

**CITY OF MIDDLETOWN
BUTLER COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



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, 2000**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Department of Housing and Urban Development:</i>			
Community Development Block Grant Entitlements	N/A	14.218	\$821,523
Home Program - Investment Partnership Program	N/A	14.239	55,500
Housing Assistance for Low Income Families - Section 8	N/A	14.856	<u>2,478,739</u>
Total U.S. Department of Housing and Urban Development			<u>3,355,762</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Grants</i>			
Cops in Schools Grant	N/A	16.710	228,740
Bulletproof Vest Partnership Program	N/A	16.607	<u>27,893</u>
Sub-total Direct Grants			<u>256,633</u>
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Federal Block Grant	N/A	16.592	51,177
Total U.S. Department of Justice			<u>307,810</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Public Transportation for Urbanized Areas			
Operating Assistance	N/A	20.507	142,109
Capital Assistance	N/A	20.507	<u>92,320</u>
Total Passed through Ohio Department of Transportation			<u>234,429</u>
<i>Passed Through Ohio Department of Public Safety:</i>			
State and Community Highway Safety (STEP)	N/A	20.600	27,354
SAFE Communities Program	09031ADO	20.600	<u>30,160</u>
Total Passed through Ohio Department of Public Safety			<u>57,515</u>
Total U.S. Department of Transportation			<u>291,944</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through Butler County Department of Human Services</i>			
Title XX Social Services Block Grant	9-99-2627	93.667	<u>27,599</u>
Total Passed through Butler County Department of Human Services			<u>27,599</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	42,726
Title XIX, Preventive Health Block Grant	226-E	93.991	34,981
Title XIX, Tobacco Prevention Grant	9-2-001-2-EE-01	93.991	47,719
Title XIX, Cardiovascular Disease Risk Reduction Project	226-I	93.991	<u>26,866</u>
Sub-total Title XIX			109,566
Block Grant Maternal and Child Health Services	9-2-01-F-AI-320	93.994	<u>381,779</u>
Total Passed through Ohio Department of Health			<u>534,071</u>
Total U.S. Department of Health and Human Services			<u>561,670</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$4,517,186</u>

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, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses in order to create jobs for persons from low-moderate income households; and to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of 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.



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**REPORT 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, 2000, and have issued our report thereon dated June 27, 2001. 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.

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 27, 2001.

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 27, 2001.

City of Middletown
Butler County
Report 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, the 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 27, 2001



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

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

To the City Council:

Compliance

We have audited the compliance of the City of Middletown with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that is applicable to each of its major federal programs for the year ended December 31, 2000. The City's major federal programs are 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 auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Middletown's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Middletown complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

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 audit the general purpose financial statements of the City as of and for the year ended December 31, 2000, and have issued our report thereon dated June 27, 2001. 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 27, 2001

**CITY OF MIDDLETOWN
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Housing Assistance for Low Income Families - Section 8 – CFDA 14.856 Block Grant Maternal and Child Health Services – CFDA 93.994 Public Transportation for Urbanized Areas – CFDA 20.507
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

**CITY OF MIDDLETOWN
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2000



CITY OF MIDDLETOWN, OHIO

CITY OF MIDDLETOWN, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2000

**Prepared by
Finance Department**

**John T. Lyons
Finance Director**

**CITY OF MIDDLETOWN, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the year ended December 31, 2000**

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

June 28, 2001

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, 2000, 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 which employs 1,403 area residents, cared for 9,500 patients in 2000, a jump of 5% over 1999. Among the hospital's major accomplishments in 2000 were the renovation of the National Child Health Center; the opening of the Heart Failure Center; the

establishment of the Walden Ponds and Liberty Urgent Care facilities; the receipt of a Diabetes Wellness Center award; and a new partnership with the Springboro YMCA.

In nearby Trenton, Ohio, the Miller Brewing Company's plant produced 9.3 million barrels. The Trenton plant is the largest brewery in Ohio and is Miller's "flagship brewery." The plant employs 643 workers.

In its May issue, Forbes Magazine named Hamilton-Middletown the number one place to live and work in the state of Ohio. The purpose of the Forbes list is to identify areas of the country that are conducive to a booming economy. The Butler County region ranked 74th on this list of the top 100 areas in the country.

A.K. Steel Company, Inc.

A.K. Steel, the city's largest employer, finished 2000 leading the domestic steel market in profit per ton shipped. This is the seventh straight year that A.K. has been the industry's profit leader. The company's operating profits were \$338.2 million or \$52 per ton shipped. A.K. earned \$132.4 million in 2000, in a year where ten of its competitors sought bankruptcy protection.

MAJOR INITIATIVES

Economic Development

- Middletown received a \$2.0 million grant from the State of Ohio in connection with the City's downtown improvements project, CrossLinks 2000. The City also received a commitment of \$3.0 million from Butler County for this project. The \$13.0 million renovation project, which began in 1999, will be completed in 2002.
- The City and the State of Ohio provided financial incentives to Aeronca Incorporated to expand its Middletown plant which employs 218 persons.

Recreation

- The City borrowed \$550,000 in 2000 to finance cart paths and restrooms at its award winning 36 hole golf course.
- The AK Pavilion was constructed in 2000 at Bicentennial Commons to celebrate A.K. Steel Company's 100 years of steel making in Middletown.

Citizen Service

- The City's Information System Division, in co-operation with all City departments upgraded the City web site. One significant improvement allows water customers to pay their bills on-line.
- The Citizen Service Center, located in the lobby of the City building, was opened. The Center offers City residents a single point of contact for information and complaints.

For the Future

- Middletown's 2001 capital improvements budget lists projects totaling \$3.6 million and \$4.2 million respectively for its water and sewer systems. The largest utility project on the schedule is the construction of the \$1.9 million Blueball elevated storage tank.
- Improvements scheduled for the City's east end bordering I-75 are expected to cost about \$5.4 million in 2001. Development in this area is expected to increase substantially in 2001.
- The removal of the City Centre Mall will begin in the summer of 2001. This project entitled "CrossLinks 2000" will be completed in late 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, 2000, and the amount and percentage of increases/decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 1998	Percent of Increase (Decrease)
Property taxes	\$5,139,958	12.43%	303,142	6.27%
Municipal income taxes	16,969,634	41.05	(644,836)	(3.66)
Special assessments	809,949	1.96	(169,643)	(17.32)
Intergovernmental revenues	11,951,633	28.91	2,927,462	32.44
Charges for services	1,370,728	3.32	(431,295)	(23.93)
Fees, licenses, and permits	307,738	0.74	(29,280)	(8.69)
Fines and forfeits	1,271,740	3.08	119,487	10.37
Interest earnings	1,973,571	4.77	794,723	67.42
Miscellaneous	1,542,672	3.73	267,158	20.95
Total	\$41,337,623	100.00%	\$3,136,918	8.21%

The most significant changes in revenues were in intergovernmental revenues, charges for services, and interest earnings.

Intergovernmental revenues increased by 32% in 2000 because of a \$2.0 million grant from the State of Ohio for the City's downtown improvements project, CrossLinks 2000. Federal grants for housing assistance and health programs also increased \$610,153 and \$339,931 respectively.

Charges for services decreased by 23% in 2000. This change was due to a drop in ambulance billing collections. The 1999 collections were higher than usual because of billing problems that were corrected during the year. Payments that should have been collected in 1998 were received in 1999.

Interest earnings rose by 67% in 2000 because of increased cash balances. The largest new balances were in capital projects funds which invested \$10.5 million in bond proceeds and \$2.0 million in grant proceeds for most of 2000.

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, 2000, and the amount and percentage of increases/ decreases in comparison to prior year expenditures:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1999	Percent of Increase (Decrease)
Current:				
Public safety	\$19,456,612	45.83%	703,423	3.75%
Public health and welfare	1,547,665	3.65	301,299	24.17
Leisure time activities	1,022,201	2.41	(241,645)	(19.12)
Community environment	7,467,535	17.59	3,044,100	68.82
Highways and streets	4,617,913	10.88	1,363,086	41.88
General government	4,675,612	11.01	(17,607)	(0.38)
Miscellaneous	1,241,342	2.92	143,215	13.04
Debt service:				
Principal retirement	1,236,780	2.91	323,404	35.41
Interest and fiscal charges	1,191,866	2.81	429,471	56.33
Total	\$42,457,526	100.00%	\$6,048,746	16.61%

There were significant changes in four categories in 2000.

- X Public health and welfare expenditures rose by 24% in 2000 because the City's Health Department spent \$381,779 from Child and Family Services grant.
- X Community Environment expenditures increased by \$3,044,100 (69%) in 2000. Most of this increase is attributable to the CrossLinks 2000 project (\$1.5 million), the Dick's Creek sewer extension project (\$.6 million), and increased Housing Assistance payments (\$.6 million).
- X Highways and streets expenditures were up by \$1,363,086 in 2000. This increase is due to new east end development projects (\$618,575); increased general capital improvements street projects (\$444,377); and increased costs of road maintenance and repair (\$245,875).
- X Debt service costs went up by \$752,875 (45%) in 2000. The first principal and interest payments on the City's 1999 \$10,525,000 bond issue (\$879,158) accounted for this increase.

General Fund Balance

The undesignated fund balance of the City's General Fund at year-end was \$10,245,206. This fund balance is equal to approximately four months of General Fund expenditures and provides an operating safety margin to the City's most vital service departments.

Enterprise Operations

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

- The Water, Sewer, and Solid Waste Funds all had profitable years in 2000.

- The Golf Course broke even in 2000.
- The Parking Fund and the Airport Fund reported losses of \$78,377 and \$96,662 for the year.
- The Transit Fund operating loss of \$735,940 was partially offset by federal and state grants totaling \$477,453.
- The City Centre Mall Fund operated at a loss in 2000 after the local income tax subsidy of \$150,000.

Fiduciary Funds

The City of Middletown operated with seven fiduciary funds in 2000. 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 \$1,377,414 on December 31, 2000.

Debt Administration

The City of Middletown had a number of debt issues outstanding at December 31, 2000. These issues included \$27,020,000 of general obligation bonds, and \$3,002,987 of special assessment bonds.

Middletown maintained its A-1 bond rating with Moody's Investors Service in 2000. The City's general obligation debt limit is \$87.8 million. The City's \$5.5 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 2000 was 6.20% versus 5.00% in 1999. The amount of interest revenue for all City funds in 2000 was \$2,703,260.

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 2000 were \$2,964,040). 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 2000.

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 2000 audit. The Auditor of State independent accountants' report on the City's general purpose financial statements is included in the financial section of this Comprehensive Annual Financial Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Middletown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1999.

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

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

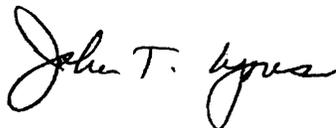
Acknowledgments

The preparation of the 2000 Comprehensive Annual Financial Report of the City of Middletown was made possible by the combined efforts of the City's Finance Department and the Auditor of State.

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

Respectfully submitted,

DEPARTMENT OF FINANCE



John T. Lyons, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Middletown,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

CITY OF MIDDLETOWN, OHIO

**Principal Officials
December 31, 2000**

Legislative

Mayor..... Frederick A. Sennet
Vice-Mayor.....Gerald T. Banks
CommissionerRobert Hill
CommissionerLaura Williams
Commissioner David Schiavone
Commissioner Earl Smith
Commissioner Robert Wells

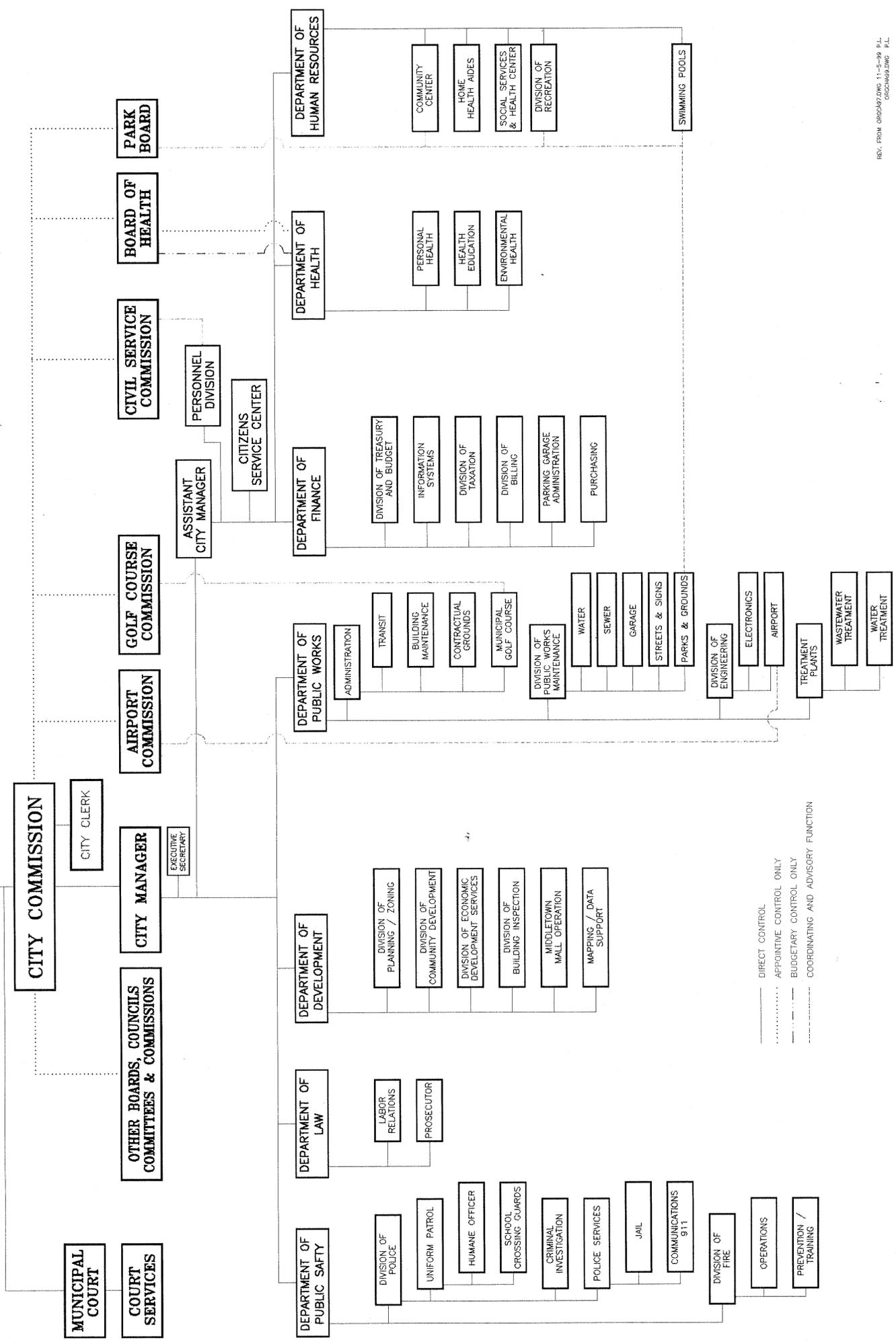
Executive/Administrative

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

ORGANIZATIONAL CHART

CITY OF MIDDLETOWN, OHIO

CITIZENS OF MIDDLETOWN



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

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

INDEPENDENT ACCOUNTANTS' REPORT

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

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, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Middletown's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Middletown, Butler County, Ohio, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2001 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 results of our audit.

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

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

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

Jim Petro
Auditor of State

June 27, 2001

COMBINED FINANCIAL STATEMENT

CITY OF MIDDLETOWN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
As of December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and equity in pooled cash, deposits and investments	\$ 7,859,453	\$ 4,067,828	\$ 1,085,201	\$ 16,532,450
Cash with fiscal and escrow agent	-	-	117,298	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property taxes	3,232,666	473,372	-	767,605
Estate taxes	321,288	-	-	-
Accounts	1,011,003	111,756	-	-
Loans	-	327,450	-	-
Special assessments	-	-	5,512,982	47,906
Due from other funds	2,770,814	11,093	-	385,000
Due from other governments	192,668	168,612	-	-
Inventory of supplies	5,954	169,461	-	-
Restricted assets:				
Cash and investments	361,786	-	-	-
Fixed assets in service:				
Land	-	-	-	-
Land Improvements	-	-	-	-
Infrastructure assets	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Less: Accumulated depreciation	-	-	-	-
Other Debits:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	\$15,755,632	\$5,329,572	\$6,715,481	\$17,732,961

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	2000	1999
\$ 14,740,420	\$ 1,300,404	\$ 1,393,920	\$ -	\$ -	\$ 46,979,676	\$ 44,136,124
-	-	1,737,714	-	-	1,855,012	1,718,980
-	-	1,055,885	-	-	1,055,885	1,802,161
-	-	-	-	-	4,473,643	5,510,854
-	-	-	-	-	321,288	-
1,911,262	2,872	-	-	-	3,036,893	2,658,657
-	-	1,377,414	-	-	1,704,864	1,708,857
-	-	-	-	-	5,560,888	5,743,366
1,485	202,830	-	-	-	3,371,222	4,670,636
156,014	-	-	-	-	517,294	593,993
558,280	135,500	-	-	-	869,195	917,349
-	-	-	-	-	361,786	288,000
6,652,577	195,750	-	7,635,050	-	14,483,377	13,986,474
2,379,535	-	-	-	-	2,379,535	2,053,342
44,871,950	-	-	-	-	44,871,950	43,996,294
25,849,671	344,227	-	19,551,564	-	45,745,462	44,922,317
8,870,345	9,991,581	-	6,022,121	-	24,884,047	23,057,549
(44,171,711)	(6,626,936)	-	-	-	(50,798,647)	(48,665,739)
-	-	-	-	885,201	885,201	371,664
-	-	-	-	25,723,888	25,723,888	26,522,813
\$61,819,828	\$5,546,228	\$5,564,933	\$33,208,735	\$26,609,089	\$178,282,459	\$175,993,691

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 As of December 31, 2000**

(continued)	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 277,574	\$ 252,013	\$ -	\$ 420,221
Accrued wages and benefits	944,717	106,556	-	-
Other accrued liabilities	376,925	66,182	-	-
Accrued interest payable	-	-	-	-
Due to other funds	88,962	137,372	200,000	385,000
Due to other governments	803	11,502	-	-
Due to individuals	2,194	32,059	-	-
Unapportioned monies	-	-	-	-
Current lease obligation	82,373	-	-	-
Matured bonds and interest	-	-	117,298	-
Current portion of general obligation bonds payable	-	-	-	-
Notes payable	-	-	-	960,000
Payable from restricted assets:				
Current portion of mortgage	-	-	-	-
Deferred revenue	3,553,954	473,372	5,512,982	767,605
General obligations bonds payable	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Compensated absences payable	-	-	-	-
Police and fire pension liability	-	-	-	-
Lease obligation payable	-	-	-	-
Total liabilities	5,327,502	1,079,056	5,830,280	2,532,826
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	463,047	252,540	-	7,814,074
Reserved for inventory	5,954	169,461	-	-
Reserved for endowments	-	-	-	-
Reserved for loans	-	327,450	-	-
Unreserved:				
Undesignated	9,959,129	3,501,065	885,201	7,386,061
Total equity and other credits	10,428,130	4,250,516	885,201	15,200,135
Total liabilities, equity and other credits	\$ 15,755,632	\$ 5,329,572	\$ 6,715,481	\$ 17,732,961

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt	2000	1999
\$ 369,620	\$ 326,429	\$ -	\$ -	\$ -	\$ 1,645,857	\$ 1,173,922
157,680	18,159	-	-	-	1,227,112	1,438,483
88,725	9,818	-	-	-	541,650	487,396
54,566	325	-	-	-	54,891	53,577
398,499	1,485	2,159,904	-	-	3,371,222	4,670,636
32,053	-	92,999	-	-	137,357	341,362
212,356	-	150,634	-	-	397,243	370,748
-	-	75,728	-	-	75,728	58,162
-	-	-	-	-	82,373	-
-	-	-	-	-	117,298	133,069
605,000	-	-	-	-	605,000	595,000
774,748	260,000	-	-	-	1,994,748	649,175
-	-	-	-	-	10,307,913	11,254,220
9,960,000	-	-	-	16,455,000	26,415,000	27,855,000
-	-	-	-	3,007,987	3,007,987	3,186,075
408,702	68,022	-	-	3,580,661	4,057,385	3,507,872
-	-	-	-	3,274,281	3,274,281	3,372,022
-	-	-	-	291,160	291,160	-
13,061,949	684,238	2,479,265	-	26,609,089	57,604,205	59,146,719
41,963,453	-	-	-	-	41,963,453	41,630,925
-	-	-	33,208,735	-	33,208,735	32,130,979
959,380	-	-	-	-	959,380	714,275
5,835,046	4,861,990	-	-	-	10,697,036	9,015,105
-	-	-	-	-	8,529,661	4,394,686
-	-	-	-	-	175,415	275,287
-	-	6,000	-	-	6,000	6,000
-	-	3,024,252	-	-	3,351,702	3,294,767
-	-	55,416	-	-	21,786,872	25,384,948
48,757,879	4,861,990	3,085,668	33,208,735	-	120,678,254	116,846,972
\$ 61,819,828	\$ 5,546,228	\$ 5,564,933	\$ 33,208,735	\$ 26,609,089	\$ 178,282,459	\$ 175,993,691

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, 2000

	Governmental Fund Types				Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)	
						2000	1999
Revenues:							
Property taxes	\$3,408,077	\$489,860	\$489,468	\$752,553	\$ -	\$5,139,958	\$4,836,816
Municipal income taxes	11,180,458	2,781,000	1,400,176	1,608,000	-	16,969,634	17,614,470
Intergovernmental revenues	3,499,832	6,298,509	45,070	2,108,222	-	11,951,633	9,024,171
Charges for services	1,080,465	275,216	-	15,047	-	1,370,728	1,802,023
Fees, licenses, and permits	307,738	-	-	-	-	307,738	337,018
Fines and forfeits	13,379	1,258,361	-	-	-	1,271,740	1,152,253
Special assessments	-	-	632,469	177,480	-	809,949	979,592
Interest earnings	1,104,035	71,822	-	715,000	82,714	1,973,571	1,178,848
Miscellaneous	927,752	569,420	-	45,500	1,110	1,543,782	1,275,514
Total revenues	21,521,736	11,744,188	2,567,183	5,421,802	83,824	41,338,733	38,200,705
Expenditures:							
Current							
Public safety	14,520,967	4,902,290	-	33,355	-	19,456,612	18,753,189
Public health and welfare	518,793	1,028,327	-	545	-	1,547,665	1,246,366
Leisure time activities	839,564	21,514	-	161,123	-	1,022,201	1,263,846
Community environment	1,093,013	3,578,165	-	2,796,357	-	7,467,535	4,423,435
Highways and streets	-	2,233,329	-	2,384,584	-	4,617,913	3,254,827
General government	4,497,582	40,244	-	137,786	-	4,675,612	4,693,219
Miscellaneous	1,039,618	201,724	-	-	3,308	1,244,650	1,098,127
Capitalized Lease	361,730	-	-	-	-	361,730	-
Debt service							
Principal retirement	-	-	1,236,780	-	-	1,236,780	913,376
Interest and fiscal charges	-	-	1,191,866	-	-	1,191,866	762,395
Total expenditures	22,871,267	12,005,593	2,428,646	5,513,750	3,308	42,822,564	36,408,780
Excess of revenues over (under) expenditures	(1,349,531)	(261,405)	138,537	(91,948)	80,516	(1,483,831)	1,791,925
Other financing sources (uses):							
Operating transfers-in	1,337,508	100,000	375,000	2,312,336	-	4,124,844	10,712,321
Operating transfers-out	(1,754,313)	-	-	(987,130)	-	(2,741,443)	(8,003,213)
Other sources	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	(340)
Proceeds from bonds	-	-	-	223,692	-	223,692	10,980,780
Capitalized Lease	361,730	-	-	-	-	361,730	-
Total other financing sources (uses)	(55,075)	100,000	375,000	1,548,898	0	1,968,823	13,689,548
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,404,606)	(161,405)	513,537	1,456,950	80,516	484,992	15,481,473
Fund balance, beginning of year, restated (Note 22)	11,832,736	4,411,921	371,664	13,743,185	2,943,736	33,281,542	17,794,709
Fund balance, end of year	\$10,428,130	\$4,250,516	\$885,201	\$15,200,135	\$3,024,252	\$33,766,534	\$33,276,182

See accompanying notes to financial statements.

