,857	\$ 503,714	\$ 489,860
-	-	-	-	725,000	650,000	3,076,000	2,781,000
352,683	-	77,798	1,011,253	22,870	22,870	8,587,183	6,298,509
-	-	-	-	-	-	523,054	275,216
-	62,868	-	-	-	-	1,288,100	1,258,361
1,735	-	-	13,533	-	-	70,017	71,822
74,193	-	-	37,453	-	-	617,303	569,420
<b>428,611</b>	<b>62,868</b>	<b>77,798</b>	<b>1,062,239</b>	<b>999,727</b>	<b>924,727</b>	<b>14,665,371</b>	<b>11,744,188</b>
447,994	14,779	-	-	942,888	1,068,913	4,821,602	4,902,290
-	-	-	-	-	-	1,195,157	1,028,327
-	-	-	-	-	-	145,742	21,514
-	-	77,780	1,071,084	-	-	5,657,726	3,578,165
-	-	-	-	-	-	2,116,123	2,233,329
-	-	-	-	-	-	34,145	40,244
-	-	-	-	-	-	162,583	201,724
<b>447,994</b>	<b>14,779</b>	<b>77,780</b>	<b>1,071,084</b>	<b>942,888</b>	<b>1,068,913</b>	<b>14,133,078</b>	<b>12,005,593</b>
(19,383)	48,089	18	(8,845)	56,839	(144,186)	532,293	(261,405)
-	-	-	-	-	-	122,505	100,000
-	-	-	-	-	-	<b>122,505</b>	<b>100,000</b>
(19,383)	48,089	18	(8,845)	56,839	(144,186)	654,798	(161,405)
46,163	68,772	(500)	213,683	56,478	142,142	4,250,516	4,411,921
<b>\$ 26,780</b>	<b>\$ 116,861</b>	<b>\$ (482)</b>	<b>\$ 204,838</b>	<b>\$ 113,317</b>	<b>\$ (2,044)</b>	<b>\$ 4,905,314</b>	<b>\$ 4,250,516</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
<b>Revenues:</b>				
Municipal income tax	\$ 850,000	\$ 850,000	\$ -	\$ 465,000
Intergovernmental revenue	1,949,975	1,704,735	(245,240)	1,805,723
Interest earnings	7,985	7,861	(124)	10,198
Miscellaneous	161,120	149,249	(11,871)	167,985
<b>Total revenues</b>	<b>2,969,080</b>	<b>2,711,845</b>	<b>(257,235)</b>	<b>2,448,906</b>
<b>Expenditures:</b>				
Current				
Public safety:				
Personal services	319,424	313,086	6,338	306,774
Contractual services	143,507	140,676	2,831	122,093
Commodities	107,041	106,867	174	115,550
Capital outlay	192,239	192,137	102	165,634
Total public safety	762,211	752,766	9,445	710,051
Highways and streets:				
Personal services	1,159,014	1,138,411	20,603	1,061,934
Contractual services	653,756	625,660	28,096	610,915
Commodities	225,717	214,151	11,566	191,177
Capital outlay	285,610	284,246	1,364	296,130
Total highways and streets	2,324,097	2,262,468	61,629	2,160,156
<b>Total expenditures</b>	<b>3,086,308</b>	<b>3,015,234</b>	<b>71,074</b>	<b>2,870,207</b>
Excess of revenues over (under) expenditures	(117,228)	(303,389)	(186,161)	(421,301)
Other financing sources (uses):				
Transfers-in	15,005	15,005	-	-
Other sources	-	180,000	180,000	-
<b>Total other financing sources (uses)</b>	<b>15,005</b>	<b>195,005</b>	<b>180,000</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(102,223)	(108,384)	(6,161)	(421,301)
Fund balance, beginning of the year	21,343	21,343	-	283,770
Appropriation for prior year encumbrances	92,394	92,394	-	158,874
<b>Fund balance, end of the year</b>	<b>\$ 11,514</b>	<b>\$ 5,353</b>	<b>\$ (6,161)</b>	<b>\$ 21,343</b>



**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Charges for services	\$ 5,000	\$ 2,250	\$ (2,750)	\$ 5,775
Miscellaneous	-	668	668	-
<b>Total revenues</b>	<b>5,000</b>	<b>2,918</b>	<b>(2,082)</b>	<b>5,775</b>
<b>Expenditures:</b>				
Current				
Community environment:				
Capital outlay	160,500	160,390	110	10,150
<b>Total expenditures</b>	<b>160,500</b>	<b>160,390</b>	<b>110</b>	<b>10,150</b>
Excess of revenues over (under) expenditures	(155,500)	(157,472)	(1,972)	(4,375)
<b>Other financing sources (uses):</b>				
Transfers-in	100,000	100,000	-	100,000
<b>Total other financing sources (uses)</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(55,500)	(57,472)	(1,972)	95,625
Fund balance, beginning of the year	219,151	219,151	-	123,526
<b>Fund balance, end of the year</b>	<b>\$ 163,651</b>	<b>\$ 161,679</b>	<b>\$ (1,972)</b>	<b>\$ 219,151</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Municipal income taxes	\$ 320,000	\$ 320,000	\$ -	\$ 300,000
Intergovernmental revenue	957,377	727,006	(230,371)	521,001
Charges for services	169,623	166,253	(3,370)	143,040
Miscellaneous	-	9,857	9,857	-
<b>Total revenues</b>	<b>1,447,000</b>	<b>1,223,116</b>	<b>(223,884)</b>	<b>964,041</b>
<b>Expenditures:</b>				
Current				
Public health and welfare:				
Personal Services	911,949	763,411	148,538	541,811
Contractual services	523,047	414,748	108,299	528,414
Commodities	6,480	4,037	2,443	3,346
Capital outlay	11,092	8,961	2,131	10,430
<b>Total expenditures</b>	<b>1,452,568</b>	<b>1,191,157</b>	<b>261,411</b>	<b>1,084,001</b>
Excess of revenues over (under) expenditures	(5,568)	31,959	37,527	(119,960)
<b>Other financing sources (uses):</b>				
Other sources	-	-	-	198
Other uses	-	(8,899)	(8,899)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(8,899)</b>	<b>(8,899)</b>	<b>198</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(5,568)	23,060	28,628	(119,762)
Fund balance, beginning of the year	85,143	85,143	-	204,064
Appropriation for prior year encumbrances	5,610	5,610	-	841
<b>Fund balance, end of the year</b>	<b>\$ 85,185</b>	<b>\$ 113,813</b>	<b>\$ 28,628</b>	<b>\$ 85,143</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Charges for Services	\$ 300,000	\$ 338,164	\$ 38,164	\$ 126,396
<b>Total revenues</b>	<b>300,000</b>	<b>338,164</b>	<b>38,164</b>	<b>126,396</b>
<b>Expenditures:</b>				
Current				
Public safety:				
Capital outlay	30,000	19,066	10,934	5,455
<b>Total expenditures</b>	<b>30,000</b>	<b>19,066</b>	<b>10,934</b>	<b>5,455</b>
Excess of revenues over (under) expenditures	270,000	319,098	49,098	120,941
Fund balance, beginning of the year	975,455	975,455	-	854,514
<b>Fund balance, end of the year</b>	<b>\$ 1,245,455</b>	<b>\$ 1,294,553</b>	<b>\$ 49,098</b>	<b>\$ 975,455</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Intergovernmental revenue	\$ 3,749,536	\$ 3,961,318	\$ 211,782	\$ 2,765,414
Interest earnings	7,210	9,974	2,764	8,870
Miscellaneous	30,000	3,563	(26,437)	10,900
<b>Total revenues</b>	<b>3,786,746</b>	<b>3,974,855</b>	<b>188,109</b>	<b>2,785,184</b>
Expenditures:				
Current				
Community environment:				
Contractual services	4,374,536	4,338,402	36,134	2,479,833
<b>Total expenditures</b>	<b>4,374,536</b>	<b>4,338,402</b>	<b>36,134</b>	<b>2,479,833</b>
Excess of revenues over (under) expenditures	(587,790)	(363,547)	224,243	305,351
Fund balance, beginning of the year	1,096,850	1,096,850	-	791,499
<b>Fund balance, end of the year</b>	<b>\$ 509,060</b>	<b>\$ 733,303</b>	<b>\$ 224,243</b>	<b>\$ 1,096,850</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Property taxes	\$ 91,000	\$ 83,534	\$ (7,466)	7,500
Miscellaneous	\$ 23,000	\$ 22,800	(200)	22,800
<b>Total revenues</b>	<b>114,000</b>	<b>106,334</b>	<b>(7,666)</b>	<b>30,300</b>
Expenditures:				
Current				
Community environment:				
Contractual services	41,000	40,836	164	37,047
Capital outlay	-	-	-	3,868
<b>Total expenditures</b>	<b>41,000</b>	<b>40,836</b>	<b>164</b>	<b>40,915</b>
Excess of revenues over (under) expenditures	73,000	65,498	(7,502)	(10,615)
Other financing sources (uses):				
Transfers-in	-	7,500	7,500	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,500</b>	<b>7,500</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	73,000	72,998	(2)	(10,615)
Fund balance, beginning of the year	96,550	96,550	-	107,165
<b>Fund balance, end of the year</b>	<b>\$ 169,550</b>	<b>\$ 169,548</b>	<b>\$ (2)</b>	<b>\$ 96,550</b>

**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, 2001**

	<b>Revised Budget</b>		<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:					
Municipal income taxes	\$ 16,000	\$	16,000	\$ -	\$ 16,000
Intergovernmental revenue	60,000		56,600	(3,400)	56,600
<b>Total revenues</b>	<b>76,000</b>		<b>72,600</b>	<b>(3,400)</b>	<b>72,600</b>
Expenditures:					
Current					
Community environment:					
Contractual services	76,000		72,600	3,400	72,600
<b>Total expenditures</b>	<b>76,000</b>		<b>72,600</b>	<b>3,400</b>	<b>72,600</b>
Excess of revenues over (under) expenditures	-		-	-	-
Fund balance, beginning of the year	-		-	-	-
<b>Fund balance, end of the year</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
Revenues:						
Interest earnings	\$ 34,500	\$	36,914	\$ 2,414	\$	34,471
Miscellaneous	56,000		55,736	(264)		55,735
<b>Total revenues</b>	<b>90,500</b>		<b>92,650</b>	<b>2,150</b>		<b>90,206</b>
Expenditures:						
Current						
Community environment:	-		-	-		-
<b>Total expenditures</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
Excess of revenues over (under) expenditures	90,500		92,650	2,150		90,206
Fund balance, beginning of the year	654,070		654,070	-		563,864
<b>Fund balance, end of the year</b>	<b>\$ 744,570</b>	<b>\$</b>	<b>746,720</b>	<b>\$ 2,150</b>	<b>\$</b>	<b>654,070</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Fines and forfeits	\$ -	\$ 19	\$ 19	\$ -
<b>Total revenues</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>-</b>
Expenditures:				
Current				
Public safety:				
Capital outlay	25,000	24,129	871	8,434
<b>Total expenditures</b>	<b>25,000</b>	<b>24,129</b>	<b>871</b>	<b>8,434</b>
Excess of revenues over (under) expenditures	(25,000)	(24,110)	890	(8,434)
Fund balance, beginning of the year	67,772	67,772	-	76,206
<b>Fund balance, end of the year</b>	<b>\$ 42,772</b>	<b>\$ 43,662</b>	<b>\$ 890</b>	<b>\$ 67,772</b>



**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Fines and forfeits	\$ 40,000	\$ 34,881	\$ (5,119)	\$ 43,923
Miscellaneous	-	-	-	3,551
<b>Total revenues</b>	<b>40,000</b>	<b>34,881</b>	<b>(5,119)</b>	<b>47,474</b>
Expenditures:				
Current				
Public safety:				
Contractual services	30,097	17,318	12,779	7,468
Capital outlay	14,331	13,580	751	40,141
<b>Total expenditures</b>	<b>44,428</b>	<b>30,898</b>	<b>13,530</b>	<b>47,609</b>
Excess of revenues over (under) expenditures	(4,428)	3,983	8,411	(135)
Fund balance, beginning of the year	59,220	59,220	-	55,009
Appropriation for prior year encumbrances	3,608	3,608	-	4,346
<b>Fund balance, end of the year</b>	<b>\$ 58,400</b>	<b>\$ 66,811</b>	<b>\$ 8,411</b>	<b>\$ 59,220</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Fines and forfeits	\$ 70,000	\$ 48,168	\$ (21,832)	\$ 63,867
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>70,000</b>	<b>48,168</b>	<b>(21,832)</b>	<b>63,867</b>
Expenditures:				
Current				
Public safety:				
Contractual services	83,800	83,761	39	69,790
<b>Total expenditures</b>	<b>83,800</b>	<b>83,761</b>	<b>39</b>	<b>69,790</b>
Excess of revenues over (under) expenditures	(13,800)	(35,593)	(21,793)	(5,923)
Other financing sources (uses):				
Other sources	-	10,000	10,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(13,800)	(25,593)	(11,793)	(5,923)
Fund balance, beginning of the year	24,466	24,466	-	30,389
Appropriation for prior year encumbrances	3,800	3,800	-	-
<b>Fund balance, end of the year</b>	<b>\$ 14,466</b>	<b>\$ 2,673</b>	<b>\$ (11,793)</b>	<b>\$ 24,466</b>

**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, 2001**

	<b>Revised Budget</b>		<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2000 Actual</b>
Revenues:						
Fines and forfeits	\$ 45,000	\$	51,127	\$	6,127	\$ 40,462
<b>Total revenues</b>	<b>45,000</b>		<b>51,127</b>		<b>6,127</b>	<b>40,462</b>
Expenditures:						
Current						
General government:						
Contractual services	75,000		61,009		13,991	61,232
<b>Total expenditures</b>	<b>75,000</b>		<b>61,009</b>		<b>13,991</b>	<b>61,232</b>
Excess of revenues over (under) expenditures	(30,000)		(9,882)		20,118	(20,770)
Fund balance, beginning of the year	50,472		50,472		-	71,242
<b>Fund balance, end of the year</b>	<b>\$ 20,472</b>	<b>\$</b>	<b>40,590</b>	<b>\$</b>	<b>20,118</b>	<b>\$ 50,472</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Municipal income Tax	\$ 350,000	\$ 305,000	(45,000)	\$ 450,000
<b>Total revenues</b>	<b>350,000</b>	<b>305,000</b>	<b>(45,000)</b>	<b>450,000</b>
Expenditures:				
Current				
Personal services:				
Public safety	200,000	186,866	13,134	435,712
Public health & welfare	10,000	-	10,000	8,129
Leisure time activities	10,000	3,480	6,520	11,364
Community environment	55,000	53,065	1,935	20,086
General government	35,000	34,145	855	40,244
Highways & streets	40,000	36,013	3,987	15,738
<b>Total expenditures</b>	<b>350,000</b>	<b>313,569</b>	<b>36,431</b>	<b>531,273</b>
Excess of revenues over (under) expenditures	-	(8,569)	(8,569)	(81,273)
Fund balance, beginning of the year	9,170	9,170	-	90,443
<b>Fund balance, end of the year</b>	<b>\$ 9,170</b>	<b>\$ 601</b>	<b>\$ (8,569)</b>	<b>\$ 9,170</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**INDIGENT DRIVER ALCOHOL TREATMENT FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>		<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2000 Actual</b>
Revenues:						
Fines and forfeits	\$ 25,000	\$	22,786	\$	(2,214)	\$ 25,292
<b>Total revenues</b>	<b>25,000</b>		<b>22,786</b>		<b>(2,214)</b>	<b>25,292</b>
Expenditures:						
Current						
Community environment						
Contractual services	25,000		22,961	2,039		22,960
<b>Total expenditures</b>	<b>25,000</b>		<b>22,961</b>	<b>2,039</b>		<b>22,960</b>
Excess of revenues over (under) expenditures	-		(175)	(175)		2,332
Fund balance, beginning of the year	32,036		32,036	-		29,704
<b>Fund balance, end of the year</b>	<b>\$ 32,036</b>	<b>\$</b>	<b>31,861</b>	<b>\$</b>	<b>(175)</b>	<b>\$ 32,036</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Fines and forfeits	\$ 16,500	\$ 13,945	\$ (2,555)	\$ 13,399
<b>Total revenues</b>	<b>16,500</b>	<b>13,945</b>	<b>(2,555)</b>	<b>13,399</b>
Expenditures:				
Current				
Community environment:				
Personal services	7,661	4,466	3,195	6,417
Contractual services	2,000	1,000	1,000	4,700
Capital outlay	53,390	53,390	-	10,000
<b>Total expenditures</b>	<b>63,051</b>	<b>58,856</b>	<b>4,195</b>	<b>21,117</b>
Excess of revenues over (under) expenditures	(46,551)	(44,911)	1,640	(7,718)
Fund balance, beginning of year	45,638	45,638	-	53,356
Appropriation for prior year encumbrances	8,390	8,390	-	-
<b>Fund balance, end of the year</b>	<b>\$ 7,477</b>	<b>\$ 9,117</b>	<b>\$ 1,640</b>	<b>\$ 45,638</b>

**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, 2001**

	<b>Revised Budget</b>		<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2000 Actual</b>
Revenues:						
Miscellaneous	\$ 174,225	\$	176,986	\$	2,761	\$ 175,732
<b>Total revenues</b>	<b>174,225</b>		<b>176,986</b>		<b>2,761</b>	<b>175,732</b>
Expenditures:						
Current						
Community environment:						
Contractual services	190,225		190,112		113	181,695
<b>Total expenditures</b>	<b>190,225</b>		<b>190,112</b>		<b>113</b>	<b>181,695</b>
Excess of revenues over (under) expenditures	(16,000)		(13,126)		2,874	(5,963)
Fund balance, beginning of the year	47,974		47,974		-	53,937
<b>Fund balance, end of the year</b>	<b>\$ 31,974</b>	<b>\$</b>	<b>34,848</b>	<b>\$</b>	<b>2,874</b>	<b>\$</b> <b>47,974</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Municipal income tax	\$ 210,000	\$ 210,000	\$ -	\$ 50,000
Fines and forfeits	1,008,350	1,014,348	5,998	999,437
Miscellaneous	2,500	13,432	10,932	1,549
<b>Total revenues</b>	<b>1,220,850</b>	<b>1,237,780</b>	<b>16,930</b>	<b>1,050,986</b>
<b>Expenditures:</b>				
Current				
Public safety:				
Personal services	1,054,069	1,028,621	25,448	953,435
Contractual services	127,404	113,055	14,349	140,789
Commodities	8,900	7,486	1,414	8,386
Capital outlay	20,869	17,296	3,573	16,803
<b>Total expenditures</b>	<b>1,211,242</b>	<b>1,166,458</b>	<b>44,784</b>	<b>1,119,413</b>
Excess of revenues over (under) expenditures	9,608	71,322	61,714	(68,427)
Fund balance, beginning of the year	92,829	92,829	-	136,724
Appropriation for prior year encumbrances	-	-	-	24,532
<b>Fund balance, end of the year</b>	<b>\$ 102,437</b>	<b>\$ 164,151</b>	<b>\$ 61,714</b>	<b>\$ 92,829</b>