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

For the year ended December 31, 2000

	General Fund			Special Revenue Funds		
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)
Revenues:						
Property taxes	\$ 3,400,000	\$ 3,406,385	\$ 6,385	\$ 495,528	\$ 497,360	\$ 1,832
Municipal income taxes	12,472,890	12,402,301	(70,589)	2,781,000	2,781,000	-
Intergovernmental revenues	3,341,744	3,477,295	135,551	7,049,405	6,285,998	(763,407)
Charges for services	852,662	814,770	(37,892)	306,529	275,211	(31,318)
Fees, licenses, and permits	400,000	308,101	(91,899)	-	-	-
Fines and forfeits	10,000	13,379	3,379	1,320,097	1,246,316	(73,781)
Interest earnings	1,000,000	1,103,979	103,979	57,600	55,181	(2,419)
Miscellaneous	734,966	615,463	(119,503)	642,203	600,213	(41,990)
Total revenues	22,212,262	22,141,673	(70,589)	12,652,362	11,741,279	(911,083)
Expenditures:						
Current:						
Public safety	15,424,787	14,757,872	666,915	5,156,462	4,883,049	273,413
Public health and welfare	613,734	523,939	89,795	1,279,032	1,092,130	186,902
Leisure time activities	934,441	859,899	74,542	12,000	11,364	636
Community environment	1,222,009	1,174,273	47,736	4,650,795	3,901,134	749,661
Highways and streets	-	-	-	2,241,197	2,175,894	65,303
General government	5,091,380	4,733,004	358,376	116,000	101,476	14,524
Miscellaneous	1,062,544	1,041,996	20,548	-	-	-
Total expenditures	24,348,895	23,090,983	1,257,912	13,455,486	12,165,047	1,290,439
Excess of revenues over (under) expenditures	(2,136,633)	(949,310)	1,187,323	(803,124)	(423,768)	379,356
Other financing sources (uses):						
Operating transfers-in	1,337,507	1,337,507	-	100,000	100,000	-
Operating transfers-out	(1,754,313)	(1,754,313)	-	-	-	-
Other sources	-	216,051	216,051	-	698	698
Other uses	-	(170)	(170)	-	(11,093)	(11,093)
Total other financing sources (uses)	(416,806)	(200,925)	215,881	100,000	89,605	(10,395)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,553,439)	(1,150,235)	1,403,204	(703,124)	(334,163)	368,960
Fund balance, beginning of year	7,954,079	7,954,079	-	3,824,947	3,824,947	-
Appropriation for prior year encumbrances	511,004	511,004	-	264,242	264,242	-
Fund balance, end of year	\$ 5,911,644	\$ 7,314,848	\$ 1,403,204	\$ 3,386,065	\$ 3,755,026	\$ 368,960

See accompanying notes to financial statements.

(continued)

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

For the year ended December 31, 2000

	Debt Service Fund			Capital Projects Funds		
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)
(continued)						
Revenues:						
Property taxes	\$488,000	\$489,467	\$1,467	\$ 751,000	\$ 752,552	\$ 1,552
Municipal income taxes	1,400,176	1,400,176	-	1,608,000	1,608,000	-
Intergovernmental revenue	45,000	45,070	70	2,310,318	2,324,938	14,620
Charges for services	-	-	-	20,000	15,047	(4,953)
Special assessments	600,000	632,469	32,469	124,000	140,865	16,865
Interest earnings	-	-	-	630,050	715,000	84,950
Miscellaneous	-	-	-	45,500	45,500	-
Total revenues	2,533,176	2,567,182	34,006	5,488,868	5,601,902	113,034
Expenditures:						
Current:						
Contractual services	5,100	5,010	90	619,364	285,867	333,497
Capital outlay:						
Public safety	-	-	-	44,595	42,214	2,381
Public health & welfare	-	-	-	545	545	-
Leisure time activities	-	-	-	265,873	255,223	10,650
Community environment	-	-	-	1,197,316	1,211,889	(14,573)
Highways and streets	-	-	-	8,694,142	6,173,772	2,520,370
General government	-	-	-	350,089	309,103	40,986
Debt service:						
Principal retirement	1,231,780	1,236,780	(5,000)	-	-	-
Interest and fiscal charges	1,192,584	1,186,857	5,727	-	-	-
Total expenditures	2,429,464	2,428,647	817	11,171,924	8,278,613	2,893,311
Excess of revenues over (under) expenditures	103,712	138,535	34,823	(5,683,056)	(2,676,711)	3,006,345
Other financing sources (uses):						
Operating transfers-in	375,000	375,000	-	2,282,526	2,312,336	29,810
Operating transfers-out	-	-	-	(1,054,551)	(987,130)	67,421
Other sources	-	-	-	355,000	154,000	(201,000)
Other uses	-	(30,000)	(30,000)	-	(154,000)	(154,000)
Proceeds from bonds	-	-	-	225,000	223,692	(1,308)
Proceeds from notes	-	-	-	980,000	960,000	(20,000)
Total other financing sources (uses)	375,000	345,000	(30,000)	2,787,975	2,508,898	(279,077)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	478,712	483,535	4,823	(2,895,081)	(167,813)	2,727,268
Fund balance, beginning of year	601,663	601,663	-	9,750,786	9,750,786	-
Appropriation for prior year encumbrances	-	-	-	3,888,085	3,888,085	-
Fund balance, end of year	\$ 1,080,375	\$ 1,085,198	\$ 4,823	\$ 10,743,790	\$ 13,471,058	\$ 2,727,268

See accompanying notes to financial statements.

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the year ended December 31, 2000

	Expendable Trust Funds			Totals (Memorandum only)			
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
(continued)							
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 5,134,528	\$ 5,145,764	\$ 11,236	\$ 4,836,817
Municipal income taxes	-	-	-	18,262,066	18,191,477	(70,589)	16,334,325
Intergovernmental revenues	-	-	-	12,746,467	12,133,301	(613,166)	8,949,941
Charges for services	-	-	-	1,179,191	1,105,028	(74,163)	1,483,888
Special assessments	-	-	-	724,000	773,334	49,334	968,210
Fees, licences, and permits	-	-	-	400,000	308,101	(91,899)	336,109
Fines and forfeits	-	-	-	1,330,097	1,259,695	(70,402)	1,205,460
Interest earnings	70,000	82,714	12,714	1,757,650	1,956,874	199,224	1,237,680
Miscellaneous	-	-	-	1,422,669	1,261,176	(161,493)	1,330,793
Total revenues	70,000	82,714	12,714	42,956,668	42,134,750	(821,918)	36,683,223
Expenditures:							
Current:							
Contractual services	-	-	-	624,464	290,877	333,587	258,579
Capital outlay:							
Public safety	-	-	-	20,625,844	19,683,135	942,709	18,898,385
Public health and welfare	-	-	-	1,893,311	1,616,614	276,697	1,186,554
Leisure time activities	-	-	-	1,212,314	1,126,486	85,828	1,226,989
Community environment	-	-	-	7,070,120	6,287,296	782,824	4,238,760
Highways and streets	-	-	-	10,935,339	8,349,666	2,585,673	7,122,011
General government	-	-	-	5,557,469	5,143,583	413,886	5,351,623
Miscellaneous	-	-	-	1,062,544	1,041,996	20,548	948,595
Debt service:							
Principal retirement	-	-	-	1,231,780	1,236,780	(5,000)	1,593,376
Interest and fiscal charges	-	-	-	1,192,584	1,186,857	5,727	922,271
Total expenditures	0	0	0	51,405,769	45,963,290	5,442,479	41,747,143
Excess of revenues over (under) expenditures	70,000	82,714	12,714	(8,449,101)	(3,828,540)	4,620,561	(5,063,920)
Other financing sources (uses):							
Operating transfers-in	-	-	-	4,095,033	4,124,843	29,810	11,010,368
Operating transfers-out	-	-	-	(2,808,864)	(2,741,443)	67,421	(8,003,213)
Other sources	-	189,594	189,594	355,000	560,343	205,343	743,029
Other uses	(360,000)	(205,863)	154,137	(360,000)	(401,126)	(41,126)	(451,923)
Proceeds from bonds	-	-	-	225,000	223,692	(1,308)	10,525,000
Proceeds from notes	-	-	-	980,000	960,000	(20,000)	455,780
Total other financing sources (uses)	(360,000)	(16,269)	343,731	2,486,169	2,726,309	240,140	14,279,041
Excess of revenues and other financing sources over (under) exp. & other fin. sources (uses)	(290,000)	66,445	356,445	(5,962,932)	(1,102,231)	4,860,701	9,215,121
Fund balance, beginning of year	1,690,357	1,690,357	-	23,821,832	23,821,832	-	13,612,949
Appropriation for prior year encumbrances	-	-	-	4,663,331	4,663,331	-	993,762
Fund balance, end of year	\$1,400,357	\$1,756,802	\$356,445	\$ 22,522,231	\$ 27,382,932	\$4,860,701	\$23,821,832

See accompanying notes to financial statements.

CITY OF MIDDLETOWN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the year ended December 31, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non- expendable Trust		
				2000	1999
Operating revenues:					
Charges for services	\$ 15,427,366	\$ 4,892,305	\$ 39,831	\$20,359,502	\$19,901,379
Other operating revenue	39,118	8,342	-	47,460	132,874
Total operating revenue	15,466,484	4,900,647	39,831	20,406,962	20,034,253
Operating expenses:					
Personal services	4,679,828	528,147	-	5,207,975	5,499,064
Contractual services	3,962,364	3,196,556	36,221	7,195,141	6,375,826
Commodities	1,090,100	612,775	-	1,702,875	1,389,607
Depreciation	1,807,115	758,700	-	2,565,815	1,990,131
Other operating expenses	1,335,656	0	-	1,335,656	816,622
Total operating expenses	12,875,063	5,096,178	36,221	18,007,462	16,071,250
Operating income	2,591,421	(195,531)	3,610	2,399,500	3,963,003
Nonoperating revenues (expenses)					
Interest revenue	674,615	55,074	-	729,689	527,179
Interest expense and fiscal charges	(630,578)	(18,648)	-	(649,226)	(494,007)
Operating grants	477,453	-	-	477,453	579,445
Income taxes	350,000	-	-	350,000	400,000
Gain (loss) on sale of equipment	-	6,631	-	6,631	(28,262)
Total nonoperating revenues (expenses)	871,490	43,057	0	914,547	984,355
Income before operating transfers	3,462,911	(152,474)	3,610	3,314,047	4,947,358
Operating transfers-out	(1,383,401)	-	-	(1,383,401)	(2,709,108)
Net income (loss)	2,079,510	(152,474)	3,610	1,930,646	2,238,250
Total equity, beginning of year	46,345,841	5,014,464	57,806	51,418,111	49,027,810
Increase in contributed capital	332,528	-	-	332,528	152,051
Total equity, end of year	\$48,757,879	\$4,861,990	\$61,416	\$53,681,285	\$51,418,111

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, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum only)	
	Enterprise	Internal Service	Non-expendable Trust	2000	1999
Cash flows from operating activities:					
Cash received from customers	\$14,990,995	\$ -	\$ 39,577	\$15,030,572	\$15,089,506
Cash payments to suppliers for goods and services	(5,275,251)	(3,751,809)	(36,221)	(9,063,281)	(8,008,187)
Cash payments to employees for services	(4,268,419)	(475,865)	-	(4,744,284)	(4,982,108)
Miscellaneous revenues	26,646	5,470	-	32,116	66,260
Cash received from quasi-external operating activities	-	4,896,215	-	4,896,215	4,510,977
Cash payments for quasi-external operating activities	(1,291,553)	(69,883)	-	(1,361,436)	(1,234,447)
Deposits & collections for other governments	22,944	-	-	22,944	18,304
Net cash provided by operating activities	4,205,362	604,128	3,356	4,812,846	5,460,305
Cash flows from non-capital financing activities:					
Operating grants	372,163	-	-	372,163	579,445
Interfund loan receipts/payments	(175,000)	-	-	(175,000)	(200,000)
Operating transfers-out to other funds	(1,383,401)	-	-	(1,383,401)	(2,709,108)
Income taxes received	350,000	-	-	350,000	400,000
Return of fine	(288,000)	-	-	(288,000)	288,000
Net cash provided (used) by non-capital financing activities	(1,124,238)	0	0	(1,124,238)	(1,641,663)
Cash flows from capital and related financing activities:					
Sale of fixed assets	-	133,485	-	133,485	87,703
Purchase of fixed assets	(2,157,471)	(1,274,764)	-	(3,432,235)	(3,596,525)
Interest expense	(629,124)	(18,788)	-	(647,912)	(540,180)
Repayment of debt principal	(844,175)	(400,000)	-	(1,244,175)	(668,230)
Bond proceeds	-	-	-	-	2,545,000
Note proceeds	774,748	260,000	-	1,034,748	649,175
Net cash (used) by capital and related financing activities	(2,856,022)	(1,300,067)	0	(4,156,089)	(1,523,057)
Cash flows from investing activities:					
Interest income	674,615	55,074	254	729,943	568,595
Net cash provided by investing activities	674,615	55,074	254	729,943	568,595
Net increase in cash and cash equivalents	899,717	(640,865)	3,610	262,462	2,864,180
Cash and cash equivalents, beginning of year	13,840,703	1,941,269	51,806	15,833,778	12,969,598
Cash and cash equivalents, end of year	\$14,740,420	\$1,300,404	\$55,416	\$16,096,240	\$15,833,778

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, 2000

(continued)	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum only)	
	Enterprise	Internal Service	Non-expendable Trust	2000	1999
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$2,591,421	(\$195,531)	\$3,610	\$2,399,500	\$3,963,003
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,807,115	758,700	-	2,565,815	1,990,131
Changes in assets and liabilities:					
Decrease in net accounts receivable	(111,495)	250	-	(111,245)	(41,542)
Increase in accrued interest receivable			(254)	(254)	(140)
Decrease in due from other funds	-	(34,436)	-	(34,436)	1,630
Increase in inventory of supplies	(47,487)	(4,231)	-	(51,718)	(38,762)
Decrease in accounts payables	(922)	82,235	-	81,313	(450,911)
Decrease in accrued wages and benefits	(48,586)	(5,423)	-	(54,009)	12,578
Increase in other accrued liabilities	(21,756)	1,111	-	(20,645)	2,455
Increase in due to other funds	349	-	-	349	(2,444)
Increase in compensated absences payable	13,779	1,453	-	15,232	6,003
Increase in due to other governments	6,946	-	-	6,946	6,330
Increase in due to individuals	15,998	-	-	15,998	11,974
Deposits and collections for other governments	-	-	-	-	-
Total adjustments	1,613,941	799,659	(254)	2,413,346	1,497,302
Net cash provided by operating activities	\$ 4,205,362	\$ 604,128	\$ 3,356	\$ 4,812,846	\$ 5,460,305

(continued)

See accompanying notes to financial statements.

**CITY OF MIDDLETOWN, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 NON-EXPENDABLE TRUST FUNDS
 For the year ended December 31, 2000**

(continued)	Totals	
	2000	1999

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

COMBINED BALANCE SHEET

Cash and equity in pooled cash, deposits and investments - Fiduciary Fund Types	\$ 1,393,920	\$ 1,852,640
Less:		
Cash and equity in pooled cash - Expendable Trust Fund	109,964	104,446
Cash and equity in pooled cash - Agency Funds	1,222,540	1,690,388
Balance sheet cash and equity in pooled cash, deposits and investments - Non-Expendable Trust Funds	\$ 61,416	\$ 57,806

COMBINED STATEMENT OF CASH FLOWS

Cash and equity in pooled cash - Non-Expendable Trust Funds	\$ 55,416	\$ 51,806
Investments - Non-expendable Trust Funds	6,000	6,000
Total	\$ 61,416	\$ 57,806

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, 2000

	Enterprise Funds			Internal Service Funds		
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 15,103,382	\$ 14,973,315	\$ (130,067)	\$ 4,836,030	\$ 5,035,170	\$ 199,140
Other operating revenue	52,650	47,481	(5,169)	-	-	-
Total operating revenues	15,156,032	15,020,796	(135,236)	4,836,030	5,035,170	199,140
Operating expenses:						
Personal services	4,996,166	4,703,371	292,795	533,116	531,006	2,110
Commodities	4,998,942	4,376,648	622,294	3,340,712	3,191,400	149,312
Contractual services	1,418,024	1,270,960	147,064	618,103	609,525	8,578
Other operating expenses	5,182,333	4,075,207	1,107,126	1,440,531	1,425,900	14,631
Total operating expenses	16,595,465	14,426,186	2,169,279	5,932,462	5,757,831	174,631
Operating income (loss)	(1,439,433)	594,610	2,034,043	(1,096,432)	(722,661)	373,771
Nonoperating revenues (expenses)						
Interest revenue	585,726	674,614	88,888	40,000	55,074	15,074
Interest expenses and fiscal charges	(636,731)	(629,124)	7,607	(18,800)	(18,788)	12
Debt retirement	(844,175)	(844,174)	1	(400,000)	(400,000)	-
Proceeds from bonds	-	-	-	260,000	260,000	-
Proceeds from notes	784,175	774,748	(9,427)	-	-	-
Operating grants	520,272	372,163	(148,109)	-	-	-
Other sources	-	22,944	22,944	-	-	-
Other uses	(288,000)	(463,000)	(175,000)	-	-	-
Income taxes	350,000	350,000	-	-	-	-
Total nonoperating revenues (expenses)	471,267	258,171	(213,096)	(118,800)	(103,714)	15,086
Income (loss) before operating transfers	(968,166)	852,781	1,820,947	(1,215,232)	(826,375)	388,857
Operating transfers-out	(1,383,401)	(1,383,401)	-	-	-	-
Total transfers	(1,383,401)	(1,383,401)	0	0	0	0
Net income (loss)	(2,351,567)	(530,620)	1,820,947	(1,215,232)	(826,375)	388,857
Retained earnings, beginning of the year	11,594,193	11,594,193	-	1,246,151	1,246,151	-
Appropriation for prior year encumbrances	2,246,509	2,246,509	-	695,118	695,118	-
Retained earnings, end of year	\$ 11,489,135	\$ 13,310,082	\$ 1,820,947	\$ 726,037	\$ 1,114,894	\$ 388,857

See accompanying notes to financial statements.