**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Intergovernmental revenue	\$ 336,277	\$ 327,613	\$ (8,664)	\$ 373,824
Interest earnings	1,000	1,735	735	1,642
Miscellaneous	120,822	74,193	(46,629)	58,544
<b>Total revenues</b>	<b>458,099</b>	<b>403,541</b>	<b>(54,558)</b>	<b>434,010</b>
<b>Expenditures:</b>				
Current				
Public safety:				
Personal services	321,113	288,733	32,380	242,743
Contractual services	47,200	44,135	3,065	47,625
Commodities	9,000	8,665	335	10,021
Capital outlay	143,928	121,201	22,727	120,571
<b>Total expenditures</b>	<b>521,241</b>	<b>462,734</b>	<b>58,507</b>	<b>420,960</b>
Excess of revenues over (under) expenditures	(63,142)	(59,193)	3,949	13,050
Fund balance, beginning of the year	60,087	60,087	-	28,967
Appropriation for prior year encumbrances	19,900	19,900	-	18,070
<b>Fund balance, end of the year</b>	<b>\$ 16,845</b>	<b>\$ 20,794</b>	<b>\$ 3,949</b>	<b>\$ 60,087</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**COURT SPECIAL PROJECTS FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Fines & forfeits	\$ 55,000	\$ 60,211	\$ 5,211	\$ 59,936
<b>Total revenues</b>	<b>55,000</b>	<b>60,211</b>	<b>5,211</b>	<b>59,936</b>
Expenditures:				
Current				
Public safety:				
Contractual services	40,000	14,780	25,220	-
<b>Total expenditures</b>	<b>40,000</b>	<b>14,780</b>	<b>25,220</b>	<b>-</b>
Excess of revenues over (under) expenditures	15,000	45,431	30,431	59,936
Fund balance, beginning of the year	65,296	65,296	-	5,360
<b>Fund balance, end of the year</b>	<b>\$ 80,296</b>	<b>\$ 110,727</b>	<b>\$ 30,431</b>	<b>\$ 65,296</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**HOME PROGRAM FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Intergovernmental revenue	\$ 150,000	\$ 74,899	\$ (75,101)	\$ 55,000
<b>Total revenues</b>	<b>150,000</b>	<b>74,899</b>	<b>(75,101)</b>	<b>55,000</b>
Expenditures:				
Current				
Community environment:				
Contractual services	135,500	85,378	50,122	120,000
<b>Total expenditures</b>	<b>135,500</b>	<b>85,378</b>	<b>50,122</b>	<b>120,000</b>
Excess of revenues over (under) expenditures	14,500	(10,479)	(24,979)	(65,000)
Other financing sources (uses):				
Other sources	-	-	-	500
Other uses	-	(500)	(500)	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(500)</b>	<b>(500)</b>	<b>500</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	14,500	(10,979)	(25,479)	(64,500)
Fund balance, beginning of the year	(64,500)	(64,500)	-	-
Appropriation for prior year encumbrances	64,500	64,500	-	-
<b>Fund balance, end of the year</b>	<b>\$ 14,500</b>	<b>\$ (10,979)</b>	<b>\$ (25,479)</b>	<b>\$ (64,500)</b>

**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, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
<b>Revenues:</b>						
Intergovernmental revenue	\$ 1,600,000	\$	984,633	\$ (615,367)	\$	665,108
Miscellaneous	-		124,639	124,639		103,417
<b>Total revenues</b>	<b>1,600,000</b>		<b>1,109,272</b>	<b>(490,728)</b>		<b>768,525</b>
<b>Expenditures:</b>						
Current						
Community environment:						
Contractual services	1,681,695		910,607	771,087		766,283
Capital outlay	412,249		219,652	192,597		165,495
<b>Total expenditures</b>	<b>2,093,943</b>		<b>1,130,259</b>	<b>963,684</b>		<b>931,778</b>
Excess of revenues over (under) expenditures	(493,943)		(20,987)	472,956		(163,253)
<b>Other financing sources (uses):</b>						
Other sources	-		47,000	47,000		-
<b>Total other financing sources (uses)</b>	<b>-</b>		<b>47,000</b>	<b>47,000</b>		<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(493,943)		26,013	519,956		(163,253)
Fund balance, beginning of the year	(71,513)		(71,513)	-		34,161
Appropriation for prior year encumbrances	110,255		110,255	-		57,579
<b>Fund balance, end of the year</b>	<b>\$ (455,201)</b>	<b>\$</b>	<b>64,755</b>	<b>\$</b>	<b>519,956</b>	<b>\$ (71,513)</b>

**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, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
<b>Revenues:</b>						
Property taxes	\$ 257,962	\$	251,857	\$ (6,105)	\$	244,930
Intergovernmental revenue	23,020		22,870	(150)		21,664
Municipal income taxes	725,000		725,000	-		700,000
<b>Total revenues</b>	<b>1,005,982</b>		<b>999,727</b>	<b>(6,255)</b>		<b>966,594</b>
<b>Expenditures:</b>						
Current						
Public safety:						
Personal services	972,975		942,889	30,086		971,126
<b>Total expenditures</b>	<b>972,975</b>		<b>942,889</b>	<b>30,086</b>		<b>971,126</b>
Excess of revenues over (under) expenditures	33,007		56,838	23,831		(4,532)
<b>Other financing sources (uses):</b>						
Other uses	-		-	-		(11,093)
<b>Total other financing sources (uses)</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>(11,093)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	33,007		56,838	23,831		(15,625)
Fund balance, beginning of the year	45,376		45,376	-		61,001
<b>Fund balance, end of the year</b>	<b>\$ 78,383</b>	<b>\$</b>	<b>102,214</b>	<b>\$</b>	<b>23,831</b>	<b>\$</b> <b>45,376</b>

**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, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
Revenues:						
Property taxes	\$ 257,872	\$	251,857	\$ (6,015)	\$	244,930
Intergovernmental revenue	27,917		22,870	(5,047)		21,664
Municipal income taxes	650,000		650,000	-		800,000
<b>Total revenues</b>	<b>935,789</b>		<b>924,727</b>	<b>(11,062)</b>		<b>1,066,594</b>
Expenditures:						
Current						
Public safety:						
Personal services	1,077,929		1,068,914	9,015		1,094,499
<b>Total expenditures</b>	<b>1,077,929</b>		<b>1,068,914</b>	<b>9,015</b>		<b>1,094,499</b>
Excess of revenues over (under) expenditures	(142,140)		(144,187)	(2,047)		(27,905)
Other financing sources (uses):						
Other sources	-		2,500	2,500		-
<b>Total other financing sources (uses)</b>	<b>-</b>		<b>2,500</b>	<b>2,500</b>		<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(142,140)		(141,687)	453		(27,905)
Fund balance, beginning of the year	142,141		142,141	-		170,046
<b>Fund balance, end of the year</b>	<b>\$ 1</b>	<b>\$</b>	<b>454</b>	<b>\$</b>	<b>453</b>	<b>\$ 142,141</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
<b>Revenues:</b>				
Property taxes	\$ 606,834	\$ 587,248	\$ (19,586)	\$ 497,360
Municipal income taxes	3,121,000	3,076,000	(45,000)	2,781,000
Intergovernmental revenue	8,854,102	7,882,544	(971,558)	6,285,998
Charges for services	474,623	506,667	32,044	275,211
Fines and forfeits	1,259,850	1,245,485	(14,365)	1,246,316
Interest earnings	50,695	56,484	5,789	55,181
Miscellaneous	567,667	631,123	63,456	600,213
<b>Total revenues</b>	<b>14,934,771</b>	<b>13,985,551</b>	<b>(949,220)</b>	<b>11,741,279</b>
<b>Expenditures:</b>				
<b>Current</b>				
Public safety	4,968,826	4,753,261	215,565	4,883,049
Public health and welfare	1,462,568	1,191,157	271,411	1,092,130
Leisure time activities	10,000	3,480	6,520	11,364
Community environment	7,214,755	6,152,859	1,061,896	3,901,134
Highways and streets	2,364,097	2,298,481	65,616	2,175,894
General government	110,000	95,154	14,846	101,476
<b>Total expenditures</b>	<b>16,130,246</b>	<b>14,494,392</b>	<b>1,635,855</b>	<b>12,165,047</b>
Excess of revenues over (under) expenditures	(1,195,475)	(508,841)	686,635	(423,768)
<b>Other financing sources (uses):</b>				
Transfers-in	115,005	122,505	7,500	100,000
Other sources	-	239,500	239,500	698
Other uses	-	(9,399)	(9,399)	(11,093)
<b>Total other financing sources (uses)</b>	<b>115,005</b>	<b>352,606</b>	<b>237,601</b>	<b>89,605</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,080,470)	(156,235)	924,236	(334,163)
Fund balance, beginning of the year	3,755,026	3,755,026	-	3,824,947
Appropriation for prior year encumbrances	308,457	308,457	-	264,242
<b>Fund balance, end of the year</b>	<b>\$ 2,983,012</b>	<b>\$ 3,907,248</b>	<b>\$ 924,236</b>	<b>\$ 3,755,026</b>

## **DEBT SERVICE FUNDS**

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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.

### **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.

### **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



**CITY OF MIDDLETOWN, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL DEBT SERVICE FUNDS**  
**As of December 31, 2001**

	<b>General Obligation Debt Service</b>	<b>Special Assessment Debt Service</b>	<b>Library Bond Debt Service</b>	<b>Totals</b>	
				<b>2001</b>	<b>2000</b>
<b>Assets</b>					
Cash and equity in pooled cash, deposits and investments	\$ 283,894	\$ 11,674	\$ 453,868	\$ 749,436	\$ 1,085,201
Cash with fiscal and escrow agent	111,707	-	19,356	131,063	117,298
Receivables (net of allowance for uncollectibles)					
Special assessments	-	5,992,322	-	5,992,322	5,512,982
<b>Total assets</b>	<b>395,601</b>	<b>6,003,996</b>	<b>473,224</b>	<b>6,872,821</b>	<b>6,715,481</b>
<b>Liabilities</b>					
Due to other funds	-	100,000	-	100,000	200,000
Matured bonds and interest	111,707	-	19,356	131,063	117,298
Deferred revenue	-	5,992,322	-	5,992,322	5,512,982
<b>Total liabilities</b>	<b>111,707</b>	<b>6,092,322</b>	<b>19,356</b>	<b>6,223,385</b>	<b>5,830,280</b>
<b>Fund equity</b>					
Fund balance (deficit):					
Unreserved and undesignated	283,894	(88,326)	453,868	649,436	885,201
<b>Total fund equity (deficit)</b>	<b>283,894</b>	<b>(88,326)</b>	<b>453,868</b>	<b>649,436</b>	<b>885,201</b>
<b>Total liabilities and fund equity</b>	<b>\$ 395,601</b>	<b>\$ 6,003,996</b>	<b>\$ 473,224</b>	<b>\$ 6,872,821</b>	<b>\$ 6,715,481</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**ALL DEBT SERVICE FUNDS**  
**For the year ended December 31, 2001**

	General Obligation Debt Service	Special Assessment Debt Service	Library Bond Debt Service	Totals	
				2001	2000
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 2,825	\$ 2,825	\$ 489,468
Municipal income taxes	1,326,764	-	-	1,326,764	1,400,176
Intergovernmental	-	-	-	-	45,070
Special assessments	-	603,269	-	603,269	632,469
<b>Total revenues</b>	<b>1,326,764</b>	<b>603,269</b>	<b>2,825</b>	<b>1,932,858</b>	<b>2,567,183</b>
<b>Expenditures</b>					
Debt service					
Principal retirement	660,000	371,658	200,000	1,231,658	1,236,780
Interest and fiscal charges	861,763	213,702	61,500	1,136,965	1,191,866
<b>Total expenditures</b>	<b>1,521,763</b>	<b>585,360</b>	<b>261,500</b>	<b>2,368,623</b>	<b>2,428,646</b>
Excess of revenues over (under) expenditures	(194,999)	17,909	(258,675)	(435,765)	138,537
<b>Other financing sources</b>					
Operating transfers-in	200,000	-	-	200,000	375,000
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>375,000</b>
Excess of revenues and other financing sources over (under) expenditures	5,001	17,909	(258,675)	(235,765)	513,537
Fund balance, beginning of the year	278,893	(106,235)	712,543	885,201	371,664
<b>Fund balance, end of the year</b>	<b>\$ 283,894</b>	<b>\$ (88,326)</b>	<b>\$ 453,868</b>	<b>\$ 649,436</b>	<b>\$ 885,201</b>

**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, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues:				
Municipal income taxes	\$ 1,326,764	\$ 1,326,764	\$ -	\$ 1,400,176
<b>Total revenues</b>	<b>1,326,764</b>	<b>1,326,764</b>	<b>-</b>	<b>1,400,176</b>
Expenditures:				
Debt service				
Principal retirement	660,000	660,000	-	635,000
Interest and fiscal charges	866,764	861,763	5,001	889,333
<b>Total expenditures</b>	<b>1,526,764</b>	<b>1,521,763</b>	<b>5,001</b>	<b>1,524,333</b>
Excess of revenues over (under) expenditures	(200,000)	(194,999)	5,001	(124,157)
Other financing sources (uses):				
Operating transfers-in	200,000	200,000	-	375,000
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>375,000</b>
Excess of revenues and other financing sources over (under) expenditures	-	5,001	5,001	250,843
Fund balance, beginning of the year	278,892	278,892	-	28,049
<b>Fund balance, end of the year</b>	<b>\$ 278,892</b>	<b>\$ 283,893</b>	<b>\$ 5,001</b>	<b>\$ 278,892</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Special assessments	\$ 640,000	\$ 603,269	\$ (36,731)	\$ 632,469
<b>Total revenues</b>	<b>640,000</b>	<b>603,269</b>	<b>(36,731)</b>	<b>632,469</b>
Expenditures:				
Debt service				
Principal retirement	372,658	371,658	1,000	401,780
Interest and fiscal charges	213,187	213,702	(515)	215,524
<b>Total expenditures</b>	<b>585,845</b>	<b>585,360</b>	<b>485</b>	<b>617,304</b>
Excess of revenues over (under) expenditures	54,155	17,909	(36,246)	15,165
Other financing sources (uses):				
Other uses	-	(100,000)	(100,000)	(30,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(30,000)</b>
Excess of revenues and other financing sources over (under) expenditures	54,155	(82,091)	(136,246)	(14,835)
Fund balance, beginning of the year	93,765	93,765	-	108,600
<b>Fund balance, end of the year</b>	<b>\$ 147,920</b>	<b>\$ 11,674</b>	<b>\$ (136,246)</b>	<b>\$ 93,765</b>

**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, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
<b>Revenues:</b>						
Property taxes	\$ 3,000	\$	2,825	\$	(175)	\$ 489,467
Intergovernmental revenue	-		-		-	45,070
<b>Total revenues</b>	<b>3,000</b>		<b>2,825</b>		<b>(175)</b>	<b>534,537</b>
<b>Expenditures:</b>						
Current						
Contractual services	2,700		-	2,700		5,010
Debt service						
Principal retirement	200,000		200,000	-		200,000
Interest and fiscal charges	61,500		61,500	-		82,000
<b>Total expenditures</b>	<b>264,200</b>		<b>261,500</b>	<b>2,700</b>		<b>287,010</b>
Excess of revenues over (under) expenditures	(261,200)		(258,675)	2,525		247,527
Fund balance, beginning of the year	712,541		712,541	-		465,014
<b>Fund balance, end of the year</b>	<b>\$ 451,341</b>	\$	<b>453,866</b>	\$	<b>2,525</b>	\$ <b>712,541</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Property taxes	\$ 3,000	\$ 2,825	\$ (175)	\$ 489,467
Municipal income taxes	1,326,764	1,326,764	-	1,400,176
Intergovernmental revenue	-	-	-	45,070
Special assessments	640,000	603,269	(36,731)	632,469
<b>Total revenues</b>	<b>1,969,764</b>	<b>1,932,858</b>	<b>(36,906)</b>	<b>2,567,182</b>
<b>Expenditures:</b>				
<b>Current</b>				
Contractual Services	2,700	-	2,700	5,010
<b>Debt service</b>				
Principal retirement	1,232,658	1,231,658	1,000	1,236,780
Interest and fiscal charges	1,141,451	1,136,965	4,486	1,186,857
<b>Total expenditures</b>	<b>2,376,809</b>	<b>2,368,623</b>	<b>8,186</b>	<b>2,428,647</b>
Excess of revenues over (under) expenditures	(407,045)	(435,765)	(28,720)	138,535
<b>Other financing sources (uses):</b>				
Operating transfers-in	200,000	200,000	-	375,000
Other uses	-	(100,000)	(100,000)	(30,000)
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>100,000</b>	<b>(100,000)</b>	<b>345,000</b>
Excess of revenues and other financing sources over (under) expenditures	(207,045)	(335,765)	(128,720)	483,535
Fund balance, beginning of the year	1,085,198	1,085,198	-	601,663
<b>Fund balance, end of the year</b>	<b>\$ 878,153</b>	<b>\$ 749,433</b>	<b>\$ (128,720)</b>	<b>\$ 1,085,198</b>

## **CAPITAL PROJECT FUNDS**

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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.

### **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.

### **DOWNTOWN IMPROVEMENTS – STATE CONTRIBUTION**

To account for the State of Ohio contribution to the City Centre Mall improvements project.

### **COURT OF APPEALS PROJECT**

To account for development costs connected with the Twelfth District Court of Appeals 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.

### **LONGFELLOW & ILLINOIS STREETS IMPROVEMENTS**

To accumulate costs for the improvements of Longfellow and Illinois Streets. Property owners will be partially assessed for this project.

### **2000 SIDEWALK, CURB, & GUTTER**

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.

### **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.

### **OXFORD STATE ROAD WATER LINE EXTENSION**

To accumulate costs for the Oxford State Road water line extension. The property owners will be partially assessed for this project.

### **OXFORD STATE ROAD INTERSECTION**

To accumulate costs for the Oxford State Road intersection improvement. The property owner will be assessed for the cost of this project.

### **2001 SIDEWALK, CURB & GUTTER**

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.

**CITY OF MIDDLETOWN, OHIO  
COMBINING BALANCE SHEET  
ALL CAPITAL PROJECTS FUNDS  
As of December 31, 2001**

	Capital Improve- ments	East End Development	Downtown Improvements	Downtown Improvements - State Contribution	Court of Appeals Project	River Corridor
<b>Assets</b>						
Cash and equity in pooled cash, deposits and investments	\$ 1,490,933	\$ 3,089,263	\$ 8,838,771	\$ 1,184,631	\$ 240,119	\$ -
Receivables (net of allowance for uncollectibles)						
Property taxes	792,500	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other funds	240,000	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,523,433</b>	<b>\$ 3,089,263</b>	<b>\$ 8,838,771</b>	<b>\$ 1,184,631</b>	<b>\$ 240,119</b>	<b>\$ -</b>
<b>Liabilities</b>						
Accounts payable	64,649	-	208,850	162,052	-	-
Accrued interest payable	-	10,026	-	-	-	-
Due to other funds	-	-	-	-	240,000	-
Notes payable	-	735,000	-	-	-	-
Deferred revenue	792,500	-	-	-	-	-
<b>Total liabilities</b>	<b>857,149</b>	<b>745,026</b>	<b>208,850</b>	<b>162,052</b>	<b>240,000</b>	<b>-</b>
<b>Fund equity</b>						
Fund balance						
Reserved for encumbrances	1,204,262	248,324	5,448,913	909,942	237,924	-
Unreserved and undesignated	462,022	2,095,913	3,181,008	112,637	(237,805)	-
<b>Total fund equity</b>	<b>1,666,284</b>	<b>2,344,237</b>	<b>8,629,921</b>	<b>1,022,579</b>	<b>119</b>	<b>-</b>
<b>Total liabilities and fund equity</b>	<b>\$ 2,523,433</b>	<b>\$ 3,089,263</b>	<b>\$ 8,838,771</b>	<b>\$ 1,184,631</b>	<b>\$ 240,119</b>	<b>\$ -</b>



Computer Replacement	Leeds Farm Development	Longfellow & Illinois Improvements	2000 Sidewalk, Curb & Gutter	Dick's Creek Sewer Extension	Oxford State Rd. Water Line Extension	Oxford State Rd. Intersection	2001 Sidewalk, Curb & Gutter	Totals	
								2001	2000
\$ 772,293	\$ 338,506	\$ -	\$ -	\$ -	\$ -	\$ 10,566	\$ 15,363	\$ 15,980,445	\$ 16,532,450
-	-	-	-	-	-	-	-	792,500	767,605
-	-	-	-	-	-	-	-	-	47,906
-	-	-	-	-	-	-	-	240,000	385,000
-	-	-	-	-	-	-	-	-	-
<b>\$ 772,293</b>	<b>\$ 338,506</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,566</b>	<b>\$ 15,363</b>	<b>\$ 17,012,945</b>	<b>\$ 17,732,961</b>
-	7,500	-	-	-	-	-	-	443,051	420,221
-	-	-	-	-	-	-	-	10,026	-
-	-	-	-	-	-	-	-	240,000	385,000
-	-	-	-	-	-	-	-	735,000	960,000
-	-	-	-	-	-	-	-	792,500	767,605
-	<b>7,500</b>	-	-	-	-	-	-	<b>2,220,577</b>	<b>2,532,826</b>
12,137	-	-	-	-	-	10,521	11,126	8,083,149	7,814,074
760,156	331,006	-	-	-	-	45	4,237	6,709,219	7,386,061
<b>772,293</b>	<b>331,006</b>	-	-	-	-	<b>10,566</b>	<b>15,363</b>	<b>14,792,368</b>	<b>15,200,135</b>
<b>\$ 772,293</b>	<b>\$ 338,506</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,566</b>	<b>\$ 15,363</b>	<b>\$ 17,012,945</b>	<b>\$ 17,732,961</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL CAPITAL PROJECT FUNDS**  
**For the year ended December 31, 2001**

	Capital Improvements	East End Development	Downtown Improve- ments	Downtown Improvements - State Contribution	Court of Appeals Project	River Corridor	Computer Replace- ment
<b>Revenues</b>							
Property taxes	\$ 771,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,600,000	-	-	-	-	-	8,000
Intergovernmental	69,912	-	1,500,000	-	-	-	-
Charges for services	15,554	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest earnings	120,889	-	491,783	85,110	-	2,078	32,525
Miscellaneous	2,500	-	-	-	2,243	-	45,500
<b>Total revenues</b>	<b>2,580,107</b>	<b>-</b>	<b>1,991,783</b>	<b>85,110</b>	<b>2,243</b>	<b>2,078</b>	<b>86,025</b>
<b>Expenditures</b>							
<b>Current</b>							
Public safety	72,194	-	-	-	502,124	-	-
Public health & welfare	-	-	-	-	-	-	-
Leisure time activities	52,291	-	-	-	-	-	-
Community environment	233,176	9,600	2,531,623	1,090,058	-	13,900	-
Highways & streets	2,013,302	616,069	-	-	-	-	-
General government	188,140	-	-	-	-	-	46,124
Miscellaneous	14,454	-	-	-	-	-	-
<b>Debt service</b>							
Interest and fiscal charges	-	45,279	-	-	-	-	-
<b>Total expenditures</b>	<b>2,573,557</b>	<b>670,948</b>	<b>2,531,623</b>	<b>1,090,058</b>	<b>502,124</b>	<b>13,900</b>	<b>46,124</b>
Excess of revenues over (under) expenditures	6,550	(670,948)	(539,840)	(1,004,948)	(499,881)	(11,822)	39,901
<b>Other financing sources (uses)</b>							
Operating transfers-in	92,818	1,582,090	-	-	500,000	-	237,272
Operating transfers-out	(549,551)	-	-	-	-	(8,691)	-
Proceeds from bonds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(456,733)</b>	<b>1,582,090</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>(8,691)</b>	<b>237,272</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(450,183)	911,142	(539,840)	(1,004,948)	119	(20,513)	277,173
Fund balance, beginning of the year	2,116,467	1,433,095	9,169,761	2,027,527	-	20,513	495,120
<b>Fund balance, end of the year</b>	<b>\$ 1,666,284</b>	<b>\$ 2,344,237</b>	<b>\$ 8,629,921</b>	<b>\$ 1,022,579</b>	<b>\$ 119</b>	<b>\$ -</b>	<b>\$ 772,293</b>

Leeds Farm Development	Longfellow & Illinois Improve- ments	2000 Sidewalk, Curb & Gutter	Dick's Creek Sewer Extension	Oxford State Rd. Water Line Extension	Oxford State Rd. Inter- section	2001 Sidewalk, Curb & Gutter	Totals	
							2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 771,252	\$ 752,553
-	-	-	-	-	-	-	1,608,000	1,608,000
-	-	-	-	-	-	-	1,569,912	2,108,222
-	-	-	-	-	-	-	15,554	15,047
-	1	-	55,192	-	65,000	92,645	212,838	177,480
-	384	157	199	124	45	109	733,403	715,000
212,121	-	-	-	-	-	-	262,364	45,500
<b>212,121</b>	<b>385</b>	<b>157</b>	<b>55,391</b>	<b>124</b>	<b>65,045</b>	<b>92,754</b>	<b>5,173,323</b>	<b>5,421,802</b>
-	-	-	-	-	-	-	574,318	33,355
-	-	-	-	-	-	-	-	545
-	-	-	-	-	-	-	52,291	161,123
15,708	-	-	34,746	3,374	-	-	3,932,185	2,796,357
-	30,212	10,083	-	-	119,479	233,448	3,022,593	2,384,584
-	-	-	-	-	-	-	234,264	137,786
-	-	-	-	-	-	-	14,454	-
-	12,964	-	-	-	-	-	58,243	-
<b>15,708</b>	<b>43,176</b>	<b>10,083</b>	<b>34,746</b>	<b>3,374</b>	<b>119,479</b>	<b>233,448</b>	<b>7,888,348</b>	<b>5,513,750</b>
196,413	(42,791)	(9,926)	20,645	(3,250)	(54,434)	(140,694)	(2,715,025)	(91,948)
-	39,551	10,000	-	-	-	-	2,461,731	2,312,336
-	(23,180)	(4,947)	(282,090)	(2,124)	-	-	(870,583)	(987,130)
-	212,491	103,460	110,197	68,905	65,000	156,057	716,110	223,692
-	<b>228,862</b>	<b>108,513</b>	<b>(171,893)</b>	<b>66,781</b>	<b>65,000</b>	<b>156,057</b>	<b>2,307,258</b>	<b>1,548,898</b>
196,413	186,071	98,587	(151,248)	63,531	10,566	15,363	(407,767)	1,456,950
134,593	(186,071)	(98,587)	151,248	(63,531)	-	-	15,200,135	13,743,185
<b>\$ 331,006</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,566</b>	<b>\$ 15,363</b>	<b>\$ 14,792,368</b>	<b>\$ 15,200,135</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Property taxes	\$ 787,000	\$ 771,252	\$ (15,748)	\$ 752,552
Municipal income taxes	1,600,000	1,600,000	-	1,600,000
Intergovernmental revenue	70,000	69,912	(88)	324,938
Charges for services	24,000	15,554	(8,446)	15,047
Interest earnings	157,900	120,889	(37,011)	101,971
Miscellaneous	3,000	2,500	(500)	-
<b>Total revenues</b>	<b>2,641,900</b>	<b>2,580,107</b>	<b>(61,793)</b>	<b>2,794,508</b>
<b>Expenditures:</b>				
<b>Current</b>				
Contractual services	15,000	14,454	546	8,350
<b>Capital outlay:</b>				
Public safety	324,877	323,915	962	42,214
Public health & welfare	-	-	-	545
Leisure time activities	58,728	117,528	(58,800)	255,223
Community environment	623,067	309,775	313,292	123,789
Highways and streets	2,973,386	2,910,612	62,773	1,213,827
General government	525,234	290,361	234,873	156,097
<b>Total expenditures</b>	<b>4,520,292</b>	<b>3,966,646</b>	<b>553,646</b>	<b>1,800,045</b>
Excess of revenues over (under) expenditures	(1,878,392)	(1,386,539)	491,853	994,463
<b>Other financing sources (uses):</b>				
Operating transfers-in	155,000	92,818	(62,182)	544,549
Operating transfers-out	(549,551)	(549,551)	-	(862,580)
Other sources	-	145,000	145,000	-
Other uses	-	-	-	(81,400)
<b>Total other financing sources (uses)</b>	<b>(394,551)</b>	<b>(311,733)</b>	<b>82,818</b>	<b>(399,431)</b>
Excess of revenues and other financing sources over (under) expenditures	(2,272,943)	(1,698,272)	574,671	595,032
Fund balance, beginning of the year	1,388,465	1,388,465	-	256,440
Appropriation for prior year encumbrances	533,371	533,371	-	536,993
<b>Fund balance, end of the year</b>	<b>\$ (351,107)</b>	<b>\$ 223,564</b>	<b>\$ 574,671</b>	<b>\$ 1,388,465</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
<b>Total revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Expenditures:				
Current				
Contractual services	-	2,667	(2,667)	-
Capital outlay:				
Highways and streets	1,541,252	978,343	562,909	1,516,421
Community environment	200,000	11,300	188,700	-
Debt Service				
Principle Retirement	-	700,000	(700,000)	-
Interest Expense	-	35,253	(35,253)	-
<b>Total expenditures</b>	<b>1,741,252</b>	<b>1,727,563</b>	<b>13,689</b>	<b>1,516,421</b>
Excess of revenues over (under) expenditures	(1,741,252)	(1,727,563)	13,689	(1,516,421)
Other financing sources (uses):				
Operating transfers-in	1,582,090	1,582,090	-	1,000,000
Proceeds from notes	735,000	735,000	-	700,000
<b>Total other financing sources (uses)</b>	<b>2,317,090</b>	<b>2,317,090</b>	<b>-</b>	<b>1,700,000</b>
Excess of revenues and other financing sources over(under) expenditures	575,838	589,527	13,689	183,579
Fund balance, beginning of the year	1,270,189	1,270,189	-	935,367
Appropriation for prior year encumbrances	981,224	981,224	-	151,243
<b>Fund balance, end of the year</b>	<b>\$ 2,827,251</b>	<b>\$ 2,840,940</b>	<b>\$ 13,689</b>	<b>\$ 1,270,189</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Intergovernmental Revenue	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Interest earnings	530,000	491,783	(38,217)	548,978
<b>Total revenues</b>	<b>2,030,000</b>	<b>1,991,783</b>	<b>(38,217)</b>	<b>548,978</b>
<b>Expenditures:</b>				
Current				
Personal Services	43,000	41,398	1,602	-
Contractual services	122,894	122,516	378	256,553
Capital outlay:				
Community environment	8,873,580	8,730,850	142,730	2,453,788
<b>Total expenditures</b>	<b>9,039,474</b>	<b>8,894,764</b>	<b>144,710</b>	<b>2,710,341</b>
Excess of revenues over (under) expenditures	(7,009,474)	(6,902,981)	106,493	(2,161,363)
Fund balance, beginning of the year	7,989,893	7,989,893	-	7,951,438
Appropriation for prior year encumbrances	1,211,480	1,211,480	-	2,199,818
<b>Fund balance, end of the year</b>	<b>\$ 2,191,899</b>	<b>\$ 2,298,392</b>	<b>\$ 106,493</b>	<b>\$ 7,989,893</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**DOWNTOWN IMPROVEMENTS - STATE CONTRIBUTION FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 2,000,000
Interest earnings	60,000	85,110	25,110	27,527
<b>Total revenues</b>	<b>60,000</b>	<b>85,110</b>	<b>25,110</b>	<b>2,027,527</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Community environment	2,000,000	2,000,000	-	-
<b>Total expenditures</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
Excess of revenues over (under) expenditures	(1,940,000)	(1,914,890)	25,110	2,027,527
Fund balance, beginning of the year	2,027,527	2,027,527	-	-
<b>Fund balance, end of the year</b>	<b>\$ 87,527</b>	<b>\$ 112,637</b>	<b>\$ 25,110</b>	<b>2,027,527</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**COURT OF APPEALS PROJECT FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Miscellaneous revenue	\$ -	\$ 2,243	\$ 2,243	\$ -
<b>Total revenues</b>	<b>-</b>	<b>2,243</b>	<b>2,243</b>	<b>-</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
General government	844,918	740,047	104,871	-
<b>Total expenditures</b>	<b>844,918</b>	<b>740,047</b>	<b>104,871</b>	<b>-</b>
Excess of revenues over (under) expenditures	(844,918)	(737,804)	(107,114)	-
<b>Other financing sources (uses):</b>				
Operating transfers-in	500,000	500,000	-	-
Other sources	350,000	240,000	(110,000)	-
Other uses	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>850,000</b>	<b>740,000</b>	<b>(110,000)</b>	<b>-</b>
Excess of revenues and other financing sources over(under) expenditures	5,082	2,196	(2,886)	-
Fund balance, beginning of the year	-	-	-	-
<b>Fund balance, end of the year</b>	<b>\$ 5,082</b>	<b>\$ 2,196</b>	<b>\$ (2,886)</b>	<b>\$ -</b>