Non-Expendable Trust Funds			Totals (Memorandum only)			
Revised Budget	Revised Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
\$ 50,000	\$ 39,577	\$ (10,423)	\$ 19,989,412	\$ 20,048,062	\$ 58,650	\$ 17,306,117
-	254	254	52,650	47,735	(4,915)	2,431,429
50,000	39,831	(10,169)	20,042,062	20,095,797	53,735	19,737,546
-	-	-	5,529,282	5,234,377	294,905	5,475,329
-	-	-	8,339,654	7,568,048	771,606	6,727,570
40,000	36,221	3,779	2,076,127	1,916,706	159,421	1,820,340
-	-	-	6,622,864	5,501,107	1,121,757	6,739,654
40,000	36,221	3,779	22,567,927	20,220,238	2,347,689	20,762,893
10,000	3,610	(6,390)	(2,525,865)	(124,441)	2,401,424	(1,025,347)
-	-	-	625,726	729,688	103,962	568,339
-	-	-	(655,531)	(647,912)	7,619	(378,407)
-	-	-	(1,244,175)	(1,244,174)	1	(543,229)
-	-	-	260,000	260,000	-	2,945,000
-	-	-	784,175	774,748	(9,427)	249,175
-	-	-	520,272	372,163	(148,109)	579,445
-	-	-	-	22,944	22,944	306,702
-	-	-	(288,000)	(463,000)	(175,000)	(200,000)
-	-	-	350,000	350,000	-	400,000
0	0	0	352,467	154,457	(198,010)	3,927,025
10,000	3,610	(6,390)	(2,173,398)	30,016	2,203,414	2,901,678
-	-	-	(1,383,401)	(1,383,401)	-	(2,995,881)
0	0	0	(1,383,401)	(1,383,401)	-	(2,995,881)
10,000	3,610	(6,390)	(3,556,799)	(1,353,385)	2,203,414	(94,203)
57,806	57,806	-	12,898,150	12,898,150	-	9,519,987
-	-	-	2,941,627	2,941,627	-	3,472,366
\$ 67,806	\$ 61,416	\$ (6,390)	\$ 12,282,978	\$ 14,486,392	\$ 2,203,414	\$ 12,898,150



**NOTES TO
FINANCIAL STATEMENTS**

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CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Middletown, Ohio, was incorporated as a City in 1837 under the laws of the State of Ohio. The City operates under a Commission-Manager form of government and provides the following services as authorized by its Charter: Public Safety (police and fire), Human Resources (social services), Planning and Economic Development, Public Works (maintenance and construction of public improvements), Recreation (swimming pools and golf course), Public Utilities (water and sewer service), Public Health Services, Municipal Court Services, and General Government Services. The financial statements of the City of Middletown, Ohio, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. REPORTING ENTITY

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

Blended Component Unit

This component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds.

Discretely Presented Component Units

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

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

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

Related Organization

The City is associated with the Middletown Public Library, which is a related organization. The library is presented in Note 20 to the general purpose financial statements.

Included within the reporting entity:

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

B. FUND ACCOUNTING

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

Funds are classified into three 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 parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A thirty-day availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The City considers unpaid contractually required pension contributions to be a current liability (governmental fund liability) because the liability is expected to be liquidated with available expendable resources.

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

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

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

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

D. CASH, DEPOSITS, AND INVESTMENTS

Cash resources of individual funds, except for petty cash and specific accounts used to administer various activities, are combined to form a pool of cash, deposits, and investments which is managed by the City Treasurer. Deposits and investments in the pool consist of certificates of deposit, investments in the State of Ohio STAROhio Investment Pool, purchases of the City's 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, 2000.

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

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cash equivalents because these investments have a maturity of over three months when purchased.

E. CASH WITH FISCAL AND ESCROW AGENT

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables and short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. INVENTORY OF SUPPLIES

Inventory is recorded at cost (first-in, first-out). Inventory in the Governmental Funds consists of expendable items and is recorded on a consumption basis. "Consumption basis" means that no expenditure is recorded for the inventory of supplies on hand at year-end. Recorded inventories in the Governmental Fund types are offset equally by fund balance reserves, which indicates that they do not constitute "available spendable resources."

H. RESTRICTED ASSETS

The restricted assets in the General Fund represent assets earmarked for the payment of lease obligations, and the interest earned from the investment of this asset. This asset has been classified as restricted since its use is limited by the lease agreement.

I. FIXED ASSETS AND DEPRECIATION

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

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

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

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

J. CAPITALIZATION OF INTEREST

The City's policy is to capitalize net interest on Proprietary Fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the construction project and the interest earned from the temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in the Proprietary Funds were not material.

K. CONTRIBUTED CAPITAL

Contributions for (or of) capital assets are credited directly to contributed capital. These include grants restricted for capital construction, donations by developers, contributions made by the City and recorded assets whose construction was financed through special assessments. Depreciation expense on assets acquired through restricted grants is not closed to contributed capital. Contributed capital activity in 2000 is disclosed in the Combined Statement of Revenues, Expenses, and Changes in Equity All Proprietary and Non-Expendable Trust Fund Types.

L. RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

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

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

M. INTERFUND TRANSACTIONS

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

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

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

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

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

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INTERFUND TRANSFERS

Fund Type	Transfers In	Transfers Out
General Fund	\$ 1,337,508	\$1,754,313
Special Revenue	100,000	-
Capital Improvements	2,312,336	987,130
Debt Service	375,000	-
Proprietary	-	1,383,401
Total	\$4,124,844	\$4,124,844

N. INTERGOVERNMENTAL REVENUES

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

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

O. COMPENSATED ABSENCES

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

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

**CITY OF MIDDLETOWN
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Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

All City employees (except firefighters), earn sick leave at the rate of ten hours per calendar month of service. Firefighters earn sick leave at the rate of thirteen and one-half hours per calendar month of service. Sick leave usage is recorded for all employees at the time it is used.

Upon retirement from the City, non-fire employees with twenty-five years of service are paid for one-half their accumulated unused sick leave up to a maximum of 424 hours. Employees who are eligible to retire, but do not have twenty-five years of service, are paid for one-third of their sick leave up to a maximum of 264 hours. All other employees who leave City employment receive payment for one-third of the accumulated sick leave over 280 hours up to a maximum of 264 hours.

Firefighters are paid for their accumulated sick leave upon retirement according to the IAFF labor contract with the City. The contract specifies a maximum accumulated sick leave retirement payment of 500 hours.

At December 31, 2000, the total liability of the City for compensated absences was \$4,057,385.

P. TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

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

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

CITY OF MIDDLETOWN
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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 2000.

Appropriations

An appropriation measure to control expenditures is passed on or about January 1 of each year for the period from January 1 to December 31. The appropriation resolution may be supplemented during the year by action of City Commission as new information becomes available, but fund appropriations may not exceed estimated resources. Twenty-nine supplemental appropriation measures were legally enacted during 2000. The supplemental appropriations decreased the original 2000 Appropriation Resolution by \$8,103,690.

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 Commission may alter amounts allocated to various funds during the year as the need arises by adopting modification to the appropriation measure. Management may make appropriation transfers within individual departments, but may not make interfund

CITY OF MIDDLETOWN
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transfers without City Commission approval. Amounts shown in the budgetary financial statements represent the final amounts appropriated for 2000, 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, 1999, reflect an "Appropriation for prior year encumbrances."

B. BUDGETARY ACCOUNTING

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types and Expendable Trust Funds; and the Combined Statement of Revenues, Expenses, and Changes in fund balances, Budget and Actual (Non-GAAP Basis) - all Proprietary Fund Types and similar Trust Funds, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- i) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- ii) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- iii) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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- 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:

	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP basis (as reported)	(\$1,404,606)	(\$161,405)	\$513,537	\$1,456,950	\$80,516
Adjustments: revenue and other source accruals	835,987	(2,211)	0	1,294,100	188,484
Expenditures, encumbrances and other use accruals	(581,616)	(170,547)	(30,002)	(2,918,863)	(202,555)
Budget basis	(\$1,150,235)	(\$334,163)	\$483,535	(\$167,813)	\$66,445

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

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

	Proprietary Funds		Fiduciary Funds
	Enterprise	Internal Service	Non-Expendable Trust
GAAP basis (as reported)	\$2,079,510	(\$152,474)	\$3,610
Adjustments: revenue and other source accruals	(528,035)	127,892	0
Expenditures and other accruals	(579,722)	(475,959)	0
Debt retirement	(844,174)	(400,000)	0
Encumbrances	(1,432,947)	(185,834)	0
Sale of notes	774,748	260,000	0
Budget basis	(\$530,620)	(\$826,375)	\$3,610

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

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

CITY OF MIDDLETOWN
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Cash deposits and investments of the City as of December 31, 2000, are comprised of the following:

Deposits	
Petty Cash	\$ 5,575
Demand deposit accounts	3,148,477
Certificates of deposit	6,000
Subtotal deposits	<u>\$3,160,052</u>
Investments	
Money Market Funds	989,025
U.S. Gov't and Agency Securities	25,781,570
STAROhio	19,151,079
Investment in City issued bonds	114,748
Subtotal investments	<u>\$46,036,422</u>
Total	<u>\$49,196,474</u>

Deposits

The bank balance for all City deposits at December 31, 2000, was \$4,144,171. 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, \$562,116 was covered by FDIC Insurance, and \$3,582,055 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, 2000, were \$46,036,422. Investments are carried at fair value.

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

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NOTES TO FINANCIAL STATEMENTS
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	Category 1	Uncategorized	Fair Value
City of Middletown Notes & Bonds	\$ 114,748	\$ -	\$ 114,748
U.S. Treasury & Agency Securities	25,781,570	-	25,781,570
Money Market Mutual Fund	-	989,025	989,025
Uncategorized Investments: Investment in STAROhio	-	19,151,079	19,151,079
Total	\$ 25,896,318	\$ 20,140,104	\$ 46,036,422

NOTE 4 - UNRESERVED/UNDESIGNATED FUND BALANCE RETAINED EARNINGS DEFICITS

At December 31, 2000, the following funds had unreserved/undesignated fund balance deficit retained earnings:

Special Revenue Funds

- Auto & Gas Tax Fund
The \$30,730 deficit in the Auto & Gas Tax Fund will be corrected in 2001 when the City's local income tax contribution is received by this fund.
- Community Development Fund
The \$224,022 deficit in the Community Development Fund is caused by outstanding purchase orders for approved construction projects. Funds are requested from the Federal Government as the work progresses.
- Litter Control Fund
The \$11,320 fund balance deficit in the Litter Control Fund will be corrected in 2001 when the City's \$16,000 cash contribution is received.
- Home Program
The \$65,000 fund balance deficit in the Home Program Fund will be corrected in 2001 when the federal funds are received.

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Debt Service Funds

- Special Assessment Debt Service Fund
The fund deficit of \$106,235 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

- Longfellow, Illinois Streets Improvements Fund
The \$239,462 deficit in this fund will be eliminated in 2001 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.
- 2000 Sidewalk, Curb, and Gutter Improvements Fund
The \$113,238 deficit in this fund will be eliminated in 2001 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.
- Dick's Creek Sewer Extension Fund
The \$660,484 deficit in this fund will be eliminated in 2001 upon completion of the project and the receipt of property owners' special assessment payments and special assessment bond revenues.
- Oxford State Road Water Line Extension Fund
The \$66,905 deficit in this fund will be eliminated in 2001 when the project is completed and special assessment bond revenues are received.
- Oxford State Road Intersection Fund
The \$130,000 deficit in this fund will be eliminated in 2001 when the project is completed and property owners' special assessment payments are received.

Enterprise Funds

- Water Fund
The \$1,050,190 deficit in this fund is offset with contributed capital of \$17,416,667.
- Transit System Fund
The \$750,384 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.

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- *Solid Waste Disposal Fund*

The \$1,643,823 deficit in this fund is caused by the landfill bonds, which will be repaid over the next sixteen years with customer refuse pickup charges.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the City. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 per cent of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 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 2000 taxes were collected was \$888,822,992. The full tax rate for all City operations for the fiscal year ended December 31, 2000, was \$6.36 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, 2000. 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 2000 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

**CITY OF MIDDLETOWN
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required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates.

As of December 31, 2000, the City accrued \$1,055,885 revenue for income taxes to be remitted within thirty days of year-end.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2000, consisted of taxes, accounts (billing for user charged services, including utility services), 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	\$4,757,625	\$ -	\$4,436,337
Special Revenue	1,081,190	-	1,081,190
Debt Service	5,512,982	-	5,512,982
Capital Project	815,611	-	815,611
Enterprise	2,404,624	337,348	2,067,276
Internal Service	2,872	-	2,872
Trust and Agency	2,433,299	-	2,433,299

NOTE 8 - FIXED ASSETS

A summary of Proprietary Fund fixed assets at December 31, 2000 follows:

	Enterprise	Internal Service	Total Proprietary
Land	\$ 6,652,577	\$ 195,750	\$ 6,848,327
Land improvements	2,379,535		2,379,535
Infrastructure assets	44,871,950		44,871,950
Buildings	25,849,671	344,227	26,193,898
Equipment	8,870,345	9,991,581	18,861,926
Total	88,624,078	10,531,558	\$99,155,636
Accumulated depreciation	(44,171,711)	(6,626,936)	(50,798,647)
Net	<u>\$ 44,452,367</u>	<u>\$ 3,904,622</u>	<u>\$48,356,989</u>

**CITY OF MIDDLETOWN
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A summary of changes in general fixed assets follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 7,323,940	\$ 311,110	\$ -	\$ 7,635,050
Buildings	19,323,115	228,449	-	19,551,564
Equipment	<u>5,483,924</u>	<u>538,197</u>	-	<u>6,022,121</u>
Total	<u>\$ 32,130,979</u>	<u>\$1,077,756</u>	<u>\$ 0</u>	<u>\$ 33,208,735</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 2000 employer contribution rate for local government employer units was 10.84% of covered payroll. The Retirement Board issued a temporary employer contribution rollback for 2000. The rate rollback was 20% for state and local government divisions. The City of Middletown's contribution to PERS for the years ending December 31, 2000, 1999, and 1998 were \$1,455,187, \$1,768,355, and \$1,511,977 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

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, 2000, 1999, and 1998 were \$2,065,625, \$1,831,735, and \$1,851,916 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, 2000, 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 \$271,694.

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CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 11 - LONG-TERM OBLIGATIONS

Long-term obligation of the City as of December, 31, 2000, 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>				
1980 Street Improvements	14,000	-	14,000	-
1981 Street Improvements	30,000	-	15,000	15,000
1982-1 Street Improvements	90,000	-	30,000	60,000
1983-2 Street Improvements	85,000	-	20,000	65,000
1985 Street Improvements	270,000	-	45,000	225,000
1985 Manchester Road Improvements	84,000	-	14,000	70,000
1986 Street Improvements	130,000	-	15,000	115,000
1988 Street Improvements	20,000	-	2,000	18,000
1990 Street Improvements	127,000	-	11,000	116,000
1991 Street Improvements	245,000	-	20,000	225,000
1991 Street Lighting	12,000	-	6,000	6,000
1992 Street Improvements	24,000	-	1,000	23,000
1993 Street Improvements	102,000	-	8,000	94,000
1994 Street Improvements	63,000	-	2,000	61,000
1995-1 Street Improvements	135,000	-	5,000	130,000
1995 Sidewalk Improvements	35,000	-	35,000	-
1995 Street Lighting	12,000	-	2,000	10,000
1995-2 Street Improvements	85,000	-	3,000	82,000
1996 Sidewalk Improvements	50,000	-	25,000	25,000
1996 Street Improvements	195,000	-	10,000	185,000
1996 Sewer Imp.-Dick's Creek	140,707	-	4,539	136,168
1996 Sewer Imp.-Cin/Dayton Rd.	14,293	-	461	13,832
1996 Sidewalk, Curb & Gutter II	90,000	-	30,000	60,000
1997 Sophie Street Improvements	215,000	-	5,000	210,000
1997 Dix Road Improvements	166,295	-	5,000	161,295
1997 Sidewalk, Curb & Gutter I	95,000	-	30,000	65,000
1997 Sidewalk, Curb & Gutter II	44,000	-	10,000	34,000
1998 Sidewalk, Curb & Gutter	75,000	-	15,000	60,000
1998 Lewis Street Improvements	82,000	-	3,000	79,000
1999 Marshall Road Improvements	455,780	-	15,780	440,000
2000 Burbank Street Improvements	-	183,658	-	183,658
2000 Garfield Sidewalk Improvements	-	40,034	-	40,034
Total Special Assessment Bonds	3,186,075	223,692	401,780	3,007,987

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1994 Transportation	3,155,000	-	165,000	2,990,000
1994 Recreation	550,000	-	30,000	520,000
1996 Street Improvements	1,900,000	-	75,000	1,825,000
1996 Energy Savings Improvements	360,000	-	45,000	315,000
1999 Downtown Improvements	10,525,000	-	320,000	10,205,000
<i>General Obligation Bonds Voted:</i>				
1982 Public Library	800,000	-	200,000	600,000
Total General Obligation Bonds	17,290,000	-	835,000	16,455,000
Compensated Absences	3,046,380	534,281	-	3,580,661
Police & Fire Pension Unfunded Accrued Liability	3,372,022	-	97,741	3,274,281
2000 Lease (5 years)	-	361,730	70,570	291,160
Total General Long-Term Debt Account Group	\$ 26,894,477	\$ 1,119,703	\$ 1,405,091	\$ 26,609,089

B. PAYABLE FROM ENTERPRISE FUNDS

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<i>General Obligation Bonds:</i>				
1974 Airport Fund	10,000	-	10,000	-
1994 Landfill "A"	2,440,000	-	120,000	2,320,000
1994 Landfill "B"	255,000	-	10,000	245,000
1994 Water	2,440,000	-	120,000	2,320,000
1996 Golf Course	2,105,000	-	85,000	2,020,000
1994 Sewer	1,365,000	-	170,000	1,195,000
1999 Water	2,545,000	-	80,000	2,465,000
Total General Obligation Bonds Payable by Enterprise Funds	11,160,000	-	595,000	10,565,000

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

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 \$87,805,173 at December 31, 2000. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2000 are as follows:

Year	Assessment Bonds	General Obligation Bonds	Police and Fire Pension	Lease Obligation
2001	\$ 561,844	\$ 2,976,475	\$ 97,741	\$ 82,374
2002	505,059	2,965,891	97,741	82,374
2003	398,617	2,930,171	97,741	82,374
2004	324,876	2,710,716	97,741	82,374
2005	324,893	2,701,526	97,741	75,509
Thereafter	<u>2,310,789</u>	<u>27,157,227</u>	<u>2,834,347</u>	<u>0</u>
Total	\$ 4,426,078	\$ 41,442,006	\$ 3,323,052	\$ 405,005

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
DECEMBER 31, 2000

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 \$44,748 note was outstanding at December 31, 2000. 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, 2001.
- b) A \$260,000 note, bearing interest of 5.07%, for the purchase of a fire truck that was delivered in the fall of 2000 was outstanding at December 31, 2000. The note matures on December 21, 2001.
- c) A \$180,000 note, bearing interest of 4.80%, for the purchase and installation of energy conservation equipment for the City water treatment plant was outstanding at December 31, 2000. The note matures on April 11, 2001.
- d) A \$550,000 note, bearing interest of 4.89%, for City golf course improvements was outstanding at December 31, 2000. The note matures on October 24, 2001.
- e) A \$260,000 note, bearing interest of 5.00%, for the property owners' participation in the improvements on Longfellow and Illinois streets was outstanding at December 31, 2000. This special assessment note will be replaced by a 20-year bond issue in March 2001.
- f) A \$700,000 note, with an interest rate of 5.00% for the property owners' portion of the Towne Boulevard/Route 122 intersection improvements was outstanding on December 31, 2000. This note matures on August 8, 2001.

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, 2000, for these non-similar enterprise activities is as follows:

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

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, 2000, for these non-similar enterprise activities is as follows:

Key Financial Information

	Parking Garage	Water	Sewer	Airport
Operating revenue	\$ 88,111	\$ 5,133,907	\$ 6,049,391	\$ 78,047
Operating expenses:				
Depreciation	61,027	548,399	710,280	111,172
Other	157,111	3,844,186	2,706,037	62,952
Operating Income	(130,027)	741,322	2,633,074	(96,077)
Income tax	50,000	-	-	-
Operating grants	-	-	-	-
Operating transfers-in (out)	-	(691,700)	(691,701)	-
Net income (loss)	(80,027)	41,897	2,262,236	(96,662)
Net working capital	82,592	5,932,548	8,418,181	135,513
Property, plant & equipment:				
Additions	-	895,995	1,231,119	-
Total assets	1,337,705	22,400,698	25,807,227	1,507,766
Bonds and other long-term liabilities payable from				
operating revenues	14,429	4,723,514	1,185,591	-
Contributed capital	-	17,416,667	22,808,698	-
Total equity	1,317,150	16,842,147	24,235,374	1,485,477

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Total
\$ 97,386	\$ 328,898	\$ 1,803,870	\$ 1,886,874	\$ 15,466,484
116,481	95,305	162,792	1,659	1,807,115
716,845	482,013	1,533,247	1,565,557	11,067,948
(735,940)	(248,420)	107,831	319,658	2,591,421
150,000	150,000	-	-	350,000
477,453	-	-	-	477,453
-	-	-	-	(1,383,401)
(108,487)	(101,351)	(2,569)	164,473	2,079,510
196,263	188,400	(633,069)	353,786	14,674,214
40,439	-	338,909	-	2,506,462
262,046	3,034,231	6,408,075	1,062,080	61,819,828
40,268	-	1,979,900	2,425,000	10,368,702
932,883	744,856	60,349	-	41,963,453
182,499	2,965,546	3,373,509	(1,643,823)	48,757,879

CITY OF MIDDLETOWN, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances as of December 31, 2000, follow:

Fund	Receivables	Payables
General fund	\$ 2,770,814	\$ 88,962
Special revenue funds:		
Auto and gas tax	-	62,914
Health grant	-	2,636
Litter control	-	11,320
Mandatory drug fine	-	1,016
Municipal court	-	868
Police grant	-	5,118
Home program		500
Community Development		53,000
Police pension	11,093	0
Total special revenue funds	11,093	137,372
Debt service funds		
Special assessment	-	200,000
Capital project funds:		
Capital improvements	385,000	-
2000 Sidewalk, curb, and gutter	-	150,000
Oxford State Rd water line extension	-	67,000
Oxford State Rd intersection	-	168,000
Total capital projects funds	385,000	385,000
Enterprise funds:		
Parking	-	522
Water	-	10,313
Sewer	-	8,820
Transit	1,485	12,894
Golf	-	365,839
City Centre Mall	-	111
Total enterprise funds	1,485	398,499
Internal service funds		
Municipal garage	201,920	1,485
Employee benefits	910	
Total internal service funds	202,830	1,485
Agency funds		
Income tax	-	2,158,994
Payroll clearing	-	910
Total agency funds	-	2,159,904
Total all funds	\$ 3,371,222	\$ 3,371,222

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 15 – DUE FROM OTHER GOVERNMENTS

A summary of intergovernmental receivables at December 31, 2000, follows:

General Fund

Local government fund distribution due from the state of Ohio	\$158,940
Federal contribution – Job Opportunity Program	14,926
Title XX funds due from the federal government	1,961
Liquor permits	6,841
Federal government contribution - Social Health Center (Community Development)	10,000
Total	<u>\$192,668</u>

Special Revenue Funds

Gasoline tax due from the State of Ohio	\$101,089
City share of Butler County auto license tax	20,686
Municipal Motor Vehicle License Tax due from the State of Ohio	22,191
Public Health grant due from the State of Ohio	24,646
Total	<u>\$168,612</u>

Proprietary Funds

Federal transit operating grant	\$156,014
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NOTE 16 - CONTINGENT LIABILITY

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

NOTE 17 - POST EMPLOYMENT BENEFITS

The City provides death benefits to its employees who retire voluntarily or who are forced to retire due to a disability. A life insurance policy with a face value of \$5,000 is paid for by the City for all employees who retire. As of December 31, 2000, the City had 280 policies with a total value of \$1,400,000 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 2000 was \$17,571.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirants.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

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 employee contribution rate was rolled back for the year 2000. The 2000 employer contribution rate for the City was 10.84% of covered payroll. Of that, 4.30% was the portion used to fund health care for the year 2000.

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, 1999.

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 1999 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 401,339.
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 \$229,004.
3. \$10,805.5 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 1999.
4. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

The Retirement Board initiated significant policy changes during 2000. The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both state and

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

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 7.0% and 7.25% of covered payroll in 1999 and 2000 respectively. The allocation is 7.5% in 2001. 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, 2000, are 12,467 for police and 9,807 for firefighters. For the year ended December 31, 2000, the City's contribution to fund OPEB was \$377,281 for police and \$336,527 for firefighters. The PFDPF's total health care expenses as of December 31, 1999, were \$95,004,633, which was net of member contributions of \$5,518,098.

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 268 member organizations. The City's agreement with the Public Entities Pool of Ohio (PEP) covers its general liability, public officials' liability, police professional liability, and automobile liability exposures. The Intergovernment Agreement of PEP provides that PEP will be self-sustaining through member contributions. The pool currently has a cumulative reserve of over \$6,600,000. The pool reinsures for each loss in excess of \$250,000 with American Public Entities Excess Pool (APEEP) for a yearly aggregate of five million dollars. APEEP currently has a surplus of \$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

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

stop loss has been exhausted. Currently, that amounts to \$22.05 million. Demotech, an independent financial stability rating company, has awarded PEP their highest rating (AAA) for the ninth consecutive year. In no year has PEP exceeded the APEEP limits. In 1996, the City exceeded the PEP limits with a settlement of \$1.2 million. The City increased its liability coverage limits to \$10 million on May 1, 1997.

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
1999	383,344	1,794,002	1,969,446	207,900
2000	207,900	2,596,840	2,533,046	271,694

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, 2000, 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
John R. Jurgensen Company	Street rehabilitation	199,879
Traffic Control Products	SR 122/Towne Blvd.	118,318
L. P. Cavett Company	SR 122/Towne Blvd.	772,914
Hanscomb Associates Inc.	Mall construction project manager	423,787
Burgess & Niple Ltd.	Mall design	725,379
Pitt Des Moines Inc.	Water storage tank	197,154
Don S. Cisle Contractor	Golf course improvements	153,660
SK Construction	Oxford State Road intersection	130,000

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

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 – LESSEE

The City entered into a capitalized lease for the acquisition of a telephone system. Principal payments pertaining to the lease totaled \$5,288 during calendar year 2000.

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 \$82,374. 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>
2002	\$ 82,374
2003	82,374
2004	82,374
2005	<u>75,509</u>
Total Payments	322,631
Less: Amounts representing interest	<u>(31,020)</u>
Present Value of Minimum Lease Payments	<u>\$291,612</u>

**CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 22 – RESTATEMENT OF FUND BALANCES

The City of Middletown determined that the ending fund balances for CY 1999 and beginning fund balances for CY 2000 in the Court Special Project Fund (Fund 253) – Special Revenue Funds and the Community Development Act Escrow Fund (Fund 736) – Expendable Trust Fund were incorrect due to omission/error. The balances were restated in the following amounts:

<u>Fund</u>	Previously Stated Balance at 12/31/99	<u>Adjustment</u>	Restated Balance at 01/01/00
Court Special Project Fund	0	\$ 5,360	\$ 5,360
Community Development Act Escrow Fund	\$2,922,036	\$21,700	\$2,943,736



GENERAL FUND

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

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 3,400,000	\$ 3,406,385	\$ 6,385	\$ 3,259,065
Municipal income taxes	12,472,890	12,402,301	(70,589)	12,861,909
Intergovernmental revenue	3,341,744	3,477,295	135,551	3,286,627
Charges for services	852,662	814,770	(37,892)	827,444
Fees, licenses, and permits	400,000	308,101	(91,899)	336,109
Fines and forfeits	10,000	13,379	3,379	14,120
Interest earnings	1,000,000	1,103,979	103,979	895,967
Miscellaneous	734,966	615,463	(119,503)	712,003
Total revenues	22,212,262	22,141,673	(70,589)	22,193,244

Expenditures:

Current

<i>Public safety</i>				
Fire administration				
Personal services	138,090	139,184	(1,094)	133,702
Contractual services	5,274	5,262	12	3,110
Commodities	4,350	3,856	494	3,000
Subtotal	147,714	148,302	(588)	139,812
Fire operations				
Personal services	4,468,607	4,192,233	276,374	4,218,321
Contractual services	343,886	334,509	9,377	319,250
Commodities	146,680	146,611	69	109,943
Capital outlay	501,963	498,641	3,322	416,137
Subtotal	5,461,136	5,171,994	289,142	5,063,651
Fire prevention/training				
Personal services	322,680	321,839	841	248,768
Contractual services	14,282	13,368	914	8,365
Commodities	1,750	800	950	1,901
Capital outlay	1,809	1,809	-	1,809
Subtotal	340,521	337,816	2,705	260,843

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>Public safety (continued)</i>				
Police administration				
Personal services	184,382	180,291	4,091	176,932
Contractual services	45,036	39,599	5,437	41,269
Commodities	7,662	7,461	201	7,291
Capital outlay	4,399	4,362	37	5,527
Subtotal	241,479	231,713	9,766	231,019
Criminal investigation				
Personal services	1,169,826	1,162,412	7,414	1,105,162
Contractual services	30,061	23,352	6,709	27,454
Commodities	6,346	5,802	544	7,355
Capital outlay	6,437	6,113	324	5,082
Subtotal	1,212,670	1,197,679	14,991	1,145,053
Uniform patrol				
Personal services	3,597,435	3,456,572	140,863	3,443,344
Contractual services	403,697	399,783	3,914	333,765
Commodities	51,728	51,708	20	46,318
Capital outlay	330,153	329,282	871	336,124
Subtotal	4,383,013	4,237,345	145,668	4,159,551
Police services				
Personal services	1,277,915	1,238,306	39,609	1,201,365
Contractual services	69,181	67,819	1,362	65,894
Commodities	58,077	56,991	1,086	65,147
Capital outlay	7,000	7,000	-	8,500
Subtotal	1,412,173	1,370,116	42,057	1,340,906

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>Public safety (continued)</i>				
Humane officer				
Personal services	44,405	36,903	7,502	38,828
Contractual services	42,646	41,845	801	35,822
Commodities	2,100	739	1,361	1,017
Subtotal	89,151	79,487	9,664	75,667
Jail management				
Personal services	617,936	555,094	62,842	597,949
Contractual services	333,769	273,510	60,259	300,950
Commodities	34,059	33,172	887	24,356
Capital outlay	8,245	8,151	94	4,245
Subtotal	994,009	869,927	124,082	927,500
School crossing guards				
Personal services	33,283	32,590	693	21,556
Subtotal	33,283	32,590	693	21,556
Building inspection and services				
Personal services	368,591	358,797	9,794	369,435
Contractual services	44,359	44,312	47	252,361
Commodities	2,580	2,527	53	2,093
Capital outlay	8,903	8,831	72	9,828
Subtotal	424,433	414,467	9,966	633,717

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>Public safety (continued)</i>				
Building maintenance				
Personal services	181,278	167,475	13,803	188,242
Contractual services	424,469	423,268	1,201	386,414
Commodities	61,833	61,756	77	50,056
Capital outlay	17,625	13,937	3,688	8,081
Subtotal	685,205	666,436	18,769	632,793
Total Public safety	15,424,787	14,757,872	666,915	14,632,068
<i>Public health & welfare</i>				
Home health aides				
Personal services	144,948	133,910	11,038	81,138
Contractual services	3,983	3,217	766	2,642
Commodities	905	803	102	642
Subtotal	149,836	137,930	11,906	84,422
Social health program				
Personal services	79,820	45,397	34,423	158,970
Contractual services	364,624	324,211	40,413	281,166
Commodities	1,800	1,475	325	1,518
Capital outlay	2,000	-	2,000	1,377
Subtotal	448,244	371,083	77,161	443,031
Job opportunity				
Personal services	15,654	14,926	728	14,588
Subtotal	15,654	14,926	728	14,588
Total public health & welfare	613,734	523,939	89,795	542,041

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>Leisure activities</i>				
Community center				
Personal services	133,299	95,607	37,692	119,563
Contractual services	46,819	43,321	3,498	36,895
Commodities	7,000	6,192	808	3,407
Capital outlay	2,460	2,460	-	710
Subtotal	189,578	147,580	41,998	160,575
Douglass pool				
Contractual services	33,523	31,077	2,446	31,298
Commodities	7,631	7,135	496	4,815
Capital outlay	132	130	2	1,533
Subtotal	41,286	38,342	2,944	37,646
Pools				
Contractual services	73,906	73,278	628	63,039
Commodities	10,966	10,811	155	12,268
Capital outlay	-	-	-	4,605
Subtotal	84,872	84,089	783	79,912
Recreation				
Personal services	77,144	70,282	6,862	72,874
Contractual services	55,046	51,547	3,499	44,235
Commodities	14,980	14,497	483	11,652
Capital outlay	2,506	2,429	77	12,127
Subtotal	149,676	138,755	10,921	140,888
Middfest activities				
Contractual services	-	-	-	-
Subtotal	-	-	-	-

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>Leisure activities (continued)</i>				
Parks maintenance				
Personal services	289,966	279,123	10,843	248,622
Contractual services	102,063	96,406	5,657	137,993
Commodities	27,680	27,600	80	22,596
Capital outlay	49,320	48,004	1,316	42,961
Subtotal	469,029	451,133	17,896	452,172
Total Leisure activities	934,441	859,899	74,542	871,193
<i>Community environment</i>				
Economic development administration				
Personal services	148,295	147,177	1,118	139,881
Contractual services	355,117	354,509	608	2,722
Commodities	1,930	1,909	21	1,307
Capital outlay	3,414	2,593	821	1,262
Subtotal	508,756	506,188	2,568	145,172
Rehabilitation				
Personal services	215,214	188,999	26,215	184,471
Subtotal	215,214	188,999	26,215	184,471
Street lighting				
Contractual services	474,389	456,016	18,373	444,079
Commodities	23,650	23,070	580	18,688
Subtotal	498,039	479,086	18,953	462,767
Total community environment	1,222,009	1,174,273	47,736	792,410

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>General government</i>				
City commission				
Personal services	149,933	150,030	(97)	145,895
Contractual services	83,095	83,049	46	55,871
Commodities	9,300	7,113	2,187	8,982
Capital outlay	3,050	2,015	1,035	-
Subtotal	245,378	242,207	3,171	210,748
City manager				
Personal services	265,261	262,408	2,853	253,681
Contractual services	13,857	11,724	2,133	14,818
Commodities	2,400	2,363	37	1,740
Capital outlay	2,698	2,698	-	-
Subtotal	284,216	279,193	5,023	270,239
Citizen service center				
Personal services	166,876	150,989	15,887	-
Contractual services	3,240	2,616	624	-
Commodities	4,950	4,928	22	-
Capital outlay	8,836	8,339	497	-
Subtotal	183,902	166,872	17,030	-
Finance administration				
Personal services	149,777	140,670	9,107	150,979
Contractual services	7,307	6,247	1,060	5,970
Commodities	900	865	35	827
Capital outlay	1,067	1,062	5	1,022
Subtotal	159,051	148,844	10,207	158,798
Treasurer				
Personal services	228,771	214,777	13,994	221,857
Contractual services	20,030	16,267	3,763	7,531
Commodities	4,508	2,687	1,821	2,598
Capital outlay	6,820	4,820	2,000	5,907
Subtotal	260,129	238,551	21,578	237,893

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>General government (continued)</i>				
Taxation				
Personal services	347,336	312,902	34,434	324,299
Contractual services	30,681	25,048	5,633	31,498
Commodities	4,285	1,824	2,461	2,212
Capital outlay	20,588	1,567	19,021	3,901
Subtotal	402,890	341,341	61,549	361,910
Information systems				
Personal services	403,025	397,275	5,750	342,837
Contractual services	325,630	323,369	2,261	97,266
Commodities	9,500	8,700	800	8,815
Capital outlay	47,031	45,437	1,594	82,208
Subtotal	785,186	774,781	10,405	531,126
Personnel				
Personal services	238,854	185,203	53,651	207,189
Contractual services	170,600	155,451	15,149	131,241
Commodities	2,656	2,514	142	944
Subtotal	412,110	343,168	68,942	339,374
Law				
Personal services	362,270	320,405	41,865	242,049
Contractual services	154,883	118,877	36,006	193,453
Commodities	1,707	1,681	26	2,101
Capital outlay	10,313	9,937	376	4,000
Subtotal	529,173	450,900	78,273	441,603

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>General government (continued)</i>				
Purchasing				
Personal services	111,988	109,594	2,394	108,330
Contractual services	3,155	2,713	442	2,733
Commodities	750	641	109	392
Capital outlay	2,020	2,020	-	879
Subtotal	117,913	114,968	2,945	112,334
Planning				
Personal services	395,120	380,339	14,781	375,748
Contractual services	275,822	269,974	5,848	142,310
Commodities	9,494	9,469	25	9,126
Capital outlay	7,981	6,231	1,750	3,641
Subtotal	688,417	666,013	22,404	530,825
Human resources administration				
Personal services	123,125	120,799	2,326	116,044
Contractual services	12,298	12,132	166	8,537
Commodities	1,500	1,305	195	435
Capital outlay	-	-	-	1,755
Subtotal	136,923	134,236	2,687	126,771
Public works administration				
Personal services	161,288	158,684	2,604	222,769
Contractual services	11,688	10,411	1,277	8,820
Commodities	1,280	876	404	780
Capital outlay	2,469	1,996	473	1,899
Subtotal	176,725	171,967	4,758	234,268

(continued)

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
<i>General government (continued)</i>				
Engineering				
Personal services	581,535	539,488	42,047	571,077
Contractual services	106,444	99,425	7,019	54,976
Commodities	5,450	5,182	268	4,069
Capital outlay	15,938	15,868	70	15,608
Subtotal	709,367	659,963	49,404	645,730
Total general government	5,091,380	4,733,004	358,376	4,201,619
<i>Miscellaneous</i>				
Non-departmental				
Personal services	20,820	17,571	3,249	17,864
Contractual services	988,500	975,354	13,146	815,116
Commodities	25,257	22,139	3,118	17,937
Capital outlay	19,472	18,437	1,035	12,009
Subtotal	1,054,049	1,033,501	20,548	862,926
Year 2000 compliance				
Contractual services	8,495	8,495	-	32,504
Capital outlay	-	-	-	53,165
Subtotal	8,495	8,495	-	85,669
Total miscellaneous	1,062,544	1,041,996	20,548	948,595
Total expenditures	24,348,895	23,090,983	1,257,912	21,987,926
Excess of revenues over (under) expenditures	(2,136,633)	(949,310)	1,187,323	205,318

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Other financing sources (uses)				
Transfers-in	1,337,507	1,337,507	-	3,791,050
Transfers-out	(1,754,313)	(1,754,313)	-	(2,781,956)
Other sources	-	216,051	216,051	328,359
Other uses	-	(170)	(170)	(170)
Total other financing sources (uses)	(416,806)	(200,925)	215,881	1,337,283
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,553,439)	(1,150,235)	1,403,204	1,542,601
Fund balance, beginning of year	7,954,079	7,954,079		6,097,697
Appropriation for prior year encumbrances	511,004	511,004		313,781
Fund balance, end of the year	\$ 5,911,644	\$ 7,314,848	\$ 1,403,204	\$ 7,954,079

SPECIAL REVENUE FUNDS

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

AUTO AND GAS TAX

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

ACQUISITION FOR PARKS

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

HEALTH FUND

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

EMERGENCY MEDICAL SERVICES FUND (EMS)

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

HOUSING ASSISTANCE

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

TAX INCREMENT EQUIVALENT

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

LITTER CONTROL

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

URBAN DEVELOPMENT ACTION GRANT (UDAG)

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

COURT COMPUTERIZATION FUND

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

LAW ENFORCEMENT FUND

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

MANDATORY DRUG FINE FUND

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

PROBATION SERVICES FUND

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

TERMINATION PAY FUND

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

INDIGENT DRIVER ALCOHOL TREATMENT

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

ENFORCEMENT/EDUCATION FUND

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

CIVIC DEVELOPMENT FUND

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

MUNICIPAL COURT FUND

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

POLICE GRANT FUND

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

COURT SPECIAL PROJECT

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, 2000**

	Auto & Gas Tax	Acquisition for Parks	Health Fund	Emergency Medical Services	Housing Assistance
Assets:					
Cash and equity in pooled cash, deposits and investments	\$ 113,740	\$ 219,151	\$ 90,755	\$ 975,455	\$ 1,096,850
Receivables (net of allowance for uncollectibles):					
Property taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	143,966	-	24,646	-	-
Inventory of supplies	169,461	-	-	-	-
Total assets	427,167	219,151	115,401	975,455	1,096,850
Liabilities:					
Accounts payable	75,423	-	5,570	-	-
Accrued wages and benefits	57,508	-	17,932	-	-
Other accrued liabilities	28,707	-	12,682	-	-
Due to other funds	62,914	-	2,636	-	-
Due to other governments	-	-	11,502	-	-
Due to individuals	-	-	-	-	32,059
Deferred revenue	-	-	-	-	-
Total liabilities	224,552	0	50,322	0	32,059
Fund equity:					
Fund balance					
Reserved for encumbrances	63,884	-	5,610	-	-
Reserved for inventory	169,461	-	-	-	-
Reserved for loans	-	-	-	-	-
Unreserved and undesignated	(30,730)	219,151	59,469	975,455	1,064,791
Total fund equity	202,615	219,151	65,079	975,455	1,064,791
Total liabilities and fund equity	\$ 427,167	\$ 219,151	\$ 115,401	\$ 975,455	\$ 1,096,850

Tax Increment Equivalent	Litter Control	Urban Development Action Grant	Court Computer-ization	Law Enforcement	Mandatory Drug Fine	Probation Services	Termination Pay
\$ 96,550	\$ -	\$ 654,072	\$ 67,773	\$ 62,829	\$ 28,267	\$ 50,472	\$ 9,169
-	-	-	-	-	-	-	-
-	-	-	-	-	4,682	3,103	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
96,550	-	654,072	67,773	62,829	32,949	53,575	9,169
-	-	-	-	-	-	6,870	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,320	-	-	-	1,016	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
0	11,320	0	0	0	1,016	6,870	0
-	-	-	-	3,608	3,800	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
96,550	(11,320)	654,072	67,773	59,221	28,133	46,705	9,169
96,550	(11,320)	654,072	67,773	62,829	31,933	46,705	9,169
\$ 96,550	\$ -	\$ 654,072	\$ 67,773	\$ 62,829	\$ 32,949	\$ 53,575	\$ 9,169