**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**RIVER CORRIDOR FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Interest earnings	\$ 2,000	\$ 2,076	\$ 76	\$ 10,749
<b>Total revenues</b>	<b>2,000</b>	<b>2,076</b>	<b>76</b>	<b>10,749</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Community environment	43,518	43,518	-	327,192
<b>Total expenditures</b>	<b>43,518</b>	<b>43,518</b>	<b>-</b>	<b>327,192</b>
Excess of revenues over (under) expenditures	(41,518)	(41,442)	76	(316,443)
<b>Other financing sources (uses):</b>				
Operating transfers-in	\$ -	\$ -	-	188,700
Operating transfers-out	(8,692)	(8,690)	2	-
<b>Total other financing sources (uses)</b>	<b>(8,692)</b>	<b>(8,690)</b>	<b>2</b>	<b>188,700</b>
Excess of revenues and other financing sources over (under) expenditures	(50,210)	(50,132)	78	(127,743)
Fund balance, beginning of the year	6,536	6,536	-	134,279
Appropriation for prior year encumbrances	43,596	43,596	-	-
<b>Fund balance, end of the year</b>	<b>\$ (78)</b>	<b>\$ -</b>	<b>\$ 78</b>	<b>\$ 6,536</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**COMPUTER REPLACEMENT FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Interest earnings	19,000	32,525	13,525	25,734
Miscellaneous	45,500	45,500	-	45,500
<b>Total revenues</b>	<b>72,500</b>	<b>86,025</b>	<b>13,525</b>	<b>79,234</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
General Government	332,576	108,565	224,011	153,006
<b>Total expenditures</b>	<b>332,576</b>	<b>108,565</b>	<b>224,011</b>	<b>153,006</b>
Excess of revenues over (under) expenditures	(260,076)	(22,540)	237,536	(73,772)
<b>Other financing sources (uses):</b>				
Operating transfers-in	237,272	237,272	-	216,507
<b>Total other financing sources (uses)</b>	<b>237,272</b>	<b>237,272</b>	<b>-</b>	<b>216,507</b>
Excess of revenues and other financing sources over(under) expenditures	(22,804)	214,732	237,536	142,735
Fund balance, beginning of the year	495,117	495,117	-	286,820
Appropriation for prior year encumbrances	50,304	50,304	-	65,562
<b>Fund balance, end of the year</b>	<b>\$ 522,617</b>	<b>\$ 760,153</b>	<b>\$ 237,536</b>	<b>\$ 495,117</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**LEEDS FARM DEVELOPMENT FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Miscellaneous	\$ 211,000	\$ 212,121	\$ 1,121	\$ -
<b>Total revenues</b>	<b>211,000</b>	<b>212,121</b>	<b>1,121</b>	<b>-</b>
<b>Expenditures:</b>				
Current				
Contractual services	56,500	8,208	48,292	20,964
<b>Total expenditures</b>	<b>56,500</b>	<b>8,208</b>	<b>48,292</b>	<b>20,964</b>
Excess of revenues over (under) expenditures	154,500	203,913	49,413	(20,964)
Fund balance, beginning of the year	134,593	134,593	-	155,557
<b>Fund balance, end of the year</b>	<b>\$ 289,093</b>	<b>\$ 338,506</b>	<b>\$ 49,413</b>	<b>\$ 134,593</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**LONGFELLOW/ILLINOIS STREETS IMPROVEMENTS FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Special assessments	\$ 15,000	\$ 14,388	\$ (612)	\$ 16,022
Interest earnings	400	384	(16)	-
<b>Total revenues</b>	<b>15,400</b>	<b>14,772</b>	<b>(628)</b>	<b>16,022</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Highways and streets	30,212	30,212	-	569,871
Debt Service				
Principle Retirement	275,600	260,000	15,600	-
Interest Expense	-	12,964	(12,964)	-
<b>Total expenditures</b>	<b>305,812</b>	<b>303,176</b>	<b>2,636</b>	<b>569,871</b>
Excess of revenues over (under) expenditures	(290,412)	(288,404)	2,008	(553,849)
<b>Other financing sources (uses):</b>				
Operating transfers-in	40,000	39,551	(449)	300,000
Operating transfers-out	(23,180)	(23,180)	-	-
Proceeds from bonds	212,000	212,491	491	-
Proceeds from notes	-	-	-	260,000
<b>Total other financing sources (uses)</b>	<b>228,820</b>	<b>228,862</b>	<b>42</b>	<b>560,000</b>
Excess of revenues and other financing sources over(under) expenditures	(61,592)	(59,542)	2,050	6,151
Fund balance, beginning of the year	6,151	6,151	-	-
Appropriation for prior year encumbrances	53,391	53,391	-	-
<b>Fund balance, end of the year</b>	<b>\$ (2,050)</b>	<b>\$ -</b>	<b>\$ 2,050</b>	<b>\$ 6,151</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**2000 SIDEWALK, CURB & GUTTER FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Interest earnings	\$ 157	\$ 157	\$ -	\$ 43,856
<b>Total revenues</b>	<b>157</b>	<b>157</b>	<b>-</b>	<b>43,856</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Highways and streets	10,083	10,083	-	217,093
<b>Total expenditures</b>	<b>10,083</b>	<b>10,083</b>	<b>-</b>	<b>217,093</b>
Excess of revenues over (under) expenditures	(9,926)	(9,926)	-	(173,237)
<b>Other financing sources (uses):</b>				
Operating transfers-in	10,000	10,000	-	60,000
Operating transfers-out	(4,947)	(4,947)	-	-
Other sources	-	-	-	150,000
Other uses	-	(150,000)	(150,000)	-
Proceeds from bonds	104,000	103,460	(540)	-
<b>Total other financing sources (uses)</b>	<b>109,053</b>	<b>(41,487)</b>	<b>(150,540)</b>	<b>210,000</b>
Excess of revenues and other financing sources over (under) expenditures	99,127	(51,413)	(150,540)	36,763
Fund balance, beginning of the year	36,763	36,763	-	-
Appropriation for prior year encumbrances	14,650	14,650	-	-
<b>Fund balance, end of the year</b>	<b>\$ 150,540</b>	<b>\$ -</b>	<b>\$ (150,540)</b>	<b>\$ 36,763</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**DICK'S CREEK SEWER EXTENSION FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Special assessments	\$ 88,000	\$ 88,711	\$ 711	\$ -
Interest earnings	-	199	199	-
<b>Total revenues</b>	<b>88,000</b>	<b>88,910</b>	<b>910</b>	<b>-</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Community environment	34,747	34,746	1	694,003
<b>Total expenditures</b>	<b>34,747</b>	<b>34,746</b>	<b>1</b>	<b>694,003</b>
Excess of revenues over (under) expenditures	53,253	54,164	911	(694,003)
<b>Other financing sources (uses):</b>				
Operating transfers-in	-	-	-	2,580
Operating transfers-out	(282,091)	(282,090)	1	-
Other uses	-	-	-	(2,600)
Proceeds from bonds	111,000	110,197	(803)	-
<b>Total other financing sources (uses)</b>	<b>(171,091)</b>	<b>(171,893)</b>	<b>(802)</b>	<b>(20)</b>
Excess of revenues and other financing sources over(under) expenditures	(117,838)	(117,729)	109	(694,023)
Fund balance, beginning of the year	77,729	77,729	-	20
Appropriation for prior year encumbrances	40,000	40,000	-	771,732
<b>Fund balance, end of the year</b>	<b>\$ (109)</b>	<b>\$ -</b>	<b>\$ 109</b>	<b>\$ 77,729</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**OXFORD STATE ROAD WATER LINE EXTENSION FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Interest earnings	\$ 124	\$ 124	\$ -	\$ -
<b>Total revenues</b>	<b>124</b>	<b>124</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Community environment	3,375	3,375	-	66,905
<b>Total expenditures</b>	<b>3,375</b>	<b>3,375</b>	<b>-</b>	<b>66,905</b>
Excess of revenues over (under) expenditures	(3,251)	(3,251)	-	(66,905)
<b>Other financing sources (uses):</b>				
Operating transfers-out	(2,125)	(2,124)	1	-
Other sources	-	-	-	67,000
Other uses	-	(67,000)	(67,000)	-
Proceeds from bonds	68,905	68,905	-	-
<b>Total other financing sources (uses)</b>	<b>66,780</b>	<b>(219)</b>	<b>(66,999)</b>	<b>67,000</b>
Excess of revenues and other financing sources over(under) expenditures	63,529	(3,470)	(66,999)	95
Fund balance, beginning of the year	95	95	-	-
Appropriation for prior year encumbrances	3,375	3,375	-	-
<b>Fund balance, end of the year</b>	<b>\$ 66,999</b>	<b>\$ -</b>	<b>\$ (66,999)</b>	<b>\$ 95</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**OXFORD STATE ROAD INTERSECTION FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Special assessments	\$ 130,000	\$ 65,000	\$ (65,000)	\$ -
Interest earnings	-	45	45	-
<b>Total revenues</b>	<b>130,000</b>	<b>65,045</b>	<b>(64,955)</b>	<b>-</b>
<b>Expenditures:</b>				
Current				
Capital outlay:				
Highways and streets	85,551	130,000	(44,449)	130,000
<b>Total expenditures</b>	<b>85,551</b>	<b>130,000</b>	<b>(44,449)</b>	<b>130,000</b>
Excess of revenues over (under) expenditures	44,449	(64,955)	(109,404)	(130,000)
<b>Other financing sources (uses):</b>				
Other sources	-	-	-	168,000
Other uses	-	(168,000)	(168,000)	-
Proceeds from bonds	-	65,000	65,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(103,000)</b>	<b>(103,000)</b>	<b>168,000</b>
Excess of revenues and other financing sources over(under) expenditures	44,449	(167,955)	(212,404)	38,000
Fund balance, beginning of the year	38,000	38,000	-	-
Appropriation for prior year encumbrances	130,000	130,000	-	-
<b>Fund balance, end of the year</b>	<b>\$ 212,449</b>	<b>\$ 45</b>	<b>\$ (212,404)</b>	<b>\$ 38,000</b>



**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**2001 SIDEWALK, CURB & GUTTER FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Revenues:				
Special assessments	\$ -	\$ 92,645	\$ 92,645	\$ -
Interest earnings	-	109	109	-
<b>Total revenues</b>	<b>-</b>	<b>92,754</b>	<b>92,754</b>	<b>-</b>
Expenditures:				
Current				
Capital outlay:				
Highways and streets	250,000	244,574	5,426	-
<b>Total expenditures</b>	<b>250,000</b>	<b>244,574</b>	<b>5,426</b>	<b>-</b>
Excess of revenues over (under) expenditures	(250,000)	(151,820)	98,180	-
Other financing sources (uses):				
Proceeds from bonds	250,000	156,057	(93,943)	-
<b>Total other financing sources (uses)</b>	<b>250,000</b>	<b>156,057</b>	<b>(93,943)</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures	-	4,237	4,237	-
Fund balance, beginning of the year	-	-	-	-
<b>Fund balance, end of the year</b>	<b>\$ -</b>	<b>\$ 4,237</b>	<b>\$ 4,237</b>	<b>\$ -</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
<b>Revenues:</b>				
Property taxes	\$ 787,000	\$ 771,252	\$ (15,748)	\$ 752,552
Municipal income taxes	1,608,000	1,608,000	-	1,608,000
Intergovernmental revenue	1,570,000	1,569,912	(88)	2,324,938
Charges for services	24,000	15,554	(8,446)	15,047
Special assessments	233,000	260,744	27,744	140,865
Interest earnings	769,581	733,401	(36,180)	715,000
Miscellaneous	259,500	262,364	2,864	45,500
<b>Total revenues</b>	<b>5,251,081</b>	<b>5,221,227</b>	<b>(29,854)</b>	<b>5,601,902</b>
<b>Expenditures:</b>				
<b>Current</b>				
Personal services	43,000	41,398	1,602	-
Contractual services	194,394	147,845	46,549	285,867
<b>Capital outlay:</b>				
Public safety	324,877	323,915	962	42,214
Public health & welfare	-	-	-	545
Leisure time activities	58,728	117,528	(58,800)	255,223
Community environment	11,778,287	11,133,564	644,723	1,211,889
Highways and streets	4,890,484	4,303,824	586,659	6,173,772
General government	1,702,728	1,138,973	563,755	309,103
<b>Debt service</b>				
Principal retirement	275,600	960,000	(684,400)	-
Interest expense/fiscal charges	-	48,217	(48,217)	-
<b>Total expenditures</b>	<b>19,268,098</b>	<b>18,215,265</b>	<b>1,052,833</b>	<b>8,278,613</b>
Excess of revenues over (under) expenditures	(14,017,017)	(12,994,038)	1,022,979	(2,676,711)
<b>Other financing sources (uses):</b>				
Operating transfers-in	2,524,362	2,461,731	(62,631)	2,312,336
Operating transfers-out	(870,586)	(870,582)	4	(987,130)
Other sources	350,000	385,000	35,000	154,000
Other uses	-	(385,000)	(385,000)	(154,000)
Proceeds from bonds	745,905	716,110	(29,795)	223,692
Proceeds from notes	735,000	735,000	-	960,000
<b>Total other financing sources (uses)</b>	<b>3,484,681</b>	<b>3,042,259</b>	<b>(442,422)</b>	<b>2,508,898</b>
Excess of revenues and other financing sources over (under) expenditures	(10,532,336)	(9,951,779)	580,557	(167,813)
Fund balance, beginning of the year	13,471,058	13,471,058	-	9,750,786
Appropriation for prior year encumbrances	3,061,391	3,061,391	-	3,888,085
<b>Fund balance, end of the year</b>	<b>\$ 6,000,113</b>	<b>\$ 6,580,670</b>	<b>\$ 580,557</b>	<b>\$ 13,471,058</b>

## **ENTERPRISE FUNDS**

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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, 2001**

	<b>Parking Garage</b>	<b>Water</b>	<b>Sewer</b>	<b>Airport</b>
<b>Assets:</b>				
Current assets				
Equity in pooled cash, deposits and investments	\$ 22,774	\$ 5,647,041	\$ 7,179,443	\$ 183,515
Receivables (net of allowance for uncollectibles):				
Accounts	-	814,507	908,249	39,415
Loans	-	675,908	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory of supplies	-	363,892	112,415	-
<b>Total current assets</b>	<b>22,774</b>	<b>7,501,348</b>	<b>8,200,107</b>	<b>222,930</b>
Property, plant, and equipment:				
Land	16,900	654,940	152,500	1,292,787
Land Improvements	-	-	-	-
Infrastructure assets	-	21,870,666	24,609,037	-
Buildings	2,701,786	8,469,894	9,834,980	50,695
Equipment	27,670	1,398,302	5,660,362	403,543
Less: Accumulated depreciation	(1,558,395)	(16,472,048)	(22,686,315)	(384,976)
<b>Net property, plant, &amp; equipment</b>	<b>1,187,961</b>	<b>15,921,754</b>	<b>17,570,564</b>	<b>1,362,049</b>
<b>Total assets</b>	<b>\$ 1,210,735</b>	<b>\$ 23,423,102</b>	<b>\$ 25,770,671</b>	<b>\$ 1,584,979</b>

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				2001	2000
\$ 190,916	\$ 230,966	\$ 125,928	\$ 476,895	\$ 14,057,478	\$ 14,740,420
-	-	7,500	-	1,769,671	1,911,262
-	-	-	-	675,908	-
1,485	-	-	-	1,485	1,485
2,430,920	-	-	-	2,430,920	156,014
-	-	69,904	-	546,211	558,280
<b>2,623,321</b>	<b>230,966</b>	<b>203,332</b>	<b>476,895</b>	<b>19,481,673</b>	<b>17,367,461</b>
-	536,600	3,616,250	382,600	6,652,577	6,652,577
-	-	2,476,733	-	2,476,733	2,379,535
-	-	-	-	46,479,703	44,871,950
355,315	1,032,015	652,485	74,652	23,171,822	25,849,671
1,143,538	5,071	304,297	-	8,942,783	8,870,345
(1,474,326)	(233,936)	(1,082,205)	(31,520)	(43,923,721)	(44,171,711)
<b>24,527</b>	<b>1,339,750</b>	<b>5,967,560</b>	<b>425,732</b>	<b>43,799,897</b>	<b>44,452,367</b>
<b>\$ 2,647,848</b>	<b>\$ 1,570,716</b>	<b>\$ 6,170,892</b>	<b>\$ 902,627</b>	<b>\$ 63,281,570</b>	<b>\$ 61,819,828</b>

(continued)

**CITY OF MIDDLETOWN, OHIO  
COMBINING BALANCE SHEET  
ALL ENTERPRISE FUNDS  
As of December 31, 2001**

	Parking Garage	Water	Sewer	Airport
<b>(continued)</b>				
Liabilities				
Current liabilities				
Accounts payable	\$ 11,853	\$ 77,099	\$ 149,824	\$ 2,424
Accrued wages and benefits	2,971	77,461	73,891	-
Other accrued liabilities	-	-	-	-
Accrued interest payable	-	26,264	4,674	-
Due to other funds	197	11,059	9,373	-
Due to other governments	-	867	-	-
Due to individuals	-	158,808	-	-
General obligation bonds payable	-	220,000	185,000	-
Notes payable	-	160,000	-	-
<b>Total current liabilities</b>	<b>15,021</b>	<b>731,558</b>	<b>422,762</b>	<b>2,424</b>
Long-term liabilities				
General obligation bonds payable	-	4,360,000	835,000	-
Deferred Revenue	-	675,908	-	-
Compensated absences payable	858	153,210	169,547	-
<b>Total long-term liabilities</b>	<b>858</b>	<b>5,189,118</b>	<b>1,004,547</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,879</b>	<b>5,920,676</b>	<b>1,427,309</b>	<b>2,424</b>
Fund equity				
Contributed capital	-	17,513,999	22,844,293	-
Retained earnings				
Reserved for debt service	-	476,713	724,803	-
Unreserved	1,194,856	(488,286)	774,266	1,582,555
<b>Total fund equity</b>	<b>1,194,856</b>	<b>17,502,426</b>	<b>24,343,362</b>	<b>1,582,555</b>
<b>Total liabilities and fund equity</b>	<b>\$ 1,210,735</b>	<b>\$ 23,423,102</b>	<b>\$ 25,770,671</b>	<b>\$ 1,584,979</b>

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				2001	2000
\$ 7,668	\$ -	\$ 4,096	\$ 320,818	\$ 573,782	\$ 369,620
24,923	-	29,379	-	208,625	157,680
7,194	-	-	-	7,194	88,725
-	3,053	2,773	11,830	48,594	54,566
23,894	-	363,054	-	407,577	398,499
-	-	1,339	-	2,206	32,053
-	-	-	-	158,808	212,356
-	-	90,000	150,000	645,000	605,000
-	70,641	515,000	-	745,641	774,748
<b>63,679</b>	<b>73,694</b>	<b>1,005,641</b>	<b>482,648</b>	<b>2,797,427</b>	<b>2,693,247</b>
-	-	1,845,000	2,275,000	9,315,000	9,960,000
2,430,920	-	-	-	3,106,828	-
40,370	-	45,378	-	409,363	408,702
<b>2,471,290</b>	<b>-</b>	<b>1,890,378</b>	<b>2,275,000</b>	<b>12,831,191</b>	<b>10,368,702</b>
<b>2,534,969</b>	<b>73,694</b>	<b>2,896,019</b>	<b>2,757,648</b>	<b>15,628,618</b>	<b>13,061,949</b>
932,883	744,856	60,349	-	42,096,380	41,963,453
-	-	-	-	1,201,516	959,380
(820,004)	752,166	3,214,524	(1,855,021)	4,355,056	5,835,046
<b>112,879</b>	<b>1,497,022</b>	<b>3,274,873</b>	<b>(1,855,021)</b>	<b>47,652,952</b>	<b>48,757,879</b>
<b>\$ 2,647,848</b>	<b>\$ 1,570,716</b>	<b>\$ 6,170,892</b>	<b>\$ 902,627</b>	<b>\$ 63,281,570</b>	<b>\$ 61,819,828</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN EQUITY AND CONTRIBUTED CAPITAL**  
**ALL ENTERPRISE FUNDS**  
**For the year ended December 31, 2001**

	Parking Garage	Water	Sewer	Airport
Operating revenues:				
Charges for services	\$ 61,796	\$ 5,076,271	\$ 5,582,873	\$ 72,477
Other operating revenue	7,837	69,895	2,218	25,243
<b>Total operating revenues</b>	<b>69,633</b>	<b>5,146,166</b>	<b>5,585,091</b>	<b>97,720</b>
Operating expenses:				
Personal services	45,426	1,631,403	1,791,598	-
Contractual services	81,342	1,426,910	1,599,379	4,170
Commodities	2,559	478,167	325,376	10,224
Depreciation	61,026	565,867	743,411	13,158
Other operating expenses	1,574	432,185	390,170	40,890
<b>Total operating expenses</b>	<b>191,927</b>	<b>4,534,532</b>	<b>4,849,934</b>	<b>68,442</b>
Operating income (loss)	(122,294)	611,634	735,157	29,278
Non-operating revenues (expenses):				
Interest revenue	-	253,319	425,225	-
Interest expense and fiscal charges	-	(280,494)	(64,353)	-
Operating grants	-	-	-	67,800
Income taxes	-	-	-	-
Gain (Loss) on sale or disposal of fixed assets	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>(27,175)</b>	<b>360,872</b>	<b>67,800</b>
Income (loss) before operating transfers	(122,294)	584,459	1,096,029	97,078
Operating transfers-in	-	2,124	-	-
Operating transfers-out	-	(23,636)	(1,023,636)	-
Net income (loss)	(122,294)	562,947	72,393	97,078
Equity beginning of year	1,317,150	16,842,147	24,235,374	1,485,477
Increase in contributed capital	-	97,332	35,595	-
<b>Equity, end of year</b>	<b>\$ 1,194,856</b>	<b>\$ 17,502,426</b>	<b>\$ 24,343,362</b>	<b>\$ 1,582,555</b>