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
As of December 31, 2000**

	Indigent Driver Alcohol Treatment	Enforcement Education	Civic Develop- ment	Municipal Court	Police Grant
Assets:					
Cash and equity in pooled cash, deposits and investments	\$ 32,037	\$ 54,024	\$ 47,974	\$ 92,828	\$ 79,986
Receivables (net of allowance for uncollectibles):					
Property taxes	-	-	-	-	-
Accounts	741	865	38,858	60,031	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory of supplies	-	-	-	-	-
Total assets	32,778	54,889	86,832	152,859	79,986
Liabilities:					
Accounts payable	-	8,390	27,529	883	23,508
Accrued wages and benefits	-	-	-	30,474	642
Other accrued liabilities	-	-	-	20,238	4,555
Due to other funds	-	-	-	868	5,118
Due to other governments	-	-	-	-	-
Due to individuals	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	0	8,390	27,529	52,463	33,823
Fund equity:					
Fund balance					
Reserved for encumbrances	-	-	-	-	883
Reserved for inventory	-	-	-	-	-
Reserved for loans	-	-	-	-	-
Unreserved and undesignated	32,778	46,499	59,303	100,396	45,280
Total fund equity	32,778	46,499	59,303	100,396	46,163
Total liabilities and fund equity	\$ 32,778	\$ 54,889	\$ 86,832	\$ 152,859	\$ 79,986

Court Special Projects	Home Program	Community Development	Police Pension	Fire Pension	Totals	
					2000	1999
\$ 65,296	\$ -	\$ 43,073	\$ 45,385	\$ 142,142	\$ 4,067,828	\$ 4,083,890
-	-	-	236,686	236,686	473,372	533,330
3,476	-	-	-	-	111,756	98,206
-	-	327,450	-	-	327,450	351,032
-	-	-	11,093	-	11,093	-
-	-	-	-	-	168,612	156,422
-	-	-	-	-	169,461	263,366
68,772	-	370,523	293,164	378,828	5,329,572	5,486,246
-	-	103,840	-	-	252,013	212,190
-	-	-	-	-	106,556	132,753
-	-	-	-	-	66,182	58,512
-	500	53,000	-	-	137,372	100,531
-	-	-	-	-	11,502	11,304
-	-	-	-	-	32,059	31,065
-	-	-	236,686	236,686	473,372	533,330
0	500	156,840	236,686	236,686	1,079,056	1,079,685
-	64,500	110,255	-	-	252,540	164,858
-	-	-	-	-	169,461	263,366
-	-	327,450	-	-	327,450	351,031
68,772	(65,000)	(224,022)	56,478	142,142	3,501,065	3,627,306
68,772	(500)	213,683	56,478	142,142	4,250,516	4,406,561
\$ 68,772	\$ -	\$ 370,523	\$ 293,164	\$ 378,828	\$ 5,329,572	\$ 5,486,246

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the year ended December 31, 2000

	Auto & Gas Tax	Acquisition for Parks	Health Fund	Emergency Medical Services	Housing Assistance
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	465,000	-	300,000	-	-
Intergovernmental revenues	1,803,167	-	535,747	-	2,765,735
Charges for services	-	5,775	143,045	126,396	-
Fines and forfeits	-	-	-	-	-
Interest earnings	10,198	-	-	-	9,295
Miscellaneous	167,985	-	-	-	10,900
Total revenues	2,446,350	5,775	978,792	126,396	2,785,930
Expenditures:					
Current					
Public safety	647,588	-	-	5,455	-
Public health and welfare	-	-	1,020,198	-	-
Leisure time activities	-	10,150	-	-	-
Community environment	-	-	-	-	2,481,573
Highways and streets	2,217,591	-	-	-	-
General government	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	2,865,179	10,150	1,020,198	5,455	2,481,573
Excess of revenues over (under) expenditures	(418,829)	(4,375)	(41,406)	120,941	304,357
Other financing sources (uses):					
Transfers-in	-	100,000	-	-	-
Transfers-out	-	-	-	-	-
Total other financing sources (uses)	0	100,000	0	0	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(418,829)	95,625	(41,406)	120,941	304,357
Fund balance, beginning of year, restated (Note 22)	621,444	123,526	106,485	854,514	760,434
Fund balance, end of the year	\$ 202,615	\$ 219,151	\$ 65,079	\$ 975,455	\$ 1,064,791

Tax Increment Equivalent	Litter Control	Urban Development Action Grant	Court Computer- ization	Law Enforcement	Mandatory Drug Fine	Probation Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	16,000	-	-	-	-	-
-	56,600	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	47,474	65,792	40,012
-	-	34,471	-	-	-	-
30,300	-	55,735	-	-	-	-
30,300	72,600	90,206	0	47,474	65,792	40,012
-	-	-	5,551	44,001	64,985	68,102
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,915	72,600	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,915	72,600	0	5,551	44,001	64,985	68,102
(10,615)	0	90,206	(5,551)	3,473	807	(28,090)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0	0	0	0	0	0	0
(10,615)	0	90,206	(5,551)	3,473	807	(28,090)
107,165	(11,320)	563,866	73,324	59,356	31,126	74,795
\$ 96,550	\$ (11,320)	\$ 654,072	\$ 67,773	\$ 62,829	\$ 31,933	\$ 46,705

(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, 2000

	Termination Pay	Indigent Driver Alcohol Treatment	Enforcement Education	Civic Develop- ment	Municipal Court
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	450,000	-	-	-	50,000
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	25,298	13,515	-	1,002,858
Interest earnings	-	-	-	-	-
Miscellaneous	-	-	-	180,788	1,549
Total revenues	450,000	25,298	13,515	180,788	1,054,407
Expenditures:					
Current					
Public safety	435,712	17,220	20,855	-	1,106,333
Public health and welfare	8,129	-	-	-	-
Leisure time activities	11,364	-	-	-	-
Community environment	20,086	-	-	-	-
Highways and streets	15,738	-	-	-	-
General government	40,244	-	-	-	-
Miscellaneous	-	-	-	201,724	-
Total expenditures	531,273	17,220	20,855	201,724	1,106,333
Excess of revenues over (under) expenditures	(81,273)	8,078	(7,340)	(20,936)	(51,926)
Other financing sources (uses):					
Transfers-in	-	-	-	-	-
Transfers-out	-	-	-	-	-
Total other financing sources (uses)	0	0	0	0	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(81,273)	8,078	(7,340)	(20,936)	(51,926)
Fund balance, beginning of year, restated (Note 22)	90,442	24,700	53,839	80,239	152,322
Fund balance, end of the year	\$ 9,169	\$ 32,778	\$ 46,499	\$ 59,303	\$ 100,396

Police Grant	Court Special Projects	Home Program	Community Development	Police Pension	Fire Pension	Totals	
						2000	1999
\$ -	\$ -	\$ -	\$ -	\$ 244,930	\$ 244,930	\$ 489,860	\$ 467,794
-	-	-	-	700,000	800,000	2,781,000	2,156,000
373,824	-	55,000	665,108	21,664	21,664	6,298,509	5,412,565
-	-	-	-	-	-	275,216	633,216
-	63,412	-	-	-	-	1,258,361	1,138,133
1,642	-	-	16,216	-	-	71,822	77,777
58,544	-	-	63,619	-	-	569,420	476,488
434,010	63,412	55,000	744,943	966,594	1,066,594	11,744,188	10,361,973
420,863	-	-	-	971,126	1,094,499	4,902,290	4,113,908
-	-	-	-	-	-	1,028,327	695,157
-	-	-	-	-	-	21,514	94,039
-	-	55,500	907,491	-	-	3,578,165	2,928,979
-	-	-	-	-	-	2,233,329	1,971,716
-	-	-	-	-	-	40,244	71,025
-	-	-	-	-	-	201,724	138,039
420,863	0	55,500	907,491	971,126	1,094,499	12,005,593	10,012,863
13,147	63,412	(500)	(162,548)	(4,532)	(27,905)	(261,405)	349,110
-	-	-	-	-	-	100,000	169,706
-	-	-	-	-	-	-	(13,125)
0	0	0	0	0	0	100,000	156,581
13,147	63,412	(500)	(162,548)	(4,532)	(27,905)	(161,405)	505,691
33,016	5,360	-	376,231	61,010	170,047	4,411,921	3,900,870
\$ 46,163	\$ 68,772	\$ (500)	\$ 213,683	\$ 56,478	\$ 142,142	\$ 4,250,516	\$ 4,406,561

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Municipal income tax	\$ 465,000	\$ 465,000	\$ -	\$ 200,000
Intergovernmental revenue	1,934,837	1,805,723	(129,114)	1,871,180
Interest earnings	26,000	10,198	(15,802)	26,801
Miscellaneous	158,451	167,985	9,534	162,664
Total revenues	2,584,288	2,448,906	(135,382)	2,260,645
Expenditures:				
Current				
Public safety:				
Personal services	323,422	306,774	16,648	309,859
Contractual services	132,200	122,093	10,107	107,536
Commodities	115,618	115,550	68	109,389
Capital outlay	166,019	165,634	385	169,270
Total public safety	737,259	710,051	27,208	696,054
Highways and streets:				
Personal services	1,099,399	1,061,934	37,465	972,010
Contractual services	619,768	610,915	8,853	550,490
Commodities	201,456	191,177	10,279	179,699
Capital outlay	304,574	296,130	8,444	350,333
Total highways and streets	2,225,197	2,160,156	65,041	2,052,532
Total expenditures	2,962,456	2,870,207	92,249	2,748,586
Excess of revenues over (under) expenditures	(378,168)	(421,301)	(43,133)	(487,941)
Other financing sources (uses):				
Transfers-in	-	-	-	151,000
Total other financing sources (uses)	-	-	-	151,000
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(378,168)	(421,301)	(43,133)	(336,941)
Fund balance, beginning of the year	283,770	283,770	-	500,153
Appropriation for prior year encumbrances	158,874	158,874	-	120,558
Fund balance, end of the year	\$ 64,476	\$ 21,343	\$ (43,133)	\$ 283,770

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Charges for services	\$ 5,000	\$ 5,775	\$ 775	\$ 4,500
Total revenues	5,000	5,775	775	4,500
Expenditures:				
Current				
Community environment:				
Capital outlay	10,150	10,150	-	90,650
Total expenditures	10,150	10,150	-	90,650
Excess of revenues over (under) expenditures	(5,150)	(4,375)	775	(86,150)
Other financing sources (uses):				
Transfers-in	100,000	100,000	-	-
Total other financing sources (uses)	100,000	100,000	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	94,850	95,625	775	(86,150)
Fund balance, beginning of the year	123,526	123,526	-	209,676
Fund balance, end of the year	\$ 218,376	\$ 219,151	\$ 775	\$ 123,526

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, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:					
Municipal income taxes	\$ 300,000	\$	300,000	\$ -	\$ 300,000
Intergovernmental revenue	610,267		521,001	(89,266)	188,307
Charges for services	151,529		143,040	(8,489)	151,891
Miscellaneous	75,607		-	(75,607)	-
Total revenues	1,137,403		964,041	(173,362)	640,198
Expenditures:					
Current					
Public health and welfare:					
Personal Services	659,531		541,811	117,720	494,105
Contractual services	591,369		528,414	62,955	118,267
Commodities	4,695		3,346	1,349	3,329
Capital outlay	13,437		10,430	3,007	9,908
Total expenditures	1,269,032		1,084,001	185,031	625,609
Excess of revenues over (under) expenditures	(131,629)		(119,960)	11,669	14,589
Other financing sources (uses):					
Other sources	-		198	198	1,514
Total other financing sources (uses)	-		198	198	1,514
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(131,629)		(119,762)	11,867	16,103
Fund balance, beginning of the year	204,064		204,064	-	187,961
Appropriation for prior year encumbrances	841		841	-	-
Fund balance, end of the year	\$ 73,276	\$	85,143	\$ 11,867	\$ 204,064

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Charges for Services	\$ 150,000	\$ 126,396	\$ (23,604)	\$ 477,675
Total revenues	150,000	126,396	(23,604)	477,675
Expenditures:				
Current				
Public safety:				
Contractual services	5,500	-	5,500	2,012
Capital outlay	-	5,455	(5,455)	-
Total expenditures	5,500	5,455	45	2,012
Excess of revenues over (under) expenditures	144,500	120,941	(23,559)	475,663
Fund balance, beginning of the year	854,514	854,514	-	378,851
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ 999,014	\$ 975,455	\$ (23,559)	\$ 854,514

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, 2000

	Revised		Variance	
	Budget	2000	Favorable	1999
		Actual	(Unfavorable)	Actual
Revenues:				
Intergovernmental revenue	\$ 2,500,000	\$ 2,765,414	\$ 265,414	\$ 2,159,381
Interest earnings	7,000	8,870	1,870	8,895
Miscellaneous	30,000	10,900	(19,100)	17,608
Total revenues	2,537,000	2,785,184	248,184	2,185,884
Expenditures:				
Current				
Community environment:				
Contractual services	2,579,930	2,479,833	100,097	1,909,677
Total expenditures	2,579,930	2,479,833	100,097	1,909,677
Excess of revenues over (under) expenditures	(42,930)	305,351	348,281	276,207
Fund balance, beginning of the year	791,499	791,499	-	515,292
Fund balance, end of the year	\$ 748,569	\$ 1,096,850	\$ 348,281	\$ 791,499

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 30,000	\$ 7,500	\$ (22,500)	-
Miscellaneous	-	22,800	22,800	22,800
Total revenues	30,000	30,300	300	22,800
Expenditures:				
Current				
Community environment:				
Contractual services	38,343	37,047	1,296	38,343
Capital outlay	4,000	3,868	132	8,907
Total expenditures	42,343	40,915	1,428	47,250
Excess of revenues over (under) expenditures	(12,343)	(10,615)	1,728	(24,450)
Fund balance, beginning of the year	107,165	107,165	-	131,615
Fund balance, end of the year	\$ 94,822	\$ 96,550	\$ 1,728	\$ 107,165

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, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)		1999 Actual
Revenues:						
Municipal income taxes	\$ 16,000	\$	16,000	\$ -	\$	16,000
Intergovernmental revenue	60,000		56,600	(3,400)		57,400
Total revenues	76,000		72,600	(3,400)		73,400
Expenditures:						
Current						
Community environment:						
Contractual services	76,000		72,600	3,400		73,400
Total expenditures	76,000		72,600	3,400		73,400
Excess of revenues over (under) expenditures	-		-	-		-
Fund balance, beginning of the year	-		-	-		-
Fund balance, end of the year	\$ 0	\$	0	\$ 0	\$	0

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
URBAN DEVELOPMENT ACTION GRANT FUND
For the year ended December 31, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)		1999 Actual
Revenues:						
Interest earnings	\$ 23,000	\$	34,471	\$ 11,471	\$	27,209
Miscellaneous	56,000		55,735	(265)		55,735
Total revenues	79,000		90,206	11,206		82,944
Expenditures:						
Current						
Community environment:	-		-	-		-
Total expenditures	0		0	0		0
Excess of revenues over (under) expenditures	79,000		90,206	11,206		82,944
Fund balance, beginning of the year	563,864		563,864	-		480,920
Fund balance, end of the year	\$ 642,864	\$	654,070	\$ 11,206	\$	563,864

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Fines and forfeits	\$ -	\$ -	-	\$ 56,157
Total revenues	0	0	0	56,157
Expenditures:				
Current				
Public safety:				
Capital outlay	64,876	8,434	56,442	20,471
Total expenditures	64,876	8,434	56,442	20,471
Excess of revenues over (under) expenditures	(64,876)	(8,434)	56,442	35,686
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(64,876)	(8,434)	56,442	35,686
Fund balance, beginning of the year	76,206	76,206	-	40,520
Fund balance, end of the year	\$ 11,330	\$ 67,772	\$ 56,442	\$ 76,206

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Fines and forfeits	\$ 55,000	\$ 43,923	\$ (11,077)	\$ 39,357
Miscellaneous	-	3,551	3,551	10,655
Total revenues	55,000	47,474	(7,526)	50,012
Expenditures:				
Current				
Public safety:				
Contractual services	9,000	7,468	1,532	7,174
Capital outlay	40,446	40,141	305	10,000
Total expenditures	49,446	47,609	1,837	17,174
Excess of revenues over (under) expenditures	5,554	(135)	(5,689)	32,838
Fund balance, beginning of the year	55,009	55,009	-	20,595
Appropriation for prior year encumbrances	4,346	4,346	-	1,576
Fund balance, end of the year	\$ 64,909	\$ 59,220	\$ (5,689)	\$ 55,009

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, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)		1999 Actual
Revenues:						
Fines and forfeits	\$ 70,000	\$	63,867	\$ (6,133)	\$	34,613
Miscellaneous	-		-	-		-
Total revenues	70,000		63,867	(6,133)		34,613
Expenditures:						
Current						
Public safety:						
Contractual services	80,000		69,790	10,210		66,281
Total expenditures	80,000		69,790	10,210		66,281
Excess of revenues over (under) expenditures	(10,000)		(5,923)	4,077		(31,668)
Fund balance, beginning of the year	30,389		30,389	-		62,057
Fund balance, end of the year	\$ 20,389	\$	24,466	\$ 4,077	\$	30,389

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, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)		1999 Actual
Revenues:						
Fines and forfeits	\$ 45,000	\$	40,462	\$	(4,538)	\$ 45,077
Total revenues	45,000		40,462		(4,538)	45,077
Expenditures:						
Current						
General government:						
Contractual services	75,000		61,232		13,768	56,717
Total expenditures	75,000		61,232		13,768	56,717
Excess of revenues over (under) expenditures	(30,000)		(20,770)		9,230	(11,640)
Fund balance, beginning of the year	71,242		71,242		-	82,882
Fund balance, end of the year	\$ 41,242	\$	50,472	\$	9,230	\$ 71,242

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Municipal income Tax	\$ 450,000	\$ 450,000	-	\$ 350,000
Total revenues	450,000	450,000	-	350,000
Expenditures:				
Current				
Personal services:				
Public safety	440,000	435,712	4,288	124,637
Public health & welfare	10,000	8,129	1,871	6,108
Leisure time activities	12,000	11,364	636	3,389
Community environment	21,000	20,086	914	72,032
General government	41,000	40,244	756	71,025
Highways & streets	16,000	15,738	262	-
Total expenditures	540,000	531,273	8,727	277,191
Excess of revenues over (under) expenditures	(90,000)	(81,273)	8,727	72,809
Fund balance, beginning of the year	90,443	90,443	-	17,634
Fund balance, end of the year	\$ 443	\$ 9,170	\$ 8,727	\$ 90,443

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental revenue	\$ -	\$ -	-	\$ 14,550
Fines and forfeits	25,000	25,292	292	12,440
Total revenues	25,000	25,292	292	26,990
Expenditures:				
Current				
Community environment				
Contractual services	25,000	22,960	2,040	17,219
Total expenditures	25,000	22,960	2,040	17,219
Excess of revenues over (under) expenditures	-	2,332	2,332	9,771
Other financing sources (uses):				
Transfers-in	-	-	-	13,125
Total other financing sources (uses)	-	-	-	13,125
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-	2,332	2,332	22,896
Fund balance, beginning of the year	29,704	29,704	-	6,808
Fund balance, end of the year	\$ 29,704	\$ 32,036	\$ 2,332	\$ 29,704

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, 2000

	Revised		2000	Variance		1999
	Budget		Actual	Favorable		Actual
				(Unfavorable)		
Revenues:						
Fines and forfeits	\$ 16,000	\$	13,399	\$ (2,601)	\$	15,519
Total revenues	16,000		13,399	(2,601)		15,519
Expenditures:						
Current						
Community environment:						
Personal services	15,300		6,417	8,883		8,241
Contractual services	4,700		4,700	-		3,228
Capital outlay	10,000		10,000	-		9,577
Total expenditures	30,000		21,117	8,883		21,046
Excess of revenues over (under) expenditures	(14,000)		(7,718)	6,282		(5,527)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(14,000)		(7,718)	6,282		(5,527)
Fund balance, beginning of year	53,356		53,356	-		58,883
Fund balance, end of the year	\$ 39,356	\$	45,638	\$ 6,282	\$	53,356

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, 2000

	Revised		2000	Variance		1999
	Budget		Actual	Favorable		Actual
				(Unfavorable)		
Revenues:						
Miscellaneous	\$ 177,000	\$	175,732	\$ (1,268)	\$	172,493
Total revenues	177,000		175,732	(1,268)		172,493
Expenditures:						
Current						
Community environment:						
Contractual services	182,000		181,695	305		165,499
Total expenditures	182,000		181,695	305		165,499
Excess of revenues over (under) expenditures	(5,000)		(5,963)	(963)		6,994
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(5,000)		(5,963)	(963)		6,994
Fund balance, beginning of the year	53,937		53,937	-		46,943
Fund balance, end of the year	\$ 48,937	\$	47,974	\$ (963)	\$	53,937

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Municipal income tax	\$ 50,000	\$ 50,000	\$ -	\$ 40,000
Intergovernmental revenue	6,900	-	(6,900)	-
Fines and forfeits	1,050,097	999,437	(50,660)	982,818
Miscellaneous	3,500	1,549	(1,951)	2,390
Total revenues	1,110,497	1,050,986	(59,511)	1,025,208
Expenditures:				
Current				
Public safety:				
Personal services	997,454	953,435	44,019	929,113
Contractual services	150,582	140,789	9,793	120,990
Commodities	8,900	8,386	514	9,451
Capital outlay	19,220	16,803	2,417	24,305
Total expenditures	1,176,156	1,119,413	56,743	1,083,859
Excess of revenues over (under) expenditures	(65,659)	(68,427)	(2,768)	(58,651)
Other financing sources (uses):				
Transfers-out	-	-	-	(13,125)
Total other financing sources (uses)	-	-	-	(13,125)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(65,659)	(68,427)	(2,768)	(71,776)
Fund balance, beginning of the year	136,724	136,724	-	208,101
Appropriation for prior year encumbrances	24,532	24,532	-	399
Fund balance, end of the year	\$ 95,597	\$ 92,829	\$ (2,768)	\$ 136,724