Transit System				Totals	
	City Centre Mall	Golf Course	Solid Waste Disposal	2001	2000
\$ 91,950	\$ 163,627	\$ 1,832,857	\$ 1,963,880	\$ 14,845,731	\$ 15,427,366
2,895	-	13,676	5,964	127,728	39,118
<b>94,845</b>	<b>163,627</b>	<b>1,846,533</b>	<b>1,969,844</b>	<b>14,973,459</b>	<b>15,466,484</b>
521,479	9,376	864,869	-	4,864,151	4,679,828
266,425	179,940	220,682	2,026,047	5,804,895	3,962,364
2,394	-	389,447	4,723	1,212,890	1,090,100
13,096	18,578	167,258	1,659	1,584,053	1,807,115
27,248	1,394	190,091	-	1,083,552	1,335,656
<b>830,642</b>	<b>209,288</b>	<b>1,832,347</b>	<b>2,032,429</b>	<b>14,549,541</b>	<b>12,875,063</b>
(735,797)	(45,661)	14,186	(62,585)	423,918	2,591,421
-	-	8,771	-	687,315	674,615
-	(4,045)	(125,938)	(148,613)	(623,443)	(630,578)
516,177	-	-	-	583,977	477,453
150,000	-	-	-	150,000	350,000
-	(1,418,818)	(7,655)	-	(1,426,473)	-
<b>666,177</b>	<b>(1,422,863)</b>	<b>(124,822)</b>	<b>(148,613)</b>	<b>(628,624)</b>	<b>871,490</b>
(69,620)	(1,468,524)	(110,636)	(211,198)	(204,706)	3,462,911
-	-	12,000	-	14,124	-
-	-	-	-	(1,047,272)	(1,383,401)
(69,620)	(1,468,524)	(98,636)	(211,198)	(1,237,854)	2,079,510
182,499	2,965,546	3,373,509	(1,643,823)	48,757,879	46,345,841
-	-	-	-	132,927	332,528
<b>\$ 112,879</b>	<b>\$ 1,497,022</b>	<b>\$ 3,274,873</b>	<b>\$ (1,855,021)</b>	<b>\$ 47,652,952</b>	<b>\$ 48,757,879</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS**  
**For the year ended December 31, 2001**

	Parking Garage	Water	Sewer
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 61,796	\$ 4,945,756	\$ 5,406,414
Cash payments to suppliers for goods and services	(72,239)	(1,254,601)	(1,151,015)
Cash payments to employees for services	(51,788)	(1,523,124)	(1,595,843)
Miscellaneous revenues	7,837	-	-
Cash payments for quasi-external operating activities	(11,550)	(943,442)	(1,023,193)
Deposits and collections for other governments	-	(81,762)	-
<b>Net cash provided by operating activities</b>	<b>(65,944)</b>	<b>1,142,827</b>	<b>1,636,363</b>
<b>Cash flows from non-capital financing activities:</b>			
Operating grants	-	-	-
Interfund loan receipts/payments	-	-	-
Operating transfers-in from other funds	-	2,124	-
Operating transfers-out to other funds	-	(23,636)	(1,023,636)
Income taxes received	-	-	-
Return of fine	-	-	-
<b>Net cash provided by non-capital financing activities</b>	<b>-</b>	<b>(21,512)</b>	<b>(1,023,636)</b>
<b>Cash flows from capital and related financing activities:</b>			
Purchase of fixed assets	-	(757,176)	(1,275,596)
Interest expense	-	(275,443)	(65,105)
Repayment of debt principal	-	(385,000)	(175,000)
Bond proceeds	-	-	-
Note proceeds	-	160,000	-
<b>Net cash provided by capital and related financing activities</b>	<b>-</b>	<b>(1,257,619)</b>	<b>(1,515,701)</b>
<b>Cash flows from investing activities:</b>			
Interest income	-	253,319	425,225
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>253,319</b>	<b>425,225</b>
Net increase in cash and cash equivalents	(65,944)	117,015	(477,749)
Cash and cash equivalents, beginning of year	88,718	5,530,026	7,657,192
<b>Cash and cash equivalents, end of year</b>	<b>\$ 22,774</b>	<b>\$ 5,647,041</b>	<b>\$ 7,179,443</b>

					Totals	
Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	2001	2000
\$ 78,422	\$ 94,845	\$ 163,627	\$ 1,834,757	\$ 1,969,844	\$ 14,555,461	\$ 14,990,995
(59,567)	(13,247)	(199,158)	(488,778)	(1,838,430)	(\$5,077,035)	(5,275,251)
-	(461,705)	(13,402)	(830,814)	-	(\$4,476,676)	(4,268,419)
-	-	-	9,148	-	\$16,985	26,646
-	(318,092)	(394)	(353,311)	-	(\$2,649,982)	(1,291,553)
-	-	-	(1,633)	-	(\$83,395)	22,944
<b>18,855</b>	<b>(698,199)</b>	<b>(49,327)</b>	<b>169,369</b>	<b>131,414</b>	<b>2,285,358</b>	<b>4,205,362</b>
34,332	672,191	-	-	-	706,523	372,163
-	-	-	-	-	-	(175,000)
-	-	-	12,000	-	14,124	-
-	-	-	-	-	(1,047,272)	(1,383,401)
-	150,000	-	-	-	150,000	350,000
-	-	-	-	-	-	(288,000)
<b>34,332</b>	<b>822,191</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>(176,625)</b>	<b>(1,124,238)</b>
(15,582)	(11,119)	-	(155,995)	-	(2,215,468)	(2,157,471)
-	-	(2,685)	(136,974)	(149,208)	(629,415)	(629,124)
-	-	(44,748)	(635,000)	(140,000)	(1,379,748)	(844,175)
-	-	-	-	-	-	-
-	-	70,641	515,000	-	745,641	774,748
<b>(15,582)</b>	<b>(11,119)</b>	<b>23,208</b>	<b>(412,969)</b>	<b>(289,208)</b>	<b>(3,478,990)</b>	<b>(2,856,022)</b>
-	-	-	8,771	-	687,315	674,615
<b>-</b>	<b>-</b>	<b>-</b>	<b>8,771</b>	<b>-</b>	<b>687,315</b>	<b>674,615</b>
37,605	112,873	(26,119)	(222,829)	(157,794)	(682,942)	899,717
145,910	78,043	257,085	348,757	634,689	14,740,420	13,840,703
<b>\$ 183,515</b>	<b>\$ 190,916</b>	<b>\$ 230,966</b>	<b>\$ 125,928</b>	<b>\$ 476,895</b>	<b>\$ 14,057,478</b>	<b>\$ 14,740,420</b>

(continued)

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS**  
**For the year ended December 31, 2001**

<b>(continued)</b>	<b>Parking Garage</b>	<b>Water</b>	<b>Sewer</b>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (122,294)	\$ 611,634	\$ 735,157
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	61,026	565,867	743,411
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable (net)	-	52,971	118,771
Decrease (increase) in inventory of supplies	-	6,189	7,816
(Decrease) increase in accounts payable	8,929	(13,627)	43,873
(Decrease) Increase in accrued wages and benefits	1,321	19,770	15,059
(Decrease) increase in other accrued liabilities	(1,030)	(28,657)	(32,233)
(Decrease) increase in due to other funds	(325)	746	553
Increase (decrease) in compensated absences payable	(13,571)	9,696	3,956
Increase (Decrease) in due to other governments	-	(28,214)	-
Increase (Decrease) in due to individuals	-	(53,548)	-
<b>Total adjustments</b>	<b>56,350</b>	<b>531,193</b>	<b>901,206</b>
<b>Net cash provided by operating activities</b>	<b>\$ (65,944)</b>	<b>\$ 1,142,827</b>	<b>\$ 1,636,363</b>

**NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:**

**In 2001, developers contributed infrastructure assets (water and sewer lines) to the Water and Sewer Funds. The Water Fund received \$97,332 and the Sewer Fund received \$35,595 in infrastructure assets from developers.**

Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
					2001	2000
\$ 29,278	\$ (735,797)	\$ (45,661)	\$ 14,186	\$ (62,585)	\$ 423,918	\$ 2,591,421
13,158	13,096	18,578	167,258	1,659	1,584,053	1,807,115
(5,945)	-	-	(2,628)	-	163,169	(111,495)
-	-	-	(1,936)	-	12,069	(47,487)
(17,636)	7,668	(18,107)	2,951	192,340	206,391	(922)
-	7,579	(1,990)	9,206	-	50,945	(48,586)
-	(1,847)	(2,036)	(15,728)	-	(81,531)	(21,756)
-	11,000	(111)	(2,785)	-	9,078	349
-	102	-	478	-	661	13,779
-	-	-	(1,633)	-	(29,847)	6,946
-	-	-	-	-	(53,548)	15,998
<b>(10,423)</b>	<b>37,598</b>	<b>(3,666)</b>	<b>155,183</b>	<b>193,999</b>	<b>1,861,440</b>	<b>1,613,941</b>
<b>\$ 18,855</b>	<b>\$ (698,199)</b>	<b>\$ (49,327)</b>	<b>\$ 169,369</b>	<b>\$ 131,414</b>	<b>\$ 2,285,358</b>	<b>\$ 4,205,362</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**PARKING GARAGE FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 74,320	\$ 61,796	\$ (12,524)	\$ 77,299
Other operating revenues	16,320	7,837	(8,483)	11,709
<b>Total operating revenues</b>	<b>90,640</b>	<b>69,633</b>	<b>(21,007)</b>	<b>89,008</b>
Operating expenses				
Personal services	59,092	58,707	385	55,213
Contractual services	84,853	81,499	3,354	89,781
Commodities	4,206	2,559	1,647	1,911
Other operating expenses	1,657	1,574	83	1,532
<b>Total operating expenses</b>	<b>149,808</b>	<b>144,339</b>	<b>5,469</b>	<b>148,437</b>
Operating income (loss)	(59,168)	(74,706)	(15,538)	(59,429)
Non-operating revenues (expenses)				
Income taxes	-	-	-	50,000
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
Net income (loss)	(59,168)	(74,706)	(15,538)	(9,429)
Retained earnings, beginning of the year	88,715	88,715	-	97,751
Appropriation for prior year encumbrances	-	-	-	393
<b>Retained earnings, end of the year</b>	<b>\$ 29,547</b>	<b>\$ 14,009</b>	<b>\$ (15,538)</b>	<b>\$ 88,715</b>

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

For the year ended December 31, 2001

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Operating revenues				
Charges for services	\$ 5,645,748	\$ 4,875,891	\$ (769,857)	\$ 4,896,099
Other operating revenues	12,000	69,866	57,866	14,156
<b>Total operating revenues</b>	<b>5,657,748</b>	<b>4,945,757</b>	<b>(711,991)</b>	<b>4,910,255</b>
Operating expenses				
Personal services	1,685,245	1,630,594	54,651	1,542,387
Contractual services	1,605,650	1,521,463	84,187	850,488
Commodities	548,205	534,139	14,066	493,782
Other operating expenses	4,215,714	3,170,448	1,045,266	2,059,584
<b>Total operating expenses</b>	<b>8,054,814</b>	<b>6,856,644</b>	<b>1,198,170</b>	<b>4,946,241</b>
Operating income (loss)	(2,397,066)	(1,910,887)	486,179	(35,986)
Non-operating revenues (expenses)				
Interest revenue	176,993	253,319	76,326	275,576
Interest expenses & fiscal charges	(278,166)	(275,433)	2,733	(285,062)
Debt retirement	(385,000)	(385,000)	-	(400,000)
Proceeds from notes	160,000	160,000	-	180,000
Other sources	-	-	-	22,451
Other uses	-	(81,762)	(81,762)	-
<b>Total non-operating revenues (expenses)</b>	<b>(326,173)</b>	<b>(328,876)</b>	<b>(2,703)</b>	<b>(207,035)</b>
Income (loss) before operating transfers	(2,723,239)	(2,239,763)	483,476	(243,021)
Operating transfers-in	-	2,124	2,124	
Operating transfers-out	(23,636)	(23,636)	-	(691,700)
<b>Total transfers</b>	<b>(23,636)</b>	<b>(21,512)</b>	<b>2,124</b>	<b>(691,700)</b>
Net income (loss)	(2,746,875)	(2,261,275)	485,600	(934,721)
Retained earnings, beginning of the year	4,965,303	4,965,303	-	4,242,989
Appropriation for prior year encumbrances	565,128	565,128	-	1,657,035
<b>Retained earnings, end of the year</b>	<b>\$ 2,783,556</b>	<b>\$ 3,269,156</b>	<b>\$ 485,600</b>	<b>\$ 4,965,303</b>

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

For the year ended December 31, 2001

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Operating revenues				
Charges for services	\$ 5,672,703	\$ 5,404,921	(267,782)	\$ 5,833,593
Other operating revenues	-	1,496	1,496	2,369
<b>Total operating revenues</b>	<b>5,672,703</b>	<b>5,406,417</b>	<b>(266,286)</b>	<b>5,835,962</b>
Operating expenses				
Personal services	1,914,502	1,804,816	109,686	1,740,131
Contractual services	1,840,942	1,658,066	182,876	942,454
Commodities	471,492	429,218	42,274	370,731
Other operating expenses	3,754,825	2,640,255	1,114,570	1,262,868
<b>Total operating expenses</b>	<b>7,981,761</b>	<b>6,532,355</b>	<b>1,449,406</b>	<b>4,316,184</b>
Operating income (loss)	(2,309,058)	(1,125,938)	1,183,120	1,519,778
Non-operating revenues (expenses)				
Interest revenue	323,000	425,225	102,225	393,760
Interest expenses & fiscal charges	(68,105)	(65,105)	3,000	(73,605)
Debt retirement	(175,000)	(175,000)	-	(170,000)
Other uses	-	-	-	(288,000)
<b>Total non-operating revenues (expenses)</b>	<b>79,895</b>	<b>185,120</b>	<b>105,225</b>	<b>(137,845)</b>
Income (loss) before operating transfers	(2,229,163)	(940,818)	1,288,345	1,381,933
Operating transfers-out	(1,023,636)	(1,023,636)	-	(691,701)
<b>Total transfers</b>	<b>(1,023,636)</b>	<b>(1,023,636)</b>	<b>-</b>	<b>(691,701)</b>
Net income (loss)	(3,252,799)	(1,964,454)	1,288,345	690,232
Retained earnings, beginning of the year	7,036,829	7,036,829	-	5,824,038
Appropriation for prior year encumbrances	620,364	620,364	-	522,559
<b>Retained earnings, end of the year</b>	<b>\$ 4,404,394</b>	<b>\$ 5,692,739</b>	<b>\$ 1,288,345</b>	<b>\$ 7,036,829</b>



**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**AIRPORT FUND**  
**For the year ended December 31, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>		<b>2000</b>
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>		<b>Actual</b>
				<b>(Unfavorable)</b>		
Operating revenues						
Charges for services	\$ 72,000	\$	78,422	\$ 6,422	\$	66,154
Other operating revenues	-		-	-		-
<b>Total operating revenues</b>	<b>72,000</b>		<b>78,422</b>	<b>6,422</b>		<b>66,154</b>
Operating expenses						
Contractual services	87,200		76,459	10,741		28,627
Commodities	7,800		7,800	-		8,841
Other operating expenses	44,197		44,197	-		43,547
<b>Total operating expenses</b>	<b>139,197</b>		<b>128,456</b>	<b>10,741</b>		<b>81,015</b>
Operating income (loss)	(67,197)		(50,034)	17,163		(14,861)
Non-operating revenues (expenses)						
Interest expenses & fiscal charges	-		-	-		(638)
Debt retirement	-		-	-		(10,000)
Operating grants	34,332		34,332	-		-
<b>Total non-operating revenues (expenses)</b>	<b>34,332</b>		<b>34,332</b>	<b>-</b>		<b>(10,638)</b>
Net income (loss)	(32,865)		(15,702)	17,163		(25,499)
Retained earnings, beginning of the year	120,333		120,333	-		143,068
Appropriation for prior year encumbrances	25,572		25,572	-		2,764
<b>Retained earnings, end of the year</b>	<b>\$ 113,040</b>	<b>\$</b>	<b>130,203</b>	<b>\$ 17,163</b>	<b>\$</b>	<b>120,333</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**TRANSIT SYSTEM FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 94,847	\$ 91,950	\$ (2,897)	\$ 94,701
Other operating revenues	1,503,000	2,895	(1,500,105)	2,685
<b>Total operating revenues</b>	<b>1,597,847</b>	<b>94,845</b>	<b>(1,503,002)</b>	<b>97,386</b>
Operating expenses				
Personal services	520,915	515,644	5,271	479,123
Contractual services	285,711	258,876	26,835	276,682
Commodities	2,850	2,395	455	1,808
Other operating expenses	1,569,850	1,569,186	664	29,506
<b>Total operating expenses</b>	<b>2,379,326</b>	<b>2,346,101</b>	<b>33,225</b>	<b>787,119</b>
Operating income (loss)	(781,479)	(2,251,256)	(1,469,777)	(689,733)
Non-operating revenues (expenses)				
Operating grants	556,024	672,191	116,167	372,163
Income tax	150,000	150,000	-	150,000
<b>Total non-operating revenues(expenses)</b>	<b>706,024</b>	<b>822,191</b>	<b>116,167</b>	<b>522,163</b>
Net income (loss)	(75,455)	(1,429,065)	(1,353,610)	(167,570)
Retained earnings, beginning of the year	73,547	73,547	-	234,256
Appropriation for prior year encumbrances	4,500	4,500	-	6,861
<b>Retained earnings, end of the year</b>	<b>\$ 2,592</b>	<b>\$ (1,351,018)</b>	<b>\$ (1,353,610)</b>	<b>\$ 73,547</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**CITY CENTRE MALL FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 109,200	\$ 123,152	\$ 13,952	\$ 335,018
Other operating revenues	40,800	40,475	(325)	1,141
<b>Total operating revenues</b>	<b>150,000</b>	<b>163,627</b>	<b>13,627</b>	<b>336,159</b>
Operating expenses				
Personal services	13,462	13,403	59	102,148
Contractual services	231,246	198,157	33,089	380,848
Commodities	17	-	17	31
Other operating expenses	1,500	1,094	406	1,829
<b>Total operating expenses</b>	<b>246,225</b>	<b>212,654</b>	<b>33,571</b>	<b>484,856</b>
Operating income (loss)	(96,225)	(49,027)	47,198	(148,697)
Non-operating revenues (expenses)				
Interest expenses and fiscal charges	(2,000)	(2,685)	(685)	(2,951)
Debt retirement	(48,000)	(44,748)	3,252	(49,174)
Proceeds from notes	50,000	70,641	20,641	44,748
Other uses	-	(300)	(300)	-
Income tax	-	-	-	150,000
<b>Total non-operating revenues(expenses)</b>	<b>-</b>	<b>22,908</b>	<b>22,908</b>	<b>142,623</b>
Net income (loss)	(96,225)	(26,119)	70,106	(6,074)
Retained earnings, beginning of the year	257,082	257,082	-	262,781
Appropriation for prior year encumbrances	-	-	-	375
<b>Retained earnings, end of the year</b>	<b>\$ 160,857</b>	<b>\$ 230,963</b>	<b>\$ 70,106</b>	<b>\$ 257,082</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GOLF COURSE FUND**  
**For the year ended December 31, 2001**

	<b>Revised</b>		<b>2001</b>	<b>Variance</b>	
	<b>Budget</b>		<b>Actual</b>	<b>Favorable</b>	<b>2000</b>
				<b>(Unfavorable)</b>	<b>Actual</b>
Operating revenues					
Charges for services	\$ 2,062,747	\$	1,831,785	\$ (230,962)	\$ 1,786,746
Other operating revenues	3,600		6,176	2,576	12,252
<b>Total operating revenues</b>	<b>2,066,347</b>		<b>1,837,961</b>	<b>(228,386)</b>	<b>1,798,998</b>
Operating expenses					
Personal services	883,985		870,913	13,072	784,369
Contractual services	219,296		222,428	(3,132)	209,717
Commodities	398,772		398,612	160	363,843
Other operating expenses	420,925		413,570	7,355	676,341
<b>Total operating expenses</b>	<b>1,922,978</b>		<b>1,905,523</b>	<b>17,455</b>	<b>2,034,270</b>
Operating income (loss)	143,369		(67,562)	(210,931)	(235,272)
Non-operating revenues (expenses)					
Interest revenue	8,000		8,771	771	5,278
Interest expenses & fiscal charges	(132,348)		(134,168)	(1,820)	(111,130)
Debt retirement	(760,000)		(635,000)	125,000	(85,000)
Proceeds from bonds	-		-	-	-
Proceeds from notes	515,000		515,000	-	550,000
Other sources	-		-	-	493
Other uses	-		-	-	(175,000)
<b>Total non-operating revenues (expenses)</b>	<b>(369,348)</b>		<b>(245,397)</b>	<b>123,951</b>	<b>184,641</b>
Income (loss) before operating transfers	(225,979)		(312,959)	(86,980)	(50,631)
Operating transfers-in	12,000		12,000	-	-
<b>Total transfers</b>	<b>12,000</b>		<b>12,000</b>	<b>-</b>	<b>-</b>
Net income (loss)	(213,979)		(300,959)	(86,980)	(50,631)
Retained earnings, beginning of the year	187,037		187,037	-	229,567
Appropriation for prior year encumbrances	164,692		164,692	-	8,101
<b>Retained earnings, end of the year</b>	<b>\$ 137,750</b>	<b>\$</b>	<b>50,770</b>	<b>\$ (86,980)</b>	<b>\$ 187,037</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**SOLID WASTE DISPOSAL FUND**  
**For the year ended December 31, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Operating revenues				
Charges for services	\$ 1,930,000	\$ 1,963,880	\$ 33,880	\$ 1,883,705
Other operating revenues	-	5,964	5,964	3,169
<b>Total operating revenues</b>	<b>1,930,000</b>	<b>1,969,844</b>	<b>39,844</b>	<b>1,886,874</b>
Operating expenses				
Personal services	-	-	-	-
Contractual services	1,998,404	1,864,521	133,883	1,598,051
Commodities	23,715	4,722	18,993	30,013
Other operating expenses	-	-	-	-
<b>Total operating expenses</b>	<b>2,022,119</b>	<b>1,869,243</b>	<b>152,876</b>	<b>1,628,064</b>
Operating income (loss)	(92,119)	100,601	192,720	258,810
Non-operating revenues (expenses)				
Interest expenses & fiscal charges	(149,208)	(149,208)	-	(155,738)
Debt retirement	(140,000)	(140,000)	-	(130,000)
<b>Total non-operating revenues (expenses)</b>	<b>(289,208)</b>	<b>(289,208)</b>	<b>-</b>	<b>(285,738)</b>
Net income (loss)	(381,327)	(188,607)	192,720	(26,928)
Retained earnings, beginning of the year	581,236	581,236	-	559,743
Appropriation for prior year encumbrances	53,454	53,454	-	48,421
<b>Retained earnings, end of the year</b>	<b>\$ 253,363</b>	<b>\$ 446,083</b>	<b>\$ 192,720</b>	<b>\$ 581,236</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ALL ENTERPRISE FUNDS**  
**For the year ended December 31, 2001**

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Operating revenues				
Charges for services	\$ 15,661,565	\$ 14,431,797	\$ (1,229,768)	\$ 14,973,315
Other operating revenues	1,575,720	134,709	(1,441,011)	47,481
<b>Total operating revenues</b>	<b>17,237,285</b>	<b>14,566,506</b>	<b>(2,670,779)</b>	<b>15,020,796</b>
Operating expenses				
Personal services	5,077,201	4,894,077	183,124	4,703,371
Contractual services	6,353,302	5,881,469	471,833	4,376,648
Commodities	1,457,057	1,379,445	77,612	1,270,960
Other operating expenses	10,008,668	7,840,324	2,168,344	4,075,207
<b>Total operating expenses</b>	<b>22,896,228</b>	<b>19,995,315</b>	<b>2,900,913</b>	<b>14,426,186</b>
Operating income (loss)	(5,658,943)	(5,428,809)	230,134	594,610
Non-operating revenues (expenses)				
Interest revenue	507,993	687,315	179,322	674,614
Interest expenses and fiscal charges	(629,827)	(626,599)	3,228	(629,124)
Debt retirement	(1,508,000)	(1,379,748)	128,252	(844,174)
Proceeds from bonds	-	-	-	-
Proceeds from notes	725,000	745,641	20,641	774,748
Operating grants	590,356	706,523	116,167	372,163
Other sources	-	-	-	22,944
Other uses	-	(82,062)	(82,062)	(463,000)
Income taxes	150,000	150,000	-	350,000
<b>Total non-operating revenues (expenses)</b>	<b>(164,478)</b>	<b>201,070</b>	<b>365,548</b>	<b>258,171</b>
Income (loss) before operating transfers	(5,823,421)	(5,227,739)	595,682	852,781
Operating transfers-in	12,000	14,124	2,124	-
Operating transfers-out	(1,047,272)	(1,047,272)	-	(1,383,401)
<b>Total transfers</b>	<b>(1,035,272)</b>	<b>(1,033,148)</b>	<b>2,124</b>	<b>(1,383,401)</b>
Net income (loss)	(6,858,693)	(6,260,886)	597,807	(530,620)
Retained earnings, beginning of the year	13,310,082	13,310,082	-	11,594,193
Appropriation for prior year encumbrances	1,433,710	1,433,710	-	2,246,509
<b>Retained earnings, end of the year</b>	<b>\$ 7,885,099</b>	<b>\$ 8,482,906</b>	<b>\$ 597,807</b>	<b>\$ 13,310,082</b>

## **INTERNAL SERVICE FUNDS**

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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, 2001**

	Totals			
	Municipal Garage	Employees Benefits Fund	2001	2000
Assets:				
Current assets:				
Equity in pooled cash, deposits and investments	\$ 906,008	\$ 426,351	\$ 1,332,359	\$ 1,300,404
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	2,872
Due from other funds	187,558	878	188,436	202,830
Inventory of supplies	137,808	-	137,808	135,500
<b>Total current assets</b>	<b>1,231,374</b>	<b>427,229</b>	<b>1,658,603</b>	<b>1,641,606</b>
Property, plant, and equipment:				
Land	195,750	-	195,750	195,750
Buildings	354,064	-	354,064	344,227
Equipment	10,479,176	-	10,479,176	9,991,581
Less: Accumulated depreciation	(7,018,793)	-	(7,018,793)	(6,626,936)
<b>Net property, plant, and equipment</b>	<b>4,010,197</b>	<b>-</b>	<b>4,010,197</b>	<b>3,904,622</b>
<b>Total assets</b>	<b>\$ 5,241,571</b>	<b>\$ 427,229</b>	<b>\$ 5,668,800</b>	<b>\$ 5,546,228</b>

(continued)



**CITY OF MIDDLETOWN, OHIO  
COMBINING BALANCE SHEET  
ALL INTERNAL SERVICE FUNDS  
As of December 31, 2001**

(continued)	Totals			
	Municipal Garage	Employees Benefits Fund	2001	2000
Liabilities:				
Current liabilities:				
Accounts payable	\$ 55,188	\$ 239,000	\$ 294,188	\$ 326,429
Accrued wages and benefits	25,346	-	25,346	18,159
Other accrued liabilities	-	-	-	9,818
Accrued interest payable	286	-	286	325
Due to other funds	1,485	-	1,485	1,485
Notes payable	53,000	-	53,000	260,000
<b>Total current liabilities</b>	<b>135,305</b>	<b>239,000</b>	<b>374,305</b>	<b>616,216</b>
Long-term liabilities:				
Compensated absences payable	76,189	-	76,189	68,022
<b>Total long-term liabilities</b>	<b>76,189</b>	<b>-</b>	<b>76,189</b>	<b>68,022</b>
<b>Total liabilities</b>	<b>211,494</b>	<b>239,000</b>	<b>450,494</b>	<b>684,238</b>
Fund equity:				
Retained earnings:				
Unreserved	5,030,077	188,229	5,218,306	4,861,990
<b>Total fund equity</b>	<b>5,030,077</b>	<b>188,229</b>	<b>5,218,306</b>	<b>4,861,990</b>
<b>Total liabilities and fund equity</b>	<b>\$ 5,241,571</b>	<b>\$ 427,229</b>	<b>\$ 5,668,800</b>	<b>\$ 5,546,228</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN EQUITY**  
**ALL INTERNAL SERVICE FUNDS**  
**For the year ended December 31, 2001**

			Totals	
	Municipal Garage	Employees Benefits Fund	2001	2000
Operating revenues:				
Charges for services	\$ 2,531,526	\$ 2,851,203	\$ 5,382,729	\$ 4,892,305
Other operating revenues	22,002	319,670	341,672	8,342
<b>Total operating revenues</b>	<b>2,553,528</b>	<b>3,170,873</b>	<b>5,724,401</b>	<b>4,900,647</b>
Operating expenses:				
Personal services	557,032	-	557,032	528,147
Contractual services	287,347	3,211,103	3,498,450	3,196,556
Commodities	556,361	-	556,361	612,775
Depreciation	806,527	-	806,527	758,700
Other operating expenses	3,887	-	3,887	-
<b>Total operating expenses</b>	<b>2,211,154</b>	<b>3,211,103</b>	<b>5,422,257</b>	<b>5,096,178</b>
Operating income	342,374	(40,230)	302,144	(195,531)
Non-operating revenues (expenses):				
Interest revenue	56,603	-	56,603	55,074
Interest expense	(13,106)	-	(13,106)	(18,648)
Gain (Loss) on sale of equipment	10,675	-	10,675	6,631
<b>Total non-operating revenues (expenses)</b>	<b>54,172</b>	<b>-</b>	<b>54,172</b>	<b>43,057</b>
Net income (loss)	396,546	(40,230)	356,316	(152,474)
Equity, beginning of the year	4,633,531	228,459	4,861,990	5,014,464
<b>Equity, end of the year</b>	<b>\$ 5,030,077</b>	<b>\$ 188,229</b>	<b>\$ 5,218,306</b>	<b>\$ 4,861,990</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the year ended December 31, 2001**

			<b>Totals</b>	
	<b>Municipal Garage</b>	<b>Employees Benefits Fund</b>	<b>2001</b>	<b>2000</b>
<b>Cash flows from operating activities:</b>				
Cash payments to suppliers for goods and services	\$ (837,928)	\$ (3,243,797)	\$ (4,081,725)	\$ (3,751,809)
Cash payments to employees for services	(487,816)	-	(487,816)	(475,865)
Miscellaneous revenue	24,875	319,670	344,545	5,470
Cash received from quasi-external operating activities	2,545,888	2,851,235	5,397,123	4,896,215
Cash payments for quasi-external operating activities	(75,202)	-	(75,202)	(69,883)
<b>Net cash provided by operating activities</b>	<b>1,169,817</b>	<b>(72,892)</b>	<b>1,096,925</b>	<b>604,128</b>
<b>Cash flows from capital and related financing activities:</b>				
Sale of fixed assets	59,014	-	59,014	133,485
Purchase of fixed assets	(960,442)	-	(960,442)	(1,274,764)
Interest expense	(13,145)	-	(13,145)	(18,788)
Principal payments	(260,000)	-	(260,000)	(400,000)
Sale of notes	53,000	-	53,000	260,000
<b>Net cash used by capital and related financing activities</b>	<b>(1,121,573)</b>	<b>-</b>	<b>(1,121,573)</b>	<b>(1,300,067)</b>
<b>Cash flows from investing activities:</b>				
Interest income	56,603	-	56,603	55,074
<b>Net cash provided by investing activities</b>	<b>56,603</b>	<b>-</b>	<b>56,603</b>	<b>55,074</b>
Net increase (decrease) in cash and cash equivalents	104,847	(72,892)	31,955	(640,865)
Cash and cash equivalents, beginning of year	801,161	499,243	1,300,404	1,941,269
<b>Cash and cash equivalents, end of year</b>	<b>\$ 906,008</b>	<b>\$ 426,351</b>	<b>\$ 1,332,359</b>	<b>\$ 1,300,404</b>

(continued)

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the year ended December 31, 2001**

<b>(continued)</b>	<b>Municipal Garage</b>	<b>Employees Benefits Fund</b>	<b>Totals</b>	
			<b>2001</b>	<b>2000</b>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 342,374	\$ (40,230)	\$ 302,144	\$ (195,531)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	806,527	-	806,527	758,700
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,872	-	2,872	250
Decrease (increase) in due from other funds	14,360	32	14,392	(34,436)
(Increase) decrease in supplies inventory	(2,308)	-	(2,308)	(4,231)
(Decrease) Increase in accounts payable	453	(32,694)	(32,241)	82,235
Increase (decrease) in accrued wages	7,187	-	7,187	(5,423)
(Decrease) in accrued liabilities	(9,818)	-	(9,818)	1,111
Increase (decrease) in compensated absences	8,170	-	8,170	1,453
<b>Total adjustments</b>	<b>827,443</b>	<b>(32,662)</b>	<b>794,781</b>	<b>799,659</b>
<b>Net cash provided by operating activities</b>	<b>\$ 1,169,817</b>	<b>\$ (72,892)</b>	<b>\$ 1,096,925</b>	<b>\$ 604,128</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**MUNICIPAL GARAGE FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 2,579,960	\$ 2,629,777	\$ 49,817	\$ 2,582,365
<b>Total operating revenues</b>	<b>2,579,960</b>	<b>2,629,777</b>	<b>49,817</b>	<b>2,582,365</b>
Operating expenses				
Personal services	554,315	551,496	2,819	531,006
Contractual services	294,958	292,856	2,102	291,154
Commodities	599,876	554,789	45,087	609,525
Other operating expenses	1,391,181	1,236,326	154,855	1,425,900
<b>Total operating expenses</b>	<b>2,840,330</b>	<b>2,635,467</b>	<b>204,863</b>	<b>2,857,585</b>
Operating income (loss)	(260,370)	(5,690)	254,680	(275,220)
Non-operating revenues (expenses)				
Interest revenue	54,000	56,603	2,603	55,074
Interest expenses and fiscal charges	(13,000)	(13,145)	(145)	(18,788)
Debt retirement	(260,000)	(260,000)	-	(400,000)
Proceeds from notes	53,000	53,000	-	260,000
<b>Total non-operating revenues(expenses)</b>	<b>(166,000)</b>	<b>(163,542)</b>	<b>2,458</b>	<b>(103,714)</b>
Net income	(426,370)	(169,232)	257,138	(378,934)
Retained earnings, beginning of the year	615,327	615,327	-	299,143
Appropriation for prior year encumbrances	185,834	185,834	-	695,118
<b>Retained earnings, end of the year</b>	<b>\$ 374,791</b>	<b>\$ 631,929</b>	<b>\$ 257,138</b>	<b>\$ 615,327</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**EMPLOYEE BENEFITS FUND**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 3,128,040	\$ 3,170,905	\$ 42,865	\$ 2,452,805
<b>Total operating revenues</b>	<b>3,128,040</b>	<b>3,170,905</b>	<b>42,865</b>	<b>2,452,805</b>
Operating expenses				
Contractual services	3,308,000	3,244,121	63,879	2,900,246
<b>Total operating expenses</b>	<b>3,308,000</b>	<b>3,244,121</b>	<b>63,879</b>	<b>2,900,246</b>
Net income	(179,960)	(73,216)	106,744	(447,441)
Retained earnings, beginning of the year	499,567	499,567	-	947,008
<b>Retained earnings, end of the year</b>	<b>\$ 319,607</b>	<b>\$ 426,351</b>	<b>\$ 106,744</b>	<b>\$ 499,567</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ALL INTERNAL SERVICE FUNDS**  
**For the year ended December 31, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues				
Charges for services	\$ 5,708,000	\$ 5,800,682	\$ 92,682	\$ 5,035,170
Other operating revenue	-	-	-	-
<b>Total operating revenues</b>	<b>5,708,000</b>	<b>5,800,682</b>	<b>92,682</b>	<b>5,035,170</b>
Operating expenses				
Personal services	554,315	551,496	2,819	531,006
Contractual services	3,602,958	3,536,977	65,981	3,191,400
Commodities	599,876	554,789	45,087	609,525
Other operating expenses	1,391,181	1,236,326	154,855	1,425,900
<b>Total operating expenses</b>	<b>6,148,330</b>	<b>5,879,588</b>	<b>268,742</b>	<b>5,757,831</b>
Operating income (loss)	(440,330)	(78,906)	361,424	(722,661)
Non-operating revenues (expenses)				
Interest revenue	54,000	56,603	2,603	55,074
Interest expenses and fiscal charges	(13,000)	(13,145)	(145)	(18,788)
Debt retirement	(260,000)	(260,000)	-	(400,000)
Proceeds from notes	53,000	53,000	-	260,000
<b>Total non-operating revenues(expenses)</b>	<b>(166,000)</b>	<b>(163,542)</b>	<b>2,458</b>	<b>(103,714)</b>
Net income	(606,330)	(242,448)	363,882	(826,375)
Retained earnings, beginning of the year	1,114,894	1,114,894	-	1,246,151
Appropriation for prior year encumbrances	185,834	185,834	-	695,118
<b>Retained earnings, end of the year</b>	<b>\$ 694,398</b>	<b>\$ 1,058,280</b>	<b>\$ 363,882</b>	<b>\$ 1,114,894</b>