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental revenue	\$ 306,755	\$ 373,824	\$ 67,069	\$ 309,046
Interest earnings	1,600	1,642	42	3,933
Miscellaneous	141,645	58,544	(83,101)	3,900
Total revenues	450,000	434,010	(15,990)	316,879
Expenditures:				
Current				
Public safety:				
Personal services	288,880	242,743	46,137	115,467
Contractual services	50,400	47,625	2,775	42,675
Commodities	10,000	10,021	(21)	10,172
Capital outlay	136,984	120,571	16,413	129,163
Total expenditures	486,264	420,960	65,304	297,477
Excess of revenues over (under) expenditures	(36,264)	13,050	49,314	19,402
Other financing sources (uses):				
Transfers-in	-	-	-	5,581
Other sources	-	-	-	(77,000)
Total other financing sources (uses)	-	-	-	(71,419)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(36,264)	13,050	49,314	(52,017)
Fund balance, beginning of the year	28,967	28,967	-	885
Appropriation for prior year encumbrances	18,070	18,070	-	80,099
Fund balance, end of the year	\$ 10,773	\$ 60,087	\$ 49,314	\$ 28,967

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT SPECIAL PROJECT
For the year ended December 31, 2000

	Revised Budget		2000 Actual	Variance Favorable (Unfavorable)		1999 Actual
Revenues:						
Fines & forfeits	\$ 59,000	\$	59,936	\$	936	\$ 5,360
Total revenues	59,000		59,936		936	5,360
Expenditures:						
Current						
Public safety:						
Contractual services	40,000		-	40,000		-
Total expenditures	40,000		-	40,000		-
Excess of revenues over (under) expenditures	19,000		59,936	40,936		5,360
Fund balance, beginning of the year	5,360		5,360	-		-
Fund balance, end of the year	\$ 24,360	\$	65,296	\$	40,936	\$ 5,360

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HOME PROGRAM
For the year ended December 31, 2000

	Revised		2000	Variance	
	Budget		Actual	Favorable	1999
				(Unfavorable)	Actual
Revenues:					
Intergovernmental revenue	\$ 120,000	\$	55,000	\$ (65,000)	\$ -
Total revenues	120,000		55,000	(65,000)	-
Expenditures:					
Current					
Community environment:					
Contractual services	120,000		120,000	-	-
Total expenditures	120,000		120,000	-	-
Excess of revenues over (under) expenditures	-		(65,000)	(65,000)	-
Other financing sources (uses):					
Other sources	-		500	500	-
Total other financing sources (uses)	-		500	500	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-		(64,500)	(64,500)	-
Fund balance, beginning of the year	-		-	-	-
Fund balance, end of the year	\$ -	\$	(64,500)	\$ (64,500)	\$ -

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental revenue	\$ 1,469,000	\$ 665,108	\$ (803,892)	\$ 871,226
Miscellaneous	-	103,417	103,417	102,110
Total revenues	1,469,000	768,525	(700,475)	973,336
Expenditures:				
Current				
Community environment:				
Contractual services	1,321,872	766,283	555,589	723,598
Capital outlay	242,500	165,495	77,005	246,304
Total expenditures	1,564,372	931,778	632,594	969,902
Excess of revenues over (under) expenditures	(95,372)	(163,253)	(67,881)	3,434
Fund balance, beginning of the year	34,161	34,161	-	14,275
Appropriation for prior year encumbrances	57,579	57,579	-	16,452
Fund balance, end of the year	\$ (3,632)	\$ (71,513)	\$ (67,881)	\$ 34,161

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 232,764	\$ 244,930	\$ 12,166	\$ 233,897
Intergovernmental revenue	20,823	21,664	841	20,880
Municipal income taxes	700,000	700,000	-	550,000
Total revenues	953,587	966,594	13,007	804,777
Expenditures:				
Current				
Public safety:				
Personal services	982,290	971,126	11,164	867,017
Total expenditures	982,290	971,126	11,164	867,017
Excess of revenues over (under) expenditures	(28,703)	(4,532)	24,171	(62,240)
Other financing sources (uses):				
Other uses	-	(11,093)	(11,093)	-
Total other financing sources (uses)	-	(11,093)	(11,093)	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(28,703)	(15,625)	13,078	(62,240)
Fund balance, beginning of the year	61,001	61,001	-	123,241
Fund balance, end of the year	\$ 32,298	\$ 45,376	\$ 13,078	\$ 61,001

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 232,764	\$ 244,930	\$ 12,166	\$ 233,897
Intergovernmental revenue	20,823	21,664	841	20,880
Municipal income taxes	800,000	800,000	-	700,000
Total revenues	1,053,587	1,066,594	13,007	954,777
Expenditures:				
Current				
Public safety:				
Personal services	1,094,671	1,094,499	172	964,718
Total expenditures	1,094,671	1,094,499	172	964,718
Excess of revenues over (under) expenditures	(41,084)	(27,905)	13,179	(9,941)
Fund balance, beginning of the year	170,046	170,046	-	179,987
Fund balance, end of the year	\$ 128,962	\$ 142,141	\$ 13,179	\$ 170,046

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 495,528	\$ 497,360	\$ 1,832	\$ 467,794
Municipal income taxes	2,781,000	2,781,000	-	2,156,000
Intergovernmental revenue	7,049,405	6,285,998	(763,407)	5,512,850
Charges for services	306,529	275,211	(31,318)	634,066
Fines and forfeits	1,320,097	1,246,316	(73,781)	1,191,341
Interest earnings	57,600	55,181	(2,419)	66,838
Miscellaneous	642,203	600,213	(41,990)	550,355
Total revenues	12,652,362	11,741,279	(911,083)	10,579,244
Expenditures:				
Current				
Public safety	5,156,462	4,883,049	273,413	4,139,700
Public health and welfare	1,279,032	1,092,130	186,902	631,717
Leisure time activities	12,000	11,364	636	3,389
Community environment	4,650,795	3,901,134	749,661	3,366,675
Highways and streets	2,241,197	2,175,894	65,303	2,052,532
General government	116,000	101,476	14,524	127,742
Total expenditures	13,455,486	12,165,047	1,290,439	10,321,755
Excess of revenues over (under) expenditures	(803,124)	(423,768)	379,356	257,489
Other financing sources (uses):				
Transfers-in	100,000	100,000	-	169,706
Transfers-out	-	-	-	(13,125)
Other sources	-	698	698	(75,486)
Other uses	-	(11,093)	(11,093)	-
Total other financing sources (uses)	100,000	89,605	(10,395)	81,095
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(703,124)	(334,163)	368,960	338,584
Fund balance, beginning of the year	3,824,947	3,824,947	-	3,267,279
Appropriation for prior year encumbrances	264,242	264,242	-	219,084
Fund balance, end of the year	\$ 3,386,065	\$ 3,755,026	\$ 368,960	\$ 3,824,947

DEBT SERVICE FUNDS

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

GENERAL OBLIGATION DEBT SERVICE FUND

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

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, 2000

	General Obligation Debt Service	Special Assessment Debt Service	Library Bond Debt Service	Totals	
				2000	1999
Assets					
Cash and equity in pooled cash, deposits and investments	\$ 278,893	\$ 93,765	\$ 712,543	\$1,085,201	\$ 601,664
Cash with fiscal and escrow agent	104,482	-	12,816	117,298	133,069
Receivables (net of allowance for uncollectibles)					
Property taxes	-	-	-	0	399,997
Special assessments	-	5,512,982	-	5,512,982	5,743,366
Total assets	383,375	5,606,747	725,359	6,715,481	6,878,096
Liabilities					
Due to other funds	\$ -	200,000	\$ -	\$ 200,000	\$ 230,000
Matured bonds and interest	104,482	-	12,816	117,298	133,069
Deferred revenue	-	5,512,982	-	5,512,982	6,143,363
Total liabilities	104,482	5,712,982	12,816	5,830,280	6,506,432
Fund equity					
Fund balance (deficit):					
Unreserved and undesignated	278,893	(106,235)	712,543	885,201	371,664
Total fund equity (deficit)	278,893	(106,235)	712,543	885,201	371,664
Total liabilities and fund equity	\$383,375	\$5,606,747	\$725,359	\$6,715,481	\$6,878,096

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
For the year ended December 31, 2000

	General Obligation Debt Service	Special Assessment Debt Service	Library Bond Debt Service	Totals	
				2000	1999
Revenues					
Property taxes	\$ -	\$ -	\$ 489,468	\$ 489,468	\$ 389,828
Municipal income taxes	1,400,176	-	-	1,400,176	508,416
Intergovernmental			45,070	45,070	34,800
Special assessments	-	632,469	-	632,469	747,375
Total revenues	1,400,176	632,469	534,538	2,567,183	1,680,419
Expenditures					
Debt service					
Principal retirement	635,000	401,780	200,000	1,236,780	913,376
Interest and fiscal charges	889,332	215,524	87,010	1,191,866	754,426
Total expenditures	1,524,332	617,304	287,010	2,428,646	1,667,802
Excess of revenues over (under) expenditures	(124,156)	15,165	247,528	138,537	12,617
Other financing sources					
Operating transfers-in	375,000	-	-	375,000	212,098
Total other financing sources (uses)	375,000	0	0	375,000	212,098
Excess of revenues and other financing sources over (under) expenditures	250,844	15,165	247,528	513,537	224,715
Fund balance, beginning of the year	28,049	(121,400)	465,015	371,664	146,949
Fund balance, end of the year	\$278,893	(\$106,235)	\$712,543	\$885,201	\$371,664

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Municipal income taxes	\$ 1,400,176	\$ 1,400,176	\$ -	\$ 508,416
Total revenues	1,400,176	1,400,176	-	508,416
Expenditures:				
Debt service				
Principal retirement	635,000	635,000	-	420,000
Interest and fiscal charges	890,007	889,333	674	577,910
Total expenditures	1,525,007	1,524,333	674	997,910
Excess of revenues over (under) expenditures	(124,831)	(124,157)	674	(489,494)
Other financing sources (uses):				
Operating transfers-in	375,000	375,000	-	498,048
Total other financing sources (uses)	375,000	375,000	-	498,048
Excess of revenues and other financing sources over (under) expenditures	250,169	250,843	674	8,554
Fund balance, beginning of the year	28,049	28,049	-	19,495
Fund balance, end of the year	\$ 278,218	\$ 278,892	\$ 674	\$ 28,049

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ 600,000	\$ 632,469	\$ 32,469	\$ 747,284
Total revenues	600,000	632,469	32,469	747,284
Expenditures:				
Debt service				
Principal retirement	396,780	401,780	(5,000)	428,376
Interest and fiscal charges	220,577	215,524	5,053	233,056
Total expenditures	617,357	617,304	53	661,432
Excess of revenues over (under) expenditures	(17,357)	15,165	32,522	85,852
Other financing sources (uses):				
Operating transfers-in	-	-	-	12,098
Other uses	-	(30,000)	(30,000)	(50,000)
Total other financing sources (uses)	-	(30,000)	(30,000)	(37,902)
Excess of revenues and other financing sources over (under) expenditures	(17,357)	(14,835)	2,522	47,950
Fund balance, beginning of the year	108,600	108,600	-	60,650
Fund balance, end of the year	\$ 91,243	\$ 93,765	\$ 2,522	\$ 108,600

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, 2000

	Revised		2000	Variance		1999
	Budget		Actual	Favorable		Actual
				(Unfavorable)		
Revenues:						
Property taxes	\$ 488,000	\$	489,467	\$ 1,467	\$	389,828
Intergovernmental revenue	45,000		45,070	70		34,800
Total revenues	533,000		534,537	1,537		424,628
Expenditures:						
Current						
Contractual services	5,100		5,010	90		4,008
Debt service						
Principal retirement	200,000		200,000	-		200,000
Interest and fiscal charges	82,000		82,000	-		102,500
Total expenditures	287,100		287,010	90		306,508
Excess of revenues over (under) expenditures	245,900		247,527	1,627		118,120
Fund balance, beginning of the year	465,014		465,014	-		346,894
Fund balance, end of the year	\$ 710,914	\$	712,541	\$ 1,627	\$	465,014

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, 2000

	Revised		2000	Variance		1999
	Budget		Actual	Favorable		Actual
				(Unfavorable)		
Revenues:						
Property taxes	\$ 488,000	\$	489,467	\$	1,467	\$ 389,828
Municipal income taxes	1,400,176		1,400,176	-		508,416
Intergovernmental revenue	45,000		45,070	70		34,800
Special assessments	600,000		632,469	32,469		747,284
Total revenues	2,533,176		2,567,182	34,006		1,680,328
Expenditures:						
Current						
Contractual Services	5,100		5,010	90		4,008
Debt service						
Principal retirement	1,231,780		1,236,780	(5,000)		1,048,376
Interest and fiscal charges	1,192,584		1,186,857	5,727		913,466
Total expenditures	2,429,464		2,428,647	817		1,965,850
Excess of revenues over (under) expenditures	103,712		138,535	34,823		(285,522)
Other financing sources (uses):						
Operating transfers-in	375,000		375,000	-		510,146
Other uses	-		(30,000)	(30,000)		(50,000)
Total other financing sources (uses)	375,000		345,000	(30,000)		460,146
Excess of revenues and other financing sources over (under) expenditures	478,712		483,535	4,823		174,624
Fund balance, beginning of the year	601,663		601,663	-		427,039
Fund balance, end of the year	\$ 1,080,375	\$	1,085,198	\$	4,823	\$ 601,663

CAPITAL PROJECT FUNDS

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

CAPITAL IMPROVEMENTS

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

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.

RIVER CORRIDOR

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

COMPUTER REPLACEMENT

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

LEEDS FARM DEVELOPMENT

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

MARSHALL ROAD

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

LEWIS STREET IMPROVEMENTS

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

BURBANK STREET IMPROVEMENTS

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

GARFIELD SIDEWALK, CURB, AND GUTTER IMPROVEMENTS

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

LONGFELLOW & ILLININOIS 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.

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
As of December 31, 2000**

	Capital Improve- ments	East End Development	Downtown Improvements	Downtown Improvements - State Contribution	River Corridor	Computer Replace- ment	Leeds Farm Develop- ment	Marshall Road Improve- ments
Assets								
Cash and equity in pooled cash, deposits and investments	\$ 1,921,836	\$ 2,251,413	\$ 9,201,373	\$ 2,027,527	\$ 50,131	\$ 545,424	\$ 134,593	\$ 0
Receivables (net of allowance for uncollectibles)								
Property taxes	767,605	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Due from other funds	385,000	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	\$ 3,074,441	\$ 2,251,413	\$ 9,201,373	\$ 2,027,527	\$ 50,131	\$ 545,424	\$ 134,593	\$ 0
Liabilities								
Accounts payable	190,369	118,318	31,612	-	29,618	50,304	-	-
Due to other funds	-	-	-	-	-	-	-	-
Notes payable	-	700,000	-	-	-	-	-	-
Deferred revenue	767,605	-	-	-	-	-	-	-
Total liabilities	957,974	818,318	31,612	0	29,618	50,304	0	0
Fund equity								
Fund balance								
Reserved for encumbrances	343,852	862,906	5,580,190	-	13,978	-	-	-
Unreserved and undesignated	1,772,615	570,189	3,589,571	2,027,527	6,535	495,120	134,593	-
Total fund equity	2,116,467	1,433,095	9,169,761	2,027,527	20,513	495,120	134,593	0
Total liabilities and fund equity	\$ 3,074,441	\$ 2,251,413	\$ 9,201,373	\$ 2,027,527	\$ 50,131	\$ 545,424	\$ 134,593	\$ 0

Lewis Street Improvements	Burbank Street Improvements	Garfield Sidewalk Repairs	Longfellow & Illinois Improvements	2000 Sidewalk, Curb & Gutter	Dick's Creek Sewer Extension	Oxford State Rd. Water Line Extension	Oxford State Rd. Inter-section	Totals	
								2000	1999
\$0	\$0	\$0	\$ 59,542	\$ 51,413	\$ 117,729	\$ 3,469	\$ 168,000	\$ 16,532,450	\$ 13,638,872
-	-	-	-	-	-	-	-	767,605	888,883
-	-	-	14,387	-	33,519	-	-	47,906	11,291
-	-	-	-	-	-	-	-	385,000	303,600
-	-	-	-	-	-	-	-	-	216,716
\$0	\$0	\$0	\$ 73,929	\$ 51,413	\$ 151,248	\$ 3,469	\$ 168,000	\$ 17,732,961	\$ 15,059,362
-	-	-	-	-	-	-	-	420,221	123,694
-	-	-	-	150,000	-	67,000	168,000	385,000	303,600
-	-	-	260,000	-	-	-	-	960,000	-
-	-	-	-	-	-	-	-	767,605	888,883
0	0	0	260,000	150,000	0	67,000	168,000	2,532,826	1,316,177
-	-	-	53,391	14,651	811,732	3,374	130,000	7,814,074	3,779,368
-	-	-	(239,462)	(113,238)	(660,484)	(66,905)	(130,000)	7,386,061	9,963,817
0	0	0	(186,071)	(98,587)	151,248	(63,531)	0	15,200,135	13,743,185
\$0	\$0	\$0	\$ 73,929	\$ 51,413	\$ 151,248	\$ 3,469	\$ 168,000	\$ 17,732,961	\$ 15,059,362

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECT FUNDS
For the year ended December 31, 2000

	Capital Improve- ments	East End Development	Downtown Improve- ments	Downtown Improvements State Contribution	River Corridor	Computer Replace- ment	Leeds Farm Development
Revenues							
Property taxes	\$ 752,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,600,000	-	-	-	-	8,000	-
Intergovernmental	108,222	-	-	2,000,000	-	-	-
Charges for services	15,047	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest earnings	101,971	-	548,978	27,527	10,749	25,734	-
Miscellaneous	-	-	-	-	-	45,500	-
Total revenues	2,577,793	0	548,978	2,027,527	10,749	79,234	0
Expenditures							
Current							
Public safety	33,355	-	-	-	-	-	-
Public health & welfare	545	-	-	-	-	-	-
Leisure time activities	161,123	-	-	-	-	-	-
Community environment	184,002	34,940	1,530,473	-	313,214	-	20,964
Highways & streets	974,314	618,575	-	-	-	-	-
General government	-	-	-	-	-	137,786	-
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	1,353,339	653,515	1,530,473	0	313,214	137,786	20,964
Excess of revenues over (under) expenditures	1,224,454	(653,515)	(981,495)	2,027,527	(302,465)	(58,552)	(20,964)
Other financing sources (uses)							
Operating transfers-in	544,549	1,000,000	-	-	188,700	216,507	-
Operating transfers-out	(862,580)	-	-	-	-	-	-
Proceeds from bonds	-	-	-	-	-	-	-
Total other financing sources (uses)	(318,031)	1,000,000	0	0	188,700	216,507	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	906,423	346,485	(981,495)	2,027,527	(113,765)	157,955	(20,964)
Fund balance, beginning of the year	1,210,044	1,086,610	10,151,256	-	134,278	337,165	155,557
Fund balance, end of the year	\$ 2,116,467	\$ 1,433,095	\$ 9,169,761	\$ 2,027,527	\$ 20,513	\$ 495,120	\$ 134,593

Marshall Road Improve- ments	Lewis Street Improve- ments	Burbank Street Improve- ments	Garfield Sidewalk Repairs	Longfellow & Illinois Improve- ments	2000 Sidewalk, Curb & Gutter	Dick's Creek Sewer Extension	Oxford State Rd. Water Line Extension	Oxford State Rd. Inter- section	Totals		
									2000	1999	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$752,553	\$720,129
-	-	-	-	-	-	-	-	-	-	1,608,000	808,000
-	-	-	-	-	-	-	-	-	-	2,108,222	332,381
-	-	-	-	-	-	-	-	-	-	15,047	22,378
-	-	69,696	-	30,409	43,856	33,519	-	-	-	177,480	232,217
-	-	34	7	-	-	-	-	-	-	715,000	198,069
-	-	-	-	-	-	-	-	-	-	45,500	68,435
0	0	69,730	7	30,409	43,856	33,519	0	0		5,421,802	2,381,609
-	-	-	-	-	-	-	-	-	-	33,355	119,455
-	-	-	-	-	-	-	-	-	-	545	12,251
-	-	-	-	-	-	-	-	-	-	161,123	311,873
-	-	-	-	-	-	649,233	63,531	-	-	2,796,357	651,062
-	-	70,291	2,481	516,480	202,443	-	-	-	-	2,384,584	1,283,111
-	-	-	-	-	-	-	-	-	-	137,786	660,443
-	-	-	-	-	-	-	-	-	-	-	7,969
0	0	70,291	2,481	516,480	202,443	649,233	63,531	0		5,513,750	3,046,164
0	0	(561)	(2,474)	(486,071)	(158,587)	(615,714)	(63,531)	0		(91,948)	(664,555)
-	-	-	-	300,000	60,000	2,580	-	-	-	2,312,336	6,539,467
(1,400)	(30,465)	(91,378)	(1,307)	-	-	-	-	-	-	(987,130)	(5,208,132)
-	-	183,658	40,034	-	-	-	-	-	-	223,692	10,980,780
(1,400)	(30,465)	92,280	38,727	300,000	60,000	2,580	0	0		1,548,898	12,312,115
(1,400)	(30,465)	91,719	36,253	(186,071)	(98,587)	(613,134)	(63,531)	-	-	1,456,950	11,647,560
1,400	30,465	(91,719)	(36,253)	-	-	764,382	-	-	-	13,743,185	2,095,625
\$ -	\$ -	\$ -	\$ -	\$ (186,071)	\$ (98,587)	\$ 151,248	\$ (63,531)	\$ -	\$ -	\$ 15,200,135	\$ 13,743,185