## **FIDUCIARY FUNDS**

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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, 2001**

	<b>NON-EXPENDABLE TRUST FUNDS</b>		<b>EXPENDABLE TRUST FUND</b>
	<b>Fire Damage Escrow</b>	<b>Sawyer Trust</b>	<b>Community Development Act Escrow</b>
<b>Assets:</b>			
Cash and equity in pooled cash, deposits and investments	\$ 137,302	\$ 7,769	\$ 4,035
Cash with fiscal and escrow agent	-	-	1,752,063
Receivable (net of allowance for uncollectibles):			
Income taxes	-	-	-
Loans	-	-	1,390,058
<b>Total assets</b>	<b>137,302</b>	<b>7,769</b>	<b>3,146,156</b>
<b>Liabilities:</b>			
Due to other funds	-	-	-
Due to other governments	-	-	-
Due to other individuals	-	-	4,035
Unapportioned monies	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>4,035</b>
<b>Fund equity:</b>			
Fund balance			
Reserved for endowments	-	6,000	-
Reserved for loans	-	-	3,142,121
Unreserved:			
Undesignated	137,302	1,769	-
<b>Total fund equity</b>	<b>137,302</b>	<b>7,769</b>	<b>3,142,121</b>
<b>Total liabilities and fund equity</b>	<b>\$ 137,302</b>	<b>\$ 7,769</b>	<b>\$ 3,146,156</b>

AGENCY FUNDS				Totals	
Conservancy	City Income Tax	Payroll Clearing	Municipal Court	2001	2000
\$ 1,145	\$ 383,039	\$ -	\$ 91,323	\$ 624,613	\$ 1,393,920
-	-	91,853	-	1,843,916	1,737,714
-	2,658,320	-	-	2,658,320	1,055,885
-	-	-	-	1,390,058	1,377,414
<b>1,145</b>	<b>3,041,359</b>	<b>91,853</b>	<b>91,323</b>	<b>6,516,907</b>	<b>5,564,933</b>
-	3,041,359	878	-	3,042,237	2,159,904
1,145	-	83,696	-	84,841	92,999
-	-	7,279	35,352	46,666	150,634
-	-	-	55,971	55,971	75,728
<b>1,145</b>	<b>3,041,359</b>	<b>91,853</b>	<b>91,323</b>	<b>3,229,715</b>	<b>2,479,265</b>
-	-	-	-	6,000	6,000
-	-	-	-	3,142,121	3,024,252
-	-	-	-	139,071	55,416
-	-	-	-	<b>3,287,192</b>	<b>3,085,668</b>
<b>\$ 1,145</b>	<b>\$ 3,041,359</b>	<b>\$ 91,853</b>	<b>\$ 91,323</b>	<b>\$ 6,516,907</b>	<b>\$ 5,564,933</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND EQUITY**  
**ALL NON-EXPENDABLE TRUST FUNDS**  
**For the year ended December 31, 2001**

	<b>Fire Damage</b>		<b>Totals</b>	
	<b>Escrow</b>	<b>Sawyer Trust</b>	<b>2001</b>	<b>2000</b>
Operating revenues:				
Charges for services	\$ 112,506	\$ 234	\$ 112,740	\$ 39,831
<b>Total operating revenues</b>	<b>112,506</b>	<b>234</b>	<b>112,740</b>	<b>39,831</b>
Operating expenses:				
Contractual services	29,085	-	29,085	36,221
<b>Total operating expenses</b>	<b>29,085</b>	<b>-</b>	<b>29,085</b>	<b>36,221</b>
Operating income (loss)	83,421	234	83,655	3,610
Equity, beginning of year	53,881	7,535	61,416	57,806
<b>Total equity, end of year</b>	<b>\$ 137,302</b>	<b>\$ 7,769</b>	<b>\$ 145,071</b>	<b>\$ 61,416</b>

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL NON-EXPENDABLE TRUST FUNDS**  
**For the year ended December 31, 2001**

	Fire Damage		Totals	
	Escrow	Sawyer Trust	2001	2000
Cash flows from operating activities:				
Cash received from customers	\$ 112,506	\$ -	\$ 112,506	\$ 39,577
Payment to suppliers	(29,085)	-	(29,085)	(36,221)
<b>Net cash provided (used) by operating activities</b>	<b>83,421</b>	<b>-</b>	<b>83,421</b>	<b>3,356</b>
Cash flows from investing activities:				
Interest income	-	234	234	254
Net increase (decrease) in cash and cash equivalents	83,421	234	83,655	3,610
Cash and cash equivalents, beginning of year	53,881	1,535	55,416	51,806
<b>Cash and cash equivalents, end of year</b>	<b>\$ 137,302</b>	<b>\$ 1,769</b>	<b>\$ 139,071</b>	<b>\$ 55,416</b>

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

Operating income	\$ 83,421	\$ 234	\$ 83,655	\$ 3,610
Adjustments to reconcile operating income to net cash provided by operating activities				
Increase in accrued interest receivable	-	(234)	(234)	(254)
<b>Net cash provided by operating activities</b>	<b>\$ 83,421</b>	<b>\$ -</b>	<b>\$ 83,421</b>	<b>\$ 3,356</b>

**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, 2001**

	<u>Fire Damage Escrow</u>			<u>Sawyer Trust</u>		
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 120,000	\$ 112,506	\$ (7,494)	\$ -	\$ -	\$ -
Interest revenue	-	-	-	-	234	234
<b>Total operating revenues</b>	<b>120,000</b>	<b>112,506</b>	<b>(7,494)</b>	<b>-</b>	<b>234</b>	<b>234</b>
Operating expenses:						
Contractual services	30,000	29,085	915	-	-	-
<b>Total operating expenses</b>	<b>30,000</b>	<b>29,085</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating income	90,000	83,421	(6,579)	-	234	234
Net income (loss)	90,000	83,421	(6,579)	-	234	234
Fund balance, beginning of the year	53,881	53,881	-	7,535	7,535	-
<b>Fund balance, end of year</b>	<b>\$ 143,881</b>	<b>\$ 137,302</b>	<b>\$ (6,579)</b>	<b>\$ 7,535</b>	<b>\$ 7,769</b>	<b>\$ 234</b>

**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, 2001**

	<b>Revised Budget</b>	<b>2001 Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2000 Actual</b>
Operating revenues:				
Charges for services	\$ 120,000	\$ 112,506	\$ (7,494)	\$ 39,577
Interest revenue	-	234	234	254
<b>Total operating revenues</b>	<b>120,000</b>	<b>112,740</b>	<b>(7,260)</b>	<b>39,831</b>
Operating expenses:				
Contractual services	30,000	29,085	915	36,221
<b>Total operating expenses</b>	<b>30,000</b>	<b>29,085</b>	<b>915</b>	<b>36,221</b>
Operating income	90,000	83,655	(6,345)	3,610
Net income (loss)	90,000	83,655	(6,345)	3,610
Fund balance, beginning of the year	61,416	61,416	-	57,806
<b>Fund balance, end of year</b>	<b>\$ 151,416</b>	<b>\$ 145,071</b>	<b>\$ (6,345)</b>	<b>\$ 61,416</b>

**CITY OF MIDDLETOWN, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUND**  
**For the year ended December 31, 2001**

	Community Development Act Escrow		Totals	
		2001		2000
Revenues:				
Interest earnings	\$ 141,211	\$ 141,211	\$ 82,714	
Miscellaneous revenues	1,338	1,338	1,110	
<b>Total revenues</b>	<b>142,549</b>	<b>142,549</b>	<b>83,824</b>	
Expenditures:				
Current:				
Miscellaneous	24,680	24,680	3,308	
<b>Total expenditures</b>	<b>24,680</b>	<b>24,680</b>	<b>3,308</b>	
Excess of revenues over (under) expenditures	117,869	117,869	80,516	
Excess of revenues and other financing sources over (under) expenditures and other uses	117,869	117,869	80,516	
Fund balance, beginning of year	3,024,252	3,024,252	2,943,736	
<b>Fund balance, end of year</b>	<b>\$ 3,142,121</b>	<b>\$ 3,142,121</b>	<b>\$ 3,024,252</b>	



**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**EXPENDABLE TRUST FUND**  
**For the year ended December 31, 2001**

	Community Development Act Escrow			Totals	
	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2001 Actual	2000 Actual
Revenues					
Interest earnings	\$ 65,000	\$ 141,211	\$ 76,211	\$ 141,211	\$ 82,714
<b>Total revenues</b>	<b>65,000</b>	<b>141,211</b>	<b>76,211</b>	<b>141,211</b>	<b>82,714</b>
Expenditures					
Current					
Community environment	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues over (under) expenditures	65,000	141,211	76,211	141,211	82,714
Other financing sources (uses):					
Other sources	327,000	63,589	(263,411)	63,589	189,594
Other uses	(360,000)	(205,504)	154,496	(205,504)	(205,863)
<b>Total other financing sources (uses)</b>	<b>(33,000)</b>	<b>(141,915)</b>	<b>(108,915)</b>	<b>(141,915)</b>	<b>(16,269)</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	32,000	(704)	(32,704)	(704)	66,445
Fund balance, beginning of year	1,756,802	1,756,802	-	1,756,802	1,690,357
<b>Fund balance, end of year</b>	<b>\$ 1,788,802</b>	<b>\$ 1,756,098</b>	<b>\$ (32,704)</b>	<b>\$ 1,756,098</b>	<b>\$ 1,756,802</b>

**CITY OF MIDDLETOWN, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 For the year ended December 31, 2001**

	<b>CONSERVANCY</b>			
	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>Assets:</b>				
Cash and equity in pooled cash, deposits and investments	\$ 9,433	\$ 99,224	\$ 107,512	\$ 1,145
<b>Total assets</b>	<b>\$ 9,433</b>	<b>\$ 99,224</b>	<b>\$ 107,512</b>	<b>\$ 1,145</b>
 <b>Liabilities:</b>				
Due to other governments	\$ 9,433	\$ 99,224	\$ 107,512	\$ 1,145
<b>Total liabilities</b>	<b>\$ 9,433</b>	<b>\$ 99,224</b>	<b>\$ 107,512</b>	<b>\$ 1,145</b>

(continued)

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CHANGES**  
**IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**For the year ended December 31, 2001**

(continued)	CITY INCOME TAX			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash and equity in pooled cash, deposits and investments	\$ 1,103,109	\$ 17,778,039	\$ 18,498,109	\$ 383,039
Taxes receivable	1,055,885	19,380,474	17,778,039	2,658,320
<b>Total assets</b>	<b>\$ 2,158,994</b>	<b>\$ 37,158,513</b>	<b>\$ 36,276,148</b>	<b>\$ 3,041,359</b>
Liabilities:				
Due to other funds	\$ 2,158,994	\$ 19,380,474	\$ 18,498,109	\$ 3,041,359
<b>Total liabilities</b>	<b>\$ 2,158,994</b>	<b>\$ 19,380,474</b>	<b>\$ 18,498,109</b>	<b>\$ 3,041,359</b>

(continued)

**CITY OF MIDDLETOWN, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 For the year ended December 31, 2001**

<b>(continued)</b>	<b>PAYROLL CLEARING</b>			
	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>Assets:</b>				
Cash with fiscal and escrow agent	\$ 90,876	\$ 10,956,147	\$ 10,955,170	\$ 91,853
<b>Total assets</b>	<b>\$ 90,876</b>	<b>\$ 10,956,147</b>	<b>\$ 10,955,170</b>	<b>\$ 91,853</b>
<b>Liabilities:</b>				
Due to other funds	\$ 910	\$ 430,658	\$ 430,690	\$ 878
Due to other governments	83,566	5,635,219	5,635,089	\$ 83,696
Due to individuals	6,400	4,890,270	4,889,391	7,279
<b>Total liabilities</b>	<b>\$ 90,876</b>	<b>\$ 10,956,147</b>	<b>\$ 10,955,170</b>	<b>\$ 91,853</b>

**(continued)**

**CITY OF MIDDLETOWN, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 For the year ended December 31, 2001**

<b>(continued)</b>	<b>MUNICIPAL COURT</b>			
	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>Assets:</b>				
Cash and equity in pooled cash, deposits and investments	\$ 109,998	\$ 3,244,576	\$ 3,263,251	\$ 91,323
<b>Total assets</b>	<b>\$ 109,998</b>	<b>\$ 3,244,576</b>	<b>\$ 3,263,251</b>	<b>\$ 91,323</b>
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ 1,116,333	\$ 1,116,333	\$ -
Due to other governments	-	407,289	407,289	-
Due to individuals	34,270	621,170	620,088	35,352
Unapportioned monies	75,728	1,099,784	1,119,541	55,971
<b>Total liabilities</b>	<b>\$ 109,998</b>	<b>\$ 3,244,576</b>	<b>\$ 3,263,251</b>	<b>\$ 91,323</b>

**(continued)**

**CITY OF MIDDLETOWN, OHIO**  
**COMBINING STATEMENT OF CHANGES**  
**IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**For the year ended December 31, 2001**

<b>(continued)</b>	<b>TOTAL - ALL AGENCY FUNDS</b>			
	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>Assets:</b>				
Cash and equity in pooled cash, deposits and investments	\$ 1,222,540	\$ 21,121,839	\$ 21,868,872	\$ 475,507
Cash with fiscal and escrow agent	90,876	10,956,147	10,955,170	91,853
Taxes receivable	1,055,885	19,380,474	17,778,039	2,658,320
<b>Total assets</b>	<b>\$ 2,369,301</b>	<b>\$ 51,458,460</b>	<b>\$ 50,602,081</b>	<b>\$ 3,225,680</b>
<b>Liabilities:</b>				
Due to other funds	\$ 2,159,904	\$ 20,927,465	\$ 20,045,132	\$ 3,042,237
Due to other governments	92,999	6,141,732	6,149,890	84,841
Due to individuals	40,670	5,511,440	5,509,479	42,631
Unapportioned monies	75,728	1,099,784	1,119,541	55,971
<b>Total liabilities</b>	<b>\$ 2,369,301</b>	<b>\$ 33,680,421</b>	<b>\$ 32,824,042</b>	<b>\$ 3,225,680</b>

**GENERAL FIXED ASSET  
ACCOUNT GROUP**

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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, 2001 and 2000**

	<b>2001</b>	<b>2000</b>
General fixed assets:		
Land	\$ 7,711,037	\$ 7,635,050
Buildings	19,593,575	19,551,564
Equipment	6,489,667	6,022,121
<b>Total general fixed assets</b>	<b>\$ 33,794,279</b>	<b>\$ 33,208,735</b>
Investment in general fixed assets from:		
General fund revenues	\$ 29,472,262	\$ 28,920,334
Special revenue fund revenues	4,322,017	4,288,401
<b>Total investment in general fixed assets</b>	<b>\$ 33,794,279</b>	<b>\$ 33,208,735</b>



**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**As of December 31, 2001**

FUNCTION AND ACTIVITY	LAND	BUILDINGS	EQUIPMENT	TOTAL
General government:				
City Council	\$ -	\$ -	\$ 37,758	\$ 37,758
City Manager	-	-	36,264	36,264
Personnel	-	-	19,338	19,338
Finance	284,035	12,513,691	2,071,013	14,868,739
Law	-	-	36,199	36,199
Human Resources	-	-	19,667	19,667
Engineering	-	-	109,076	109,076
Public Works Administration	-	-	14,159	14,159
Taxation	-	-	28,960	28,960
Municipal Court	-	4,900	170,235	175,135
<b>Total general government</b>	<b>284,035</b>	<b>12,518,591</b>	<b>2,542,669</b>	<b>15,345,295</b>
Community environment:				
Economic Development	1,056,177	7,660	79,618	1,143,455
Community Center	126,500	1,558,454	24,807	1,709,761
<b>Total community environment</b>	<b>1,182,677</b>	<b>1,566,114</b>	<b>104,425</b>	<b>2,853,216</b>
Public safety:				
Fire	205,750	825,747	866,484	1,897,981
Police	-	496,323	1,252,793	1,749,116
Building Inspection	-	-	-	-
Building Maintenance	-	316,714	102,006	418,720
Citizen Service Center	-	-	2,342	2,342
Electronic Maintenance	-	427,865	440,329	868,194
<b>Total public safety</b>	<b>205,750</b>	<b>2,066,649</b>	<b>2,663,954</b>	<b>4,936,353</b>
Public health and welfare:				
Health & Environment	1,643,250	1,037,961	40,838	2,722,049
Social Health	8,100	486,397	35,493	529,990
<b>Total public health and welfare</b>	<b>1,651,350</b>	<b>1,524,358</b>	<b>76,331</b>	<b>3,252,039</b>
Leisure time activities:				
Pools	406,250	1,059,580	37,479	1,503,309
Recreation	3,980,975	544,155	363,751	4,888,881
Parks Maintenance	-	21,986	517,252	539,238
<b>Total leisure time activities</b>	<b>4,387,225</b>	<b>1,625,721</b>	<b>918,482</b>	<b>6,931,428</b>
Highways and streets:				
Street Maintenance	-	292,142	183,806	475,948
<b>Total highways and streets</b>	<b>-</b>	<b>292,142</b>	<b>183,806</b>	<b>475,948</b>
<b>Total general fixed assets</b>	<b>\$ 7,711,037</b>	<b>\$ 19,593,575</b>	<b>\$ 6,489,667</b>	<b>\$ 33,794,279</b>