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 751,000	\$ 752,552	\$ 1,552	\$ 720,130
Municipal income taxes	1,600,000	1,600,000	-	800,000
Intergovernmental revenue	310,318	324,938	14,620	64,008
Charges for services	20,000	15,047	(4,953)	22,378
Interest earnings	80,000	101,971	21,971	70,985
Miscellaneous	-	-	-	21,360
Total revenues	2,761,318	2,794,508	33,190	1,698,861
Expenditures:				
Current				
Contractual services	9,000	8,350	650	8,235
Capital outlay:				
Public safety	44,595	42,214	2,381	126,617
Public health & welfare	545	545	-	12,796
Leisure time activities	265,873	255,223	10,650	352,407
Community environment	301,819	123,789	178,030	61,594
Highways and streets	1,825,971	1,213,827	612,144	690,380
General government	155,559	156,097	(538)	319,216
Total expenditures	2,603,362	1,800,045	803,317	1,571,246
Excess of revenues over (under) expenditures	157,956	994,463	836,507	127,615
Other financing sources (uses):				
Operating transfers-in	514,739	544,549	29,810	475,533
Operating transfers-out	(930,000)	(862,580)	67,420	(1,638,000)
Other uses	-	(81,400)	(81,400)	(262,600)
Total other financing sources (uses)	(415,261)	(399,431)	15,830	(1,425,067)
Excess of revenues and other financing sources over(under) expenditures	(257,305)	595,032	852,337	(1,297,452)
Fund balance, beginning of the year	256,440	256,440	-	1,218,634
Appropriation for prior year encumbrances	536,993	536,993	-	335,258
Fund balance, end of the year	\$ 536,128	\$ 1,388,465	\$ 852,337	\$ 256,440

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current				
Capital outlay				
Highways and streets	1,863,585	1,516,421	347,164	172,633
Total expenditures	1,863,585	1,516,421	347,164	172,633
Excess of revenues over (under) expenditures	(1,863,585)	(1,516,421)	347,164	(172,633)
Other financing sources (uses):				
Operating transfers-in	1,000,000	1,000,000	-	1,983,000
Operating transfers-out	-	-	-	(875,000)
Proceeds from notes	700,000	700,000	-	-
Total other financing sources (uses)	1,700,000	1,700,000	-	1,108,000
Excess of revenues and other financing sources over (under) expenditures	(163,585)	183,579	347,164	935,367
Fund balance, beginning of the year	935,367	935,367	-	-
Appropriation for prior year encumbrances	151,243	151,243	-	-
Fund balance, end of the year	\$ 923,025	\$ 1,270,189	\$ 347,164	\$ 935,367

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN IMPROVEMENTS FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Interest earnings	\$ 500,000	\$ 548,978	\$ 48,978	\$ 90,766
Total revenues	500,000	548,978	48,978	90,766
Expenditures:				
Current				
Contractual services	257,100	256,553	547	218,328
Capital outlay				
Highways and streets	4,004,718	2,453,788	1,550,930	2,446,000
Total expenditures	4,261,818	2,710,341	1,551,477	2,664,328
Excess of revenues over (under) expenditures	(3,761,818)	(2,161,363)	1,600,455	(2,573,562)
Other financing sources (uses):				
Operating transfers-in	-	-	-	2,492,500
Operating transfers-out	-	-	-	(2,492,500)
Proceeds from bonds	-	-	-	10,525,000
Total other financing sources (uses)	-	-	-	10,525,000
Excess of revenues and other financing sources over(under) expenditures	(3,761,818)	(2,161,363)	1,600,455	7,951,438
Fund balance, beginning of the year	7,951,438	7,951,438	-	-
Appropriation for prior year encumbrances	2,199,818	2,199,818	-	-
Fund balance, end of the year	\$ 6,389,438	\$ 7,989,893	\$ 1,600,455	\$ 7,951,438

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN - STATE CONTRIBUTION
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental revenue	\$ 2,000,000	\$ 2,000,000	-	-
Interest earnings	15,000	27,527	12,527	-
Total revenues	2,015,000	2,027,527	12,527	-
Expenditures:				
Current				
Contractual services	103,064	-	103,064	-
Total expenditures	103,064	-	103,064	-
Excess of revenues over (under) expenditures	1,911,936	2,027,527	115,591	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ 1,911,936	\$ 2,027,527	\$ 115,591	-

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RIVER CORRIDOR
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Interest earnings	\$ 5,000	\$ 10,749	\$ 5,749	\$ 7,658
Total revenues	5,000	10,749	5,749	7,658
Expenditures:				
Current				
Contractual services	193,700	-	193,700	7,260
Capital outlay				
Community environment	134,000	327,192	(193,192)	18,081
Total expenditures	327,700	327,192	508	25,341
Excess of revenues over (under) expenditures	(322,700)	(316,443)	6,257	(17,683)
Other financing sources (uses):				
Operating transfers-in	\$ 188,700	\$ 188,700	-	-
Operating transfers-out	-	-	-	(25,000)
Total other financing sources (uses)	188,700	188,700	-	(25,000)
Excess of revenues and other financing sources over(under) expenditures	(134,000)	(127,743)	6,257	(42,683)
Fund balance, beginning of the year	134,279	134,279	-	166,819
Appropriation for prior year encumbrances	-	-	-	10,143
Fund balance, end of the year	\$ 279	\$ 6,536	\$ 6,257	\$ 134,279

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMPUTER REPLACEMENT
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Municipal income taxes	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Interest earnings	30,000	25,734	(4,266)	36,262
Miscellaneous	45,500	45,500	-	45,500
Total revenues	83,500	79,234	(4,266)	89,762
Expenditures:				
Current				
Capital outlay:				
General Government	194,530	153,006	41,524	703,046
Total expenditures	194,530	153,006	41,524	703,046
Excess of revenues over (under) expenditures	(111,030)	(73,772)	37,258	(613,284)
Other financing sources (uses):				
Operating transfers-in	216,507	216,507	-	213,433
Total other financing sources (uses)	216,507	216,507	-	213,433
Excess of revenues and other financing sources over (under) expenditures	105,477	142,735	37,258	(399,851)
Fund balance, beginning of the year	286,820	286,820	-	664,211
Appropriation for prior year encumbrances	65,562	65,562	-	22,460
Fund balance, end of the year	\$ 457,859	\$ 495,117	\$ 37,258	\$ 286,820

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LEEDS FARM DEVELOPMENT
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	1,575
Total revenues	-	-	-	1,575
Expenditures:				
Current				
Contractual services	56,500	20,964	35,536	17,642
Total expenditures	56,500	20,964	35,536	17,642
Excess of revenues over (under) expenditures	(56,500)	(20,964)	35,536	(16,067)
Fund balance, beginning of the year	155,557	155,557	-	171,624
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ 99,057	\$ 134,593	\$ 35,536	\$ 155,557

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MARSHALL ROAD IMPROVEMENTS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	209,749
Interest earnings	-	-	-	773
Total revenues	-	-	-	210,522
Expenditures:				
Current				
Contractual services	-	-	-	3,106
Capital outlay:				
Highways and streets	-	-	-	52,644
Debt Service				
Principal retirement	-	-	-	545,000
Interest expense	-	-	-	8,805
Total expenditures	-	-	-	609,555
Excess of revenues over (under) expenditures	-	-	-	(399,033)
Other financing sources (uses):				
Operating transfers-out	(1,400)	(1,400)	-	(62,932)
Other uses	-	-	-	(41,000)
Proceeds from notes	-	-	-	455,780
Total other financing sources (uses)	(1,400)	(1,400)	-	351,848
Excess of revenues and other financing sources over(under) expenditures	(1,400)	(1,400)	-	(47,185)
Fund balance, beginning of the year	1,400	1,400	-	631
Appropriation for prior year encumbrances	-	-	-	47,955
Fund balance, end of the year	\$ -	\$ -	\$ -	\$ 1,400

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LEWIS STREET IMPROVEMENTS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Current				
Capital outlay:				
Highways and streets	-	-	-	41,101
Total expenditures	-	-	-	41,101
Excess of revenues over (under) expenditures	-	-	-	(41,101)
Other financing sources (uses):				
Operating transfers-out	(30,465)	(30,465)	-	(3,360)
Total other financing sources (uses)	(30,465)	(30,465)	-	(3,360)
Excess of revenues and other financing sources over(under) expenditures	(30,465)	(30,465)	-	(44,461)
Fund balance, beginning of the year	-	-	-	5,808
Appropriation for prior year encumbrances	30,465	30,465	-	38,653
Fund balance, end of the year	\$ -	\$ -	\$ -	-

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
BURBANK STREET IMPROVEMENTS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ 80,000	\$ 80,987	\$ 987	\$ -
Interest earnings	50	\$ 34	(16)	-
Total revenues	80,050	81,021	971	-
Expenditures:				
Current				
Capital outlay:				
Highways and streets	70,292	70,291	1	730,556
Total expenditures	70,292	70,291	1	730,556
Excess of revenues over (under) expenditures	9,758	10,730	972	(730,556)
Other financing sources (uses):				
Operating transfers-in	-	-	-	500,000
Operating transfers-out	(91,378)	(91,378)	-	-
Other sources	-	(231,000)	(231,000)	231,000
Proceeds from bonds	184,000	183,658	(342)	-
Total other financing sources (uses)	92,622	(138,720)	(231,342)	731,000
Excess of revenues and other financing sources over(under) expenditures	102,380	(127,990)	(230,370)	446
Fund balance, beginning of the year	446	446	-	-
Appropriation for prior year encumbrances	127,544	127,544	-	-
Fund balance, end of the year	\$ 230,370	\$ -	\$ (230,370)	\$ 446

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

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	11,177
Interest Earnings	-	7	7	-
Total revenues	0	7	7	11,177
Expenditures:				
Current				
Capital outlay:				
Highways and streets	2,482	2,481	1	52,158
Total expenditures	2,482	2,481	1	52,158
Excess of revenues over (under) expenditures	(2,482)	(2,474)	8	(40,981)
Other financing sources (uses):				
Operating transfers-out	(1,308)	(1,307)	1	-
Other sources	-	-	-	70,000
Other uses	-	(70,000)	(70,000)	-
Proceeds from bonds	41,000	40,034	(966)	-
Total other financing sources (uses)	39,692	(31,273)	(70,965)	70,000
Excess of revenues and other financing sources over (under) expenditures	37,210	(33,747)	(70,957)	29,019
Fund balance, beginning of the year	29,019	29,019	-	-
Appropriation for prior year encumbrances	4,728	4,728	-	-
Fund balance, end of the year	\$ 70,957	\$ -	\$ (70,957)	\$ 29,019

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LONGFELLOW/ILLINOIS IMPROVEMENTS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ -	\$ 16,022	\$ 16,022	\$ -
Total revenues	-	16,022	16,022	-
Expenditures:				
Current				
Capital outlay:				
Highways and streets	580,000	569,871	10,129	-
Total expenditures	580,000	569,871	10,129	-
Excess of revenues over (under) expenditures	(580,000)	(553,849)	26,151	-
Other financing sources (uses):				
Operating transfers-in	300,000	300,000	-	-
Proceeds from notes	280,000	260,000	(20,000)	-
Total other financing sources (uses)	580,000	560,000	(20,000)	-
Excess of revenues and other financing sources over(under) expenditures	-	6,151	6,151	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ -	\$ 6,151	\$ 6,151	\$ -

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

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ 44,000	\$ 43,856	\$ (144)	\$ -
Total revenues	44,000	43,856	(144)	-
Expenditures:				
Current				
Capital outlay:				
Highways and streets	217,094	217,093	1	-
Total expenditures	217,094	217,093	1	-
Excess of revenues over (under) expenditures	(173,094)	(173,237)	(143)	-
Other financing sources (uses):				
Operating transfers-in	60,000	60,000	-	-
Other sources	150,000	150,000	-	-
Total other financing sources (uses)	210,000	210,000	-	-
Excess of revenues and other financing sources over(under) expenditures	36,906	36,763	(143)	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ 36,906	\$ 36,763	\$ (143)	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DICK'S CREEK SEWER EXTENSION
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current				
Capital outlay:				
Community environment	694,497	694,003	494	877,580
Total expenditures	694,497	694,003	494	877,580
Excess of revenues over (under) expenditures	(694,497)	(694,003)	494	(877,580)
Other financing sources (uses):				
Operating transfers-in	2,580	2,580	-	875,000
Other sources	-	-	-	2,600
Other uses	-	(2,600)	(2,600)	-
Total other financing sources (uses)	2,580	(20)	(2,600)	877,600
Excess of revenues and other financing sources over (under) expenditures	(691,917)	(694,023)	(2,106)	20
Fund balance, beginning of the year	20	20	-	-
Appropriation for prior year encumbrances	771,732	771,732	-	-
Fund balance, end of the year	\$ 79,835	\$ 77,729	\$ (2,106)	\$ 20

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
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Interest earnings	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Current				
Capital outlay:				
Community environment	67,000	66,905	95	-
Total expenditures	67,000	66,905	95	-
Excess of revenues over (under) expenditures	(67,000)	(66,905)	95	-
Other financing sources (uses):				
Other sources	67,000	67,000	-	-
Total other financing sources (uses)	67,000	67,000	-	-
Excess of revenues and other financing sources over(under) expenditures	-	95	95	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ -	\$ 95	\$ 95	\$ -

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
OXFORD STATE ROAD INTERSECTION
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current				
Capital outlay:				
Highways and streets	130,000	130,000	-	-
Total expenditures	130,000	130,000	-	-
Excess of revenues over (under) expenditures	(130,000)	(130,000)	-	-
Other financing sources (uses):				
Other sources	138,000	168,000	30,000	-
Total other financing sources (uses)	138,000	168,000	30,000	-
Excess of revenues and other financing sources over(under) expenditures	8,000	38,000	30,000	-
Fund balance, beginning of the year	-	-	-	-
Appropriation for prior year encumbrances	-	-	-	-
Fund balance, end of the year	\$ 8,000	\$ 38,000	\$ 30,000	\$ -

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues:				
Property taxes	\$ 751,000	\$ 752,552	\$ 1,552	\$ 720,130
Municipal income taxes	1,608,000	1,608,000	-	808,000
Intergovernmental revenue	2,310,318	2,324,938	14,620	115,664
Charges for services	20,000	15,047	(4,953)	22,378
Special assessments	124,000	140,865	16,865	220,926
Interest earnings	630,050	715,000	84,950	208,483
Miscellaneous	45,500	45,500	-	68,435
Total revenues	5,488,868	5,601,902	113,034	2,164,016
Expenditures:				
Current				
Contractual services	619,364	285,867	333,497	254,571
Capital outlay:				
Public safety	44,595	42,214	2,381	126,617
Public health & welfare	545	545	-	12,796
Leisure time activities	265,873	255,223	10,650	352,407
Community environment	1,197,316	1,211,889	(14,573)	79,675
Highways and streets	8,694,142	6,173,772	2,520,370	5,069,479
General government	350,089	309,103	40,986	1,022,262
Debt service				
Principal retirement	-	-	-	545,000
Interest expense/fiscal charges	-	-	-	8,805
Total expenditures	11,171,924	8,278,613	2,893,311	7,471,613
Excess of revenues over (under) expenditures	(5,683,056)	(2,676,711)	3,006,345	(5,307,597)
Other financing sources (uses):				
Operating transfers-in	2,282,526	2,312,336	29,810	6,539,466
Operating transfers-out	(1,054,551)	(987,130)	67,421	(5,208,132)
Other sources	355,000	154,000	(201,000)	303,600
Other uses	-	(154,000)	(154,000)	(303,600)
Proceeds from bonds	225,000	223,692	(1,308)	10,525,000
Proceeds from notes	980,000	960,000	(20,000)	455,780
Total other financing sources (uses)	2,787,975	2,508,898	(279,077)	12,312,114
Excess of revenues and other financing sources over(under) expenditures	(2,895,081)	(167,813)	2,727,268	7,004,517
Fund balance, beginning of the year	9,750,786	9,750,786	-	2,285,372
Appropriation for prior year encumbrances	3,888,085	3,888,085	-	460,897
Fund balance, end of the year	10,743,790	13,471,058	\$ 2,727,268	\$ 9,750,786

ENTERPRISE FUNDS

To account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recorded primarily through user charges; or (b) where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

PARKING GARAGE

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

WATER

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

SEWER

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

AIRPORT

To account for the operation of the City's airport facility.

TRANSIT SYSTEM

To account for the operation of the City's public bus line system.

CITY CENTRE MALL

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

GOLF COURSE

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

SOLID WASTE DISPOSAL

To account for the City's refuse pickup charges and the cost of the City's refuse hauling contract. The annual principal and interest payments on the \$3.3 million 1994 bond issue in connection with the closing of the City landfill are made by this fund.

**CITY OF MIDDLETOWN, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 As of December 31, 2000**

	Parking Garage	Water	Sewer	Airport
Assets:				
Current assets				
Equity in pooled cash, deposits and investments	\$ 88,718	\$ 5,530,026	\$ 7,657,192	\$ 145,910
Receivables (net of allowance for uncollectibles):				
Accounts	-	867,478	1,027,020	11,892
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory of supplies	-	370,081	120,231	-
Total current assets	88,718	6,767,585	8,804,443	157,802
Restricted assets				
Cash and investments	-	-	-	-
Total restricted assets	0	0	0	0
Property, plant, and equipment:				
Land	16,900	654,940	152,500	1,292,787
Land Improvements	-	-	-	-
Infrastructure assets	-	21,396,807	23,475,143	-
Buildings	2,701,786	8,126,064	9,677,002	50,695
Equipment	27,670	1,361,483	5,641,043	378,300
Less: Accumulated depreciation	(1,497,369)	(15,906,181)	(21,942,904)	(371,818)
Net property, plant, & equipment	1,248,987	15,633,113	17,002,784	1,349,964
Total assets	\$1,337,705	\$22,400,698	\$25,807,227	\$1,507,766

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				2000	1999
\$ 78,043	\$ 257,085	\$ 348,757	\$ 634,689	\$ 14,740,420	\$ 13,552,703
-	-	4,872	-	1,911,262	1,799,767
1,485	-	-	-	1,485	1,485
156,014	-	-	-	156,014	50,724
-	-	67,968	-	558,280	510,793
235,542	257,085	421,597	634,689	17,367,461	15,915,472
-	-	-	-	-	288,000
0	0	0	0	0	288,000
-	536,600	3,616,250	382,600	6,652,577	6,466,784
-	-	2,379,535	-	2,379,535	2,053,342
-	-	-	-	44,871,950	43,996,294
346,465	4,277,973	595,034	74,652	25,849,671	25,261,695
1,141,269	5,071	315,509	-	8,870,345	8,325,551
(1,461,230)	(2,042,498)	(919,850)	(29,861)	(44,171,711)	(42,364,596)
26,504	2,777,146	5,986,478	427,391	44,452,367	43,739,070
\$262,046	\$3,034,231	\$6,408,075	\$1,062,080	\$61,819,828	\$59,942,542

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 As of December 31, 2000**

	Parking Garage	Water	Sewer	Airport
(continued)				
Liabilities				
Current liabilities				
Accounts payable	\$ 2,924	\$ 90,726	\$ 105,951	\$ 22,289
Accrued wages and benefits	1,650	57,691	58,832	-
Other accrued liabilities	1,030	28,657	32,233	-
Accrued interest payable	-	21,213	5,426	-
Due to other funds	522	10,313	8,820	-
Due to other governments	-	29,081	-	-
Due to individuals	-	212,356	-	-
General obligation bonds payable	-	205,000	175,000	-
Notes payable	-	180,000	-	-
Total current liabilities	6,126	835,037	386,262	22,289
Long-term liabilities				
General obligation bonds payable	-	4,580,000	1,020,000	-
Compensated absences payable	14,429	143,514	165,591	-
Total long-term liabilities	14,429	4,723,514	1,185,591	0
Total liabilities	20,555	5,558,551	1,571,853	22,289
Fund equity				
Contributed capital	-	17,416,667	22,808,698	-
Retained earnings				
Reserved for debt service	-	475,670	483,710	-
Unreserved	1,317,150	(1,050,190)	942,966	1,485,477
Total fund equity	1,317,150	16,842,147	24,235,374	1,485,477
Total liabilities and fund equity	\$ 1,337,705	\$ 22,400,698	\$ 25,807,227	\$ 1,507,766

Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
				2000	1999
\$ -	\$ 18,107	\$ 1,145	\$ 128,478	\$ 369,620	\$ 370,542
17,344	1,990	20,173	-	157,680	206,266
9,041	2,036	15,728	-	88,725	80,068
-	1,693	13,809	12,425	54,566	53,112
12,894	111	365,839	-	398,499	573,150
-	-	2,972	-	32,053	313,107
-	-	-	-	212,356	196,358
-	-	85,000	140,000	605,000	595,000
-	44,748	550,000	-	774,748	249,175
39,279	68,685	1,054,666	280,903	2,693,247	2,636,778
-	-	1,935,000	2,425,000	9,960,000	10,565,000
40,268	-	44,900	-	408,702	394,923
40,268	0	1,979,900	2,425,000	10,368,702	10,959,923
79,547	68,685	3,034,566	2,705,903	13,061,949	13,596,701
932,883	744,856	60,349	-	41,963,453	41,630,925
-	-	-	-	959,380	714,275
(750,384)	2,220,690	3,313,160	(1,643,823)	5,835,046	4,000,641
182,499	2,965,546	3,373,509	(1,643,823)	48,757,879	46,345,841
\$ 262,046	\$ 3,034,231	\$ 6,408,075	\$ 1,062,080	\$ 61,819,828	\$ 59,942,542