**CITY OF MIDDLETOWN, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the year ended December 31, 2001**

<b>FUNCTION AND ACTIVITY</b>	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>General government:</b>				
City Council	\$ 37,758	\$ -	\$ -	\$ 37,758
City Manager	30,472	5,792	-	36,264
Personnel	19,338	-	-	19,338
Finance	14,800,073	68,666	-	14,868,739
Law	36,199	-	-	36,199
Human Resources	19,667	-	-	19,667
Engineering	99,450	9,626	-	109,076
Public Works Administration	14,159	-	-	14,159
Taxation	23,691	5,269	-	28,960
Municipal Court	175,135	-	-	175,135
<b>Total general government</b>	<b>15,255,942</b>	<b>89,353</b>	<b>-</b>	<b>15,345,295</b>
<b>Community environment:</b>				
Economic Development	1,138,206	5,249	-	1,143,455
Community Center	1,709,761	-	-	1,709,761
<b>Total community environment</b>	<b>2,847,967</b>	<b>5,249</b>	<b>-</b>	<b>2,853,216</b>
<b>Public safety:</b>				
Fire	1,829,044	68,937	-	1,897,981
Police	1,641,020	108,096	-	1,749,116
Building Inspection	-	-	-	-
Building Maintenance	402,359	16,361	-	418,720
Citizen Service Center	-	2,342	-	2,342
Electronic Maintenance	831,235	36,959	-	868,194
<b>Total public safety</b>	<b>4,703,658</b>	<b>232,695</b>	<b>-</b>	<b>4,936,353</b>
<b>Public health and welfare:</b>				
Health & Environment	2,722,049	-	-	2,722,049
Social Health	529,990	-	-	529,990
<b>Total public health and welfare</b>	<b>3,252,039</b>	<b>-</b>	<b>-</b>	<b>3,252,039</b>
<b>Leisure time activities:</b>				
Pools	1,503,309	-	-	1,503,309
Recreation	4,647,889	240,992	-	4,888,881
Parks Maintenance	539,238	-	-	539,238
<b>Total leisure time activities</b>	<b>6,690,436</b>	<b>240,992</b>	<b>-</b>	<b>6,931,428</b>
<b>Highways and streets:</b>				
Street Maintenance	458,693	17,255	-	475,948
<b>Total highways and streets</b>	<b>458,693</b>	<b>17,255</b>	<b>-</b>	<b>475,948</b>
<b>Total general fixed assets</b>	<b>\$ 33,208,735</b>	<b>\$ 585,544</b>	<b>\$ -</b>	<b>\$ 33,794,279</b>

# **STATISTICAL SECTION**



## **STATISTICAL TABLES**

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

**CITY OF MIDDLETOWN, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**Last ten years**  
**(Amounts in 000's)**  
**Table 1**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Public safety	\$12,788	\$13,053	\$14,450	\$15,529	\$16,559	\$17,667	\$17,962	\$18,753	\$19,457	\$20,863
Public health and welfare	894	868	899	1,120	1,178	1,138	1,098	1,246	1,548	1,699
Leisure time activities	882	737	937	875	946	959	957	1,264	1,022	1,072
Community environment	5,654	4,865	4,045	5,407	4,958	3,975	3,694	4,423	7,468	11,195
Highways and streets	2,023	1,826	3,469	2,983	4,043	5,179	3,946	3,255	4,618	5,139
General government	4,025	3,969	3,986	3,827	3,888	3,641	3,915	4,693	4,676	4,804
Principal and interest	2,225	2,175	4,694	1,937	2,067	1,955	1,615	1,676	2,429	2,509
Other	693	739	681	705	794	1,381	975	1,098	1,245	1,001
<b>Total expenditures</b>	<b>\$29,184</b>	<b>\$28,232</b>	<b>\$33,161</b>	<b>\$32,383</b>	<b>\$34,433</b>	<b>\$35,895</b>	<b>\$34,162</b>	<b>\$36,408</b>	<b>\$42,461</b>	<b>\$48,281</b>

(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**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Property taxes	\$4,169	\$3,943	\$4,067	\$4,236	\$4,439	\$4,809	\$4,593	\$4,837	\$5,140	\$4,773
Municipal income tax	11,229	11,488	12,781	13,661	14,361	14,959	15,975	17,614	16,970	19,230
Intergov'tal revenues	5,886	6,147	7,043	6,821	7,381	7,734	8,477	9,024	11,952	13,808
Charges for services	1,914	1,579	982	1,214	1,129	1,119	1,273	1,802	1,371	2,568
Special assessments	605	511	647	623	810	903	690	980	810	816
Licenses and permits	188	269	408	435	615	179	437	337	308	335
Interest earnings	553	397	486	801	985	758	1,073	1,179	1,974	1,905
Fines and forfeitures	888	799	907	933	1,162	1,149	1,218	1,152	1,272	1,301
Miscellaneous	596	751	1,164	758	875	1,593	1,803	1,276	1,544	1,515
Increase in Investment Fair Value	0	0	0	0	0	0	0	0	0	394
<b>Total revenues</b>	<b>\$ 26,028</b>	<b>\$ 25,884</b>	<b>\$ 28,485</b>	<b>\$ 29,482</b>	<b>\$ 31,757</b>	<b>\$ 33,203</b>	<b>\$ 35,539</b>	<b>\$ 38,201</b>	<b>\$ 41,339</b>	<b>\$46,647</b>

(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**

<b>Collection Year</b>		<b>(1) Billed</b>		<b>(2) Collected</b>	<b>Percentage Collected</b>
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
2000	\$	5,208,503	\$	5,145,764	98.80
2001	\$	4,789,377	\$	4,856,136	101.39

(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.



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

<b>Tax Levy/ Collection Year</b>	<b>Real Property</b>		<b>Personal Property (1)</b>	
	<b>Assessed</b>	<b>Estimated Actual</b>	<b>Assessed</b>	<b>Estimated Actual</b>
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
1999/2000	\$ 622,983,930	\$ 1,779,954,085	\$ 210,395,072	\$ 841,580,288
2000/2001	\$ 636,123,788	\$ 1,817,496,628	\$ 215,164,970	\$ 860,659,880

(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.

<b>Public Utility (2)</b>		<b>Totals</b>		<b>Assessed Value as a percent of Estimated Actual Value</b>	<b>Tax Levy/ Collection Year</b>
<b>Assessed</b>	<b>Estimated Actual</b>	<b>Assessed</b>	<b>Estimated Actual</b>		
\$ 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
\$ 55,443,990	\$ 158,411,400	888,822,992	2,779,945,773	31.97	1999/2000
\$ 52,757,620	\$ 211,030,480	904,046,378	2,889,186,988	31.29	2000/2001

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

<b>Collection Year</b>	<b>City of Middletown</b>			<b>City of Middletown Total</b>	<b>Butler County</b>	<b>Middletown City School District</b>	<b>Total</b>
	<b>Operating</b>	<b>Police and Fire Pension</b>	<b>Debt Retirement</b>				
1992	5.26	0.60	0.80	6.66	7.45	33.43	54.20
1993	5.26	0.60	0.70	6.56	7.45	33.23	53.80
1994	5.26	0.60	0.70	6.56	7.44	32.88	53.44
1995	5.26	0.60	0.63	6.49	7.44	38.20	58.62
1996	5.26	0.60	0.63	6.49	7.44	40.13	60.55
1997	5.26	0.60	0.56	6.42	8.45	38.56	59.85
1998	5.26	0.60	0.56	6.42	8.45	38.56	59.85
1999	5.26	0.60	0.61	6.47	8.44	38.49	59.87
2000	5.26	0.60	0.45	6.31	8.45	37.26	58.33
2001	5.26	0.60	0.00	5.86	8.45	37.26	57.43

(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**

<b>Collection Year</b>	<b>Billed</b>	<b>Collected</b>	<b>Percentage Collected</b>	<b>Accumulated Delinquent</b>
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
2000	\$ 748,297	\$ 731,531	97.8	\$ 42,846
2001	\$ 879,850	\$ 864,013	98.2	\$ 40,309

(1) Presented on a cash basis.

Source: City of Middletown Finance Department and Butler County Auditor's Office.

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

**Last ten years**

**Table 7**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value</b>	<b>Gross General Bonded Debt</b>	<b>Less Cash Available in Debt Service Funds</b>
1992	46,793	\$ 607,506,510	\$ 5,895,000	\$ 268,623
1993	47,892	\$ 622,027,040	\$ 4,995,000	\$ 260,986
1994	48,494	\$ 639,595,933	\$ 17,117,536	\$ 290,897
1995	48,902	\$ 670,302,598	\$ 17,731,765	\$ 347,950
1996	49,522	\$ 694,878,316	\$ 21,425,482	\$ 371,374
1997	50,231	\$ 764,332,807	\$ 20,627,803	\$ 120,395
1998	50,836	\$ 819,632,272	\$ 19,513,498	\$ 147,041
1999	51,003	\$ 813,809,721	\$ 31,624,840	\$ 493,064
2000	51,605	\$ 888,822,992	\$ 30,379,429	\$ 1,085,021
2001	51,605	\$ 904,046,378	\$ 28,907,439	\$ 749,433

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

Source: City of Middletown Finance Department.

<b>Less Debt Payable from Enterprise Funds</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Per Capital Net General Bonded Debt</b>	<b>Fiscal Year</b>
\$ 400,000	\$ 5,226,377	0.86%	\$ 111.69	1992
\$ 325,000	\$ 4,409,014	0.71%	\$ 92.06	1993
\$ 8,717,000	\$ 8,109,639	1.27%	\$ 167.23	1994
\$ 8,240,000	\$ 9,143,815	1.36%	\$ 186.98	1995
\$ 9,995,000	\$ 11,059,108	1.59%	\$ 223.32	1996
\$ 9,570,000	\$ 10,937,408	1.43%	\$ 217.74	1997
\$ 9,105,000	\$ 10,261,457	1.25%	\$ 201.85	1998
\$ 11,160,000	\$ 19,971,776	2.45%	\$ 391.58	1999
\$ 10,565,000	\$ 18,729,408	2.11%	\$ 362.94	2000
\$ 9,960,000	\$ 18,198,006	2.01%	\$ 352.64	2001

**CITY OF MIDDLETOWN, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 UNVOTED DEBT LIMIT (5.5 %)  
 December 31, 2001  
 Table 8 (A)**

<b>Assessed valuations:</b>	
Total assessed property value	<u><u>\$ 904,046,378</u></u>
<b>Legal unvoted debt margin:</b>	
Unvoted debt limit 5.5% of assessed valuation	\$ 49,722,551
Total unvoted bonded debt outstanding at December 31, 1999	\$ 28,507,439
Less: Unvoted general obligation bonds to be paid from enterprise fund revenues	(9,960,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(9,870,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	<u>(3,352,439)</u>
Total	5,325,000
Less: Cash in debt service fund	<u>295,568</u>
Net subject to 5.5% limit	<u>\$ 5,620,568</u>
<b>Total legal unvoted debt margin</b>	<u><u>\$ 44,101,983</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, 2001  
 Table 8 (B)**

<b>Assessed valuations:</b>	
Total assessed property value	<u><u>\$ 904,046,378</u></u>
<b>Legal voted and unvoted debt margin:</b>	
Voted and unvoted debt limit 10.5% of assessed valuation	\$ 94,924,870
Total voted and unvoted bonded debt outstanding at December 31, 1999	\$ 28,907,439
Less: Unvoted general obligation bonds to be paid from enterprise fund and internal service fund revenues	(9,960,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(9,870,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	<u>(3,352,439)</u>
Total	5,725,000
 Less: Cash in debt service fund	 <u>749,436</u>
Net subject to 10.5% limit	<u>6,474,436</u>
<b>Total legal voted and unvoted debt margin</b>	<b><u><u>\$ 88,450,434</u></u></b>

(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, 2001**  
**Table 9**

<b>Political Subdivision</b>	<b>General Bonded Debt</b>	<b>Percent Applicable to City</b>	<b>City's Share</b>
City of Middletown	\$ 25,555,000	100.00	\$ 25,555,000
Butler County	15,060,000	13.80	2,078,280
Warren County	<u>13,377,628</u>	2.09	<u>279,592</u>
Total	\$ 53,992,628		\$ 27,912,873

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**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Debt Service</b>	<b>Total General Expenditures</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
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
2000	\$ 1,236,780	\$ 1,191,866	\$ 2,428,646	\$ 42,175,729	5.8
2001	\$ 1,231,658	\$ 1,136,965	\$ 2,368,623	\$ 48,280,677	4.9

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			
				Principal	Interest	Total	Coverage
<i>Water</i>							
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
2000	\$ 5,338,202	\$ 2,886,657	\$ 2,451,545	\$ 400,000	\$ 285,062	\$ 685,062	3.58
2001	\$ 5,359,076	\$ 3,686,196	\$ 1,672,880	\$ 385,000	\$ 275,433	\$ 660,433	2.53
<i>Sewer</i>							
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
2000	\$ 6,229,722	\$ 3,053,316	\$ 3,176,406	\$ 170,000	\$ 73,605	\$ 243,605	13.04
2001	\$ 5,831,642	\$ 3,892,100	\$ 1,939,542	\$ 175,000	\$ 65,105	\$ 240,105	8.08

(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, 2001  
Table 12 (A)**

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*Population*

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<b>Year</b>	<b>City of Middletown</b>	<b>Butler County</b>
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
2000	51,605	332,807

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*Housing and Income Statistics*

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	<b>City of Middletown</b>	<b>Butler County</b>	<b>State of Ohio</b>
Total housing units	23,144	129,793	4,783,051
Total year-round occupied units	21,469	123,082	4,445,773
Owner occupied (percent of total year-round)	60.10%	71.60%	69.10%
Median value/owner occupied homes	\$ 91,600	\$ 73,000	\$ 103,700
Percent total units constructed prior to 1940	19.70%	13.20%	22.50%
Percent total units constructed since 1980	18.40%	81.70%	22.80%
Median family income	\$ 36,215	\$ 47,885	\$ 40,956
Per capita income	\$ 19,773	\$ 22,076	\$ 21,003

Source: 2000 U.S. Census

**CITY OF MIDDLETOWN, OHIO  
DEMOGRAPHIC STATISTICS  
December 31, 2001  
Table 12 (B)**

*2000 Census of Employed Persons*

<b>Employment</b>	<b>Middletown %</b>	<b>Butler County %</b>	<b>State of Ohio %</b>
Manufacturing	27.00	21.70	20.00
Educational, health, and social services	18.10	19.00	19.70
Retail trade	11.60	11.80	11.90
Arts, entertainment, recreation, & accomodations	8.60	7.60	7.50
Professional, scientific, management, solid waste	7.00	8.50	8.00
Construction	7.30	7.00	6.00
Finance, insurance, and real estate	5.20	7.10	6.30
Other Services	4.50	3.80	4.50
Transportation	3.50	4.70	4.90
Public administration	3.00	3.10	4.10
Wholesale trade	2.90	3.80	3.60
Information	1.20	1.60	2.40
Agriculture, forestry, fishing & hunting, mining	0.10	0.40	1.10

Source: 2000 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.

*Employment Data*

*Unemployment Percentage Rates*

<b>Year</b>	<b>Employed County/MSA</b>	<b>Unemployed County/MSA</b>	<b>City of Middletown</b>	<b>Butler County</b>	<b>State of Ohio</b>
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
1999	180,200	6,000	4.80	3.20	4.30
2000	183,600	5,700	4.50	3.00	4.10
2001	188,000	6,500	4.50	3.30	4.50

Source: Ohio Labor Market Information

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

Fiscal Year	Industrial and Commercial Construction		Residential Construction		Property Value		
	# of Permits	Value	# of Permits	Value	Industrial and Commercial	Residential	Nontaxable
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
2000	146	\$ 14,776,814	326	\$ 7,716,633	\$366,412,190	\$446,452,110	\$94,553,410
2001	228	\$23,418,645	290	\$ 12,587,619	\$200,062,910	\$450,904,030	\$95,632,110

(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, 2001**  
**Table 14**

*Real Property: Excluding Public Utility*

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 22,171,250	3.49%
Southwestern Ohio Steel	Steel processing	3,647,250	0.57
Garden Manor	Retirement home	3,248,850	0.51
Trinity Place Comm.	Apartment complex	2,358,450	0.37
Church of God	Retirement home	1,940,190	0.31
Bavarian Woods	Apartment complex	1,813,220	0.29
Pre Finish Metals	Steel processing	1,742,760	0.27
Olde Towne-American Housing	Apartment complex	1,647,490	0.26
Armco, Inc.	Diversified holding company	1,634,780	0.26
Jefferson Smurfit Corp.	Paper manufacturing	1,612,860	0.25
Total		\$ 41,817,100	6.57%

*Tangible Personal: Excluding Public Utility*

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 122,036,480	56.72%
Southwestern Ohio Steel	Steel trimming	8,603,460	4.00
Jefferson Smurfit Corporation	Paper and packaging	6,142,240	2.85
Bay West Paper Corporation	Paper Company	5,785,700	2.69
Messer Griesheim	Steel trimming	5,513,880	2.56
Aeronca, Inc.	Aircraft parts manufacturing	4,418,190	2.05
Pilot Chemical of Ohio	Industrial gas manufacturing	3,774,440	1.75
Air Products & Chemicals	Industrial gas manufacturing	3,706,270	1.72
MSC Pre-Finish	Steel trimming	3,277,530	1.52
J. & F. Steel Corporation	Steel Processor	2,961,120	1.38
Total		\$ 166,219,310	77.25%

Source: Butler County Auditor's Office

**CITY OF MIDDLETOWN, OHIO  
MISCELLANEOUS STATISTICS  
December 31, 2001  
Table 15**

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Date of incorporation	1837
Form of government	Council - Manager
Number of employees	467
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	1
Number of sworn policemen	92
Municipal water department:	
Number of customers	19,869
Miles of water mains	332.0
Sewers:	
Miles of sanitary and storm sewer	299
Building permits issued 2001	518
Recreation:	
Parks	34 (29 developed, 5 undeveloped)
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	3,000

Source: City of Middletown Finance and Engineering & Development Departments.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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 20, 2002**