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, 2000

	Parking Garage	Water	Sewer	Airport
Operating revenues:				
Charges for services	\$ 77,299	\$ 5,122,907	\$ 6,047,022	\$ 78,047
Other operating revenue	10,812	11,000	2,369	-
Total operating revenues	88,111	5,133,907	6,049,391	78,047
Operating expenses:				
Personal services	63,479	1,534,283	1,739,338	-
Contractual services	90,189	726,961	708,581	49,596
Commodities	1,911	436,880	258,118	8,841
Depreciation	61,027	548,399	710,280	111,172
Other operating expenses	1,532	1,146,062	-	4,515
Total operating expenses	218,138	4,392,585	3,416,317	174,124
Operating income (loss)	(130,027)	741,322	2,633,074	(96,077)
Non-operating revenues (expenses):				
Interest revenue	-	275,577	393,760	-
Interest expense and fiscal charges	-	(283,302)	(72,897)	(585)
Operating grants	-	-	-	-
Income taxes	50,000	-	-	-
Gain (Loss) on sale of equipment	-	-	-	-
Total non-operating revenues (expenses)	50,000	(7,725)	320,863	(585)
Income (loss) before operating transfers	(80,027)	733,597	2,953,937	(96,662)
Operating transfers-out	-	(691,700)	(691,701)	-
Net income (loss)	(80,027)	41,897	2,262,236	(96,662)
Equity beginning of year	1,397,177	16,552,678	21,888,182	1,582,139
Increase in contributed capital	-	247,572	84,956	-
Equity, end of year	\$ 1,317,150	\$ 16,842,147	\$ 24,235,374	\$ 1,485,477

Transit System	City Centre			Solid Waste		Totals	
	Mall	Golf Course		Disposal	2000	1999	
\$ 94,701	\$ 328,898	\$ 1,791,618	\$ 1,886,874	\$ 15,427,366	\$ 15,342,048		
2,685	-	12,252	-	39,118	78,487		
97,386	328,898	1,803,870	1,886,874	15,466,484	15,420,535		
466,049	92,248	784,431	-	4,679,828	4,968,965		
248,988	387,905	210,885	1,539,259	3,962,364	4,157,023		
1,808	31	356,213	26,298	1,090,100	971,761		
116,481	95,305	162,792	1,659	1,807,115	1,330,077		
-	1,829	181,718	-	1,335,656	811,898		
833,326	577,318	1,696,039	1,567,216	12,875,063	12,239,724		
(735,940)	(248,420)	107,831	319,658	2,591,421	3,180,811		
-	-	5,278	-	674,615	472,430		
-	(2,931)	(115,678)	(155,185)	(630,578)	(489,333)		
477,453	-	-	-	477,453	579,445		
150,000	150,000	-	-	350,000	400,000		
-	-	-	-	-	(52,887)		
627,453	147,069	(110,400)	(155,185)	871,490	909,655		
(108,487)	(101,351)	(2,569)	164,473	3,462,911	4,090,466		
-	-	-	-	(1,383,401)	(2,388,108)		
(108,487)	(101,351)	(2,569)	164,473	2,079,510	1,702,358		
290,986	3,066,897	3,376,078	(1,808,296)	46,345,841	44,491,432		
-	-	-	-	332,528	152,051		
\$ 182,499	\$ 2,965,546	\$ 3,373,509	\$ (1,643,823)	\$ 48,757,879	\$ 46,345,841		

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the year ended December 31, 2000

	Parking Garage	Water	Sewer
Cash flows from operating activities:			
Cash received from customers	\$77,299	\$4,907,099	\$5,835,962
Cash payments to suppliers for goods and services	(91,692)	(2,039,385)	(683,948)
Cash payments to employees for services	(49,812)	(1,381,619)	(1,553,473)
Miscellaneous revenues	11,709	-	-
Cash payments for quasi-external operating activities	(6,933)	(308,937)	(312,235)
Deposits and collections for other governments	-	22,451	-
Net cash provided by operating activities	(59,429)	1,199,609	3,286,306
Cash flows from non-capital financing activities:			
Operating grants	-	-	-
Interfund loan receipts/payments	-	-	-
Operating transfers-out to other funds	-	(691,700)	(691,701)
Income taxes received	50,000	-	-
Return of fine	-	-	(288,000)
Net cash provided by non-capital financing activities	50,000	(691,700)	(979,701)
Cash flows from capital and related financing activities:			
Sale of fixed assets	-	-	-
Purchase of fixed assets	-	(648,423)	(1,146,163)
Interest expense	-	(285,062)	(73,605)
Repayment of debt principal	-	(400,000)	(170,000)
Bond proceeds	-	-	-
Note proceeds	-	180,000	-
Net cash provided by capital and related financing activities	0	(1,153,485)	(1,389,768)
Cash flows from investing activities:			
Interest income	-	275,577	393,760
Net cash provided by investing activities	0	275,577	393,760
Net increase in cash and cash equivalents	(9,429)	(369,999)	1,310,597
Cash and cash equivalents, beginning of year	98,147	5,900,025	6,346,595
Cash and cash equivalents, end of year	\$88,718	\$5,530,026	\$7,657,192

Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
					2000	1999
\$66,155	\$94,701	\$336,159	\$1,786,746	\$1,886,874	\$14,990,995	\$15,036,408
(41,493)	(13,902)	(377,989)	(452,231)	(1,574,611)	(\$5,275,251)	(5,124,247)
-	(435,472)	(96,255)	(751,788)	-	(\$4,268,419)	(4,516,528)
-	2,685	-	12,252	-	\$26,646	39,789
-	(323,220)	(10,611)	(329,617)	-	(\$1,291,553)	(1,180,910)
-	-	-	493	-	\$22,944	18,304
24,662	(675,208)	(148,696)	265,855	312,263	4,205,362	4,272,816
-	372,163	-	-	-	372,163	579,445
-	-	-	(175,000)	-	(175,000)	(200,000)
-	-	-	-	-	(1,383,401)	(2,388,108)
-	150,000	150,000	-	-	350,000	400,000
-	-	-	-	-	(288,000)	288,000
0	522,163	150,000	(175,000)	0	(1,124,238)	(1,320,663)
-	-	-	-	-	-	55,490
(13,950)	(10,026)	-	(338,909)	-	(2,157,471)	(2,488,897)
(638)	-	(2,951)	(111,130)	(155,738)	(629,124)	(535,778)
(10,000)	-	(49,175)	(85,000)	(130,000)	(844,175)	(547,730)
-	-	-	-	-	-	2,545,000
-	-	44,748	550,000	-	774,748	249,175
(24,588)	(10,026)	(7,378)	14,961	(285,738)	(2,856,022)	(722,740)
-	-	-	5,278	-	674,615	509,056
0	0	0	5,278	0	674,615	509,056
74	(163,071)	(6,074)	111,094	26,525	899,717	2,738,469
145,836	241,114	263,159	237,663	608,164	13,840,703	11,102,234
\$145,910	\$78,043	\$257,085	\$348,757	\$634,689	\$14,740,420	\$13,840,703

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the year ended December 31, 2000

(continued)	Parking Garage	Water	Sewer
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(\$130,027)	\$741,322	\$2,633,074
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	61,027	548,399	710,280
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable (net)	897	(78,375)	(24,514)
Decrease (increase) in inventory of supplies	-	(31,313)	(15,773)
(Decrease) increase in accounts payable	169	4,150	(15,651)
(Decrease) Increase in accrued wages and benefits	(1,305)	(13,051)	(19,686)
(Decrease) increase in other accrued liabilities	(24)	3,065	3,146
(Decrease) increase in due to other funds	239	1,486	(319)
Increase (decrease) in compensated absences payable	9,595	1,475	15,749
Increase (Decrease) in due to other governments	-	6,453	-
Increase (Decrease) in due to individuals	-	15,998	-
Total adjustments	70,598	458,287	653,232
Net cash provided by operating activities	(\$59,429)	\$1,199,609	\$3,286,306

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

In 2000, developers contributed infrastructure assets (water and sewer lines) to the Water and Sewer Funds. The Water Fund received \$247,572 and the Sewer Fund received \$84,956 in infrastructure assets from developers.

Airport	Transit System	City Centre Mall	Golf Course	Solid Waste Disposal	Totals	
					2000	1999
(\$96,077)	(\$735,940)	(\$248,420)	\$107,831	\$319,658	\$2,591,421	\$3,180,811
111,172	116,481	95,305	162,792	1,659	1,807,115	1,330,077
(11,892)	-	7,261	(4,872)	-	(111,495)	(16,880)
-	-	-	(401)	-	(47,487)	(1,776)
21,459	(6,791)	6,946	(2,150)	(9,054)	(922)	(245,330)
-	(4,716)	(2,709)	(7,119)	-	(48,586)	5,543
-	(29,420)	222	1,255	-	(21,756)	1,278
-	(5,470)	111	4,302	-	349	(2,444)
-	(9,352)	(7,412)	3,724	-	13,779	3,233
-	-	-	493	-	6,946	6,330
-	-	-	-	-	15,998	11,974
120,739	60,732	99,724	158,024	(7,395)	1,613,941	1,092,005
\$24,662	(\$675,208)	(\$148,696)	\$265,855	\$312,263	\$4,205,362	\$4,272,816

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
PARKING GARAGE FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 89,000	\$ 77,299	\$ (11,701)	\$ 82,166
Other operating revenues	16,000	11,709	(4,291)	14,877
Total operating revenues	105,000	89,008	(15,992)	97,043
Operating expenses				
Personal services	63,800	55,213	8,587	61,291
Contractual services	111,357	89,781	21,576	81,810
Commodities	7,441	1,911	5,530	2,885
Other operating expenses	1,676	1,532	144	1,613
Total operating expenses	184,274	148,437	35,837	147,599
Operating income (loss)	(79,274)	(59,429)	19,845	(50,556)
Non-operating revenues (expenses)				
Income taxes	50,000	50,000	-	50,000
Total non-operating revenues (expenses)	50,000	50,000	-	50,000
Net income (loss)	(29,274)	(9,429)	19,845	(556)
Retained earnings, beginning of the year	97,751	97,751	-	97,449
Appropriation for prior year encumbrances	393	393	-	858
Retained earnings, end of the year	\$ 68,870	\$ 88,715	\$ 19,845	\$ 97,751

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 5,076,048	\$ 4,896,099	\$ (179,949)	\$ 4,910,801
Other operating revenues	13,225	14,156	931	12,970
Total operating revenues	5,089,273	4,910,255	(179,018)	4,923,771
Operating expenses				
Personal services	1,602,236	1,542,387	59,849	1,532,925
Contractual services	934,721	850,488	84,233	823,775
Commodities	594,565	493,782	100,783	615,671
Other operating expenses	2,569,897	2,059,584	510,313	3,443,656
Total operating expenses	5,701,419	4,946,241	755,178	6,416,027
Operating income (loss)	(612,146)	(35,986)	576,160	(1,492,256)
Non-operating revenues (expenses)				
Interest revenue	226,726	275,576	48,850	197,992
Interest expenses & fiscal charges	(289,670)	(285,062)	4,608	(173,331)
Debt retirement	(400,000)	(400,000)	-	(115,000)
Proceeds from bonds	-	-	-	2,545,000
Proceeds from notes	180,000	180,000	-	200,000
Other sources	-	22,451	22,451	18,560
Total non-operating revenues (expenses)	(282,944)	(207,035)	75,909	2,673,221
Income (loss) before operating transfers	(895,090)	(243,021)	652,069	1,180,965
Operating transfers-in				
Operating transfers-out	(691,700)	(691,700)	-	(841,554)
Total transfers	(691,700)	(691,700)	-	(841,554)
Net income (loss)	(1,586,790)	(934,721)	652,069	339,411
Retained earnings, beginning of the year	4,242,989	4,242,989	-	1,577,804
Appropriation for prior year encumbrances	1,657,035	1,657,035	-	2,325,774
Retained earnings, end of the year	\$ 4,313,234	\$ 4,965,303	\$ 652,069	\$ 4,242,989

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

For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 5,597,735	\$ 5,833,593	\$ 235,858	\$ 5,790,235
Other operating revenues	16,525	2,369	(14,156)	36,838
Total operating revenues	5,614,260	5,835,962	221,702	5,827,073
Operating expenses				
Personal services	1,874,497	1,740,131	134,366	1,978,449
Contractual services	1,148,672	942,454	206,218	943,168
Commodities	390,790	370,731	20,059	332,667
Other operating expenses	1,847,302	1,262,868	584,434	1,277,795
Total operating expenses	5,261,261	4,316,184	945,077	4,532,079
Operating income (loss)	352,999	1,519,778	1,166,779	1,294,994
Non-operating revenues (expenses)				
Interest revenue	355,000	393,760	38,760	309,855
Interest expenses & fiscal charges	(76,605)	(73,605)	3,000	(81,285)
Debt retirement	(170,000)	(170,000)	-	(160,000)
Other sources	-	-	-	288,000
Other uses	(288,000)	(288,000)	-	-
Total non-operating revenues (expenses)	(179,605)	(137,845)	41,760	356,570
Income (loss) before operating transfers	173,394	1,381,933	1,208,539	1,651,564
Operating transfers-out	(691,701)	(691,701)	-	(1,546,554)
Total transfers	(691,701)	(691,701)	-	(1,546,554)
Net income (loss)	(518,307)	690,232	1,208,539	105,010
Retained earnings, beginning of the year	5,824,038	5,824,038	-	4,977,695
Appropriation for prior year encumbrances	522,559	522,559	-	741,333
Retained earnings, end of the year	\$ 5,828,290	\$ 7,036,829	\$ 1,208,539	\$ 5,824,038

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

For the year ended December 31, 2000

	Revised		2000	Variance	
	Budget		Actual	Favorable	1999
				(Unfavorable)	Actual
Operating revenues					
Charges for services	\$ 68,000	\$	66,154	\$ (1,846)	\$ 71,073
Total operating revenues	68,000		66,154	(1,846)	71,073
Operating expenses					
Contractual services	35,389		28,627	6,762	23,499
Commodities	9,014		8,841	173	4,890
Other operating expenses	43,647		43,547	100	64,598
Total operating expenses	88,050		81,015	7,035	92,987
Operating income (loss)	(20,050)		(14,861)	5,189	(21,914)
Non-operating revenues (expenses)					
Interest expenses & fiscal charges	(638)		(638)	-	(1,275)
Debt retirement	(10,000)		(10,000)	-	(10,000)
Operating grants	-		-	-	43,096
Total non-operating revenues (expenses)	(10,638)		(10,638)	-	31,821
Net income (loss)	(30,688)		(25,499)	5,189	9,907
Retained earnings, beginning of the year	143,068		143,068	-	70,575
Appropriation for prior year encumbrances	2,764		2,764	-	62,586
Retained earnings, end of the year	\$ 115,144	\$	120,333	\$ 5,189	\$ 143,068

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
TRANSIT SYSTEM FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 93,730	\$ 94,701	\$ 971	\$ 92,978
Other operating revenues	2,500	2,685	185	2,895
Total operating revenues	96,230	97,386	1,156	95,873
Operating expenses				
Personal services	498,652	479,123	19,529	470,079
Contractual services	280,298	276,682	3,616	239,873
Commodities	2,850	1,808	1,042	2,327
Other operating expenses	29,905	29,506	399	27,065
Total operating expenses	811,705	787,119	24,586	739,344
Operating income (loss)	(715,475)	(689,733)	25,742	(643,471)
Non-operating revenues (expenses)				
Operating grants	520,272	372,163	(148,109)	536,349
Income tax	150,000	150,000	-	175,000
Total non-operating revenues(expenses)	670,272	522,163	(148,109)	711,349
Net income (loss)	(45,203)	(167,570)	(122,367)	67,878
Retained earnings, beginning of the year	234,256	234,256	-	165,978
Appropriation for prior year encumbrances	6,861	6,861	-	400
Retained earnings, end of the year	\$ 195,914	\$ 73,547	\$ (122,367)	\$ 234,256

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
CITY CENTRE MALL FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 315,515	\$ 335,018	\$ 19,503	\$ 333,842
Other operating revenues	800	1,141	341	411
Total operating revenues	316,315	336,159	19,844	334,253
Operating expenses				
Personal services	111,355	102,148	9,207	100,762
Contractual services	469,298	380,848	88,450	389,843
Commodities	616	31	585	86
Other operating expenses	1,931	1,829	102	1,002
Total operating expenses	583,200	484,856	98,344	491,693
Operating income (loss)	(266,885)	(148,697)	118,188	(157,440)
Non-operating revenues (expenses)				
Interest expenses and fiscal charges	(2,950)	(2,951)	(1)	(3,464)
Debt retirement	(49,175)	(49,174)	1	(57,729)
Proceeds from notes	49,175	44,748	(4,427)	49,175
Income tax	150,000	150,000	-	175,000
Total non-operating revenues(expenses)	147,050	142,623	(4,427)	162,982
Net income (loss)	(119,835)	(6,074)	113,761	5,542
Retained earnings, beginning of the year	262,781	262,781	-	256,089
Appropriation for prior year encumbrances	375	375	-	1,150
Retained earnings, end of the year	\$ 143,321	\$ 257,082	\$ 113,761	\$ 262,781

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
GOLF COURSE FUND
For the year ended December 31, 2000

	Revised	2000	Variance	1999
	Budget	Actual	Favorable	Actual
			(Unfavorable)	
Operating revenues				
Charges for services	\$ 1,933,354	\$ 1,786,746	\$ (146,608)	\$ 1,861,205
Other operating revenues	3,600	12,252	8,652	5,410
Total operating revenues	1,936,954	1,798,998	(137,956)	1,866,615
Operating expenses				
Personal services	845,626	784,369	61,257	812,706
Contractual services	211,101	209,717	1,384	277,836
Commodities	369,433	363,843	5,590	304,947
Other operating expenses	687,975	676,341	11,634	159,788
Total operating expenses	2,114,135	2,034,270	79,865	1,555,277
Operating income (loss)	(177,181)	(235,272)	(58,091)	311,338
Non-operating revenues (expenses)				
Interest revenue	4,000	5,278	1,278	1,209
Interest expenses & fiscal charges	(111,130)	(111,130)	-	(114,650)
Debt retirement	(85,000)	(85,000)	-	(80,000)
Proceeds from notes	555,000	550,000	(5,000)	-
Other sources	-	493	493	142
Other uses	-	(175,000)	(175,000)	(200,000)
Total non-operating revenues (expenses)	362,870	184,641	(178,229)	(393,299)
Net income (loss)	185,689	(50,631)	(236,320)	(81,961)
Retained earnings, beginning of the year	229,567	229,567	-	245,798
Appropriation for prior year encumbrances	8,101	8,101	-	65,730
Retained earnings, end of the year	\$ 423,357	\$ 187,037	\$ (236,320)	\$ 229,567

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
SOLID WASTE DISPOSAL FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 1,930,000	\$ 1,883,705	\$ (46,295)	\$ 1,898,435
Other operating revenues	-	3,169	3,169	544
Total operating revenues	1,930,000	1,886,874	(43,126)	1,898,979
Operating expenses				
Contractual services	1,808,106	1,598,051	210,055	1,565,870
Commodities	43,315	30,013	13,302	16,215
Total operating expenses	1,851,421	1,628,064	223,357	1,582,085
Operating income (loss)	78,579	258,810	180,231	316,894
Non-operating revenues (expenses)				
Interest expenses & fiscal charges	(155,738)	(155,738)	-	-
Debt retirement	(130,000)	(130,000)	-	-
Total non-operating revenues (expenses)	(285,738)	(285,738)	-	-
Income (loss) before operating transfers	(207,159)	(26,928)	180,231	316,894
Operating transfers-in				
Operating transfers-out	-	-	-	(286,773)
Total transfers	-	-	-	(286,773)
Net income (loss)	(207,159)	(26,928)	180,231	30,121
Retained earnings, beginning of the year	559,743	559,743	-	490,569
Appropriation for prior year encumbrances	48,421	48,421	-	39,053
Retained earnings, end of the year	\$ 401,005	\$ 581,236	\$ 180,231	\$ 559,743

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL ENTERPRISE FUNDS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 15,103,382	\$ 14,973,315	\$ (130,067)	\$ 15,040,735
Other operating revenues	52,650	47,481	(5,169)	73,945
Total operating revenues	15,156,032	15,020,796	(135,236)	15,114,680
Operating expenses				
Personal services	4,996,166	4,703,371	292,795	4,956,212
Contractual services	4,998,942	4,376,648	622,294	4,345,674
Commodities	1,418,024	1,270,960	147,064	1,279,688
Other operating expenses	5,182,333	4,075,207	1,107,126	4,975,517
Total operating expenses	16,595,465	14,426,186	2,169,279	15,557,091
Operating income (loss)	(1,439,433)	594,610	2,034,043	(442,411)
Non-operating revenues (expenses)				
Interest revenue	585,726	674,614	88,888	509,056
Interest expenses and fiscal charges	(636,731)	(629,124)	7,607	(374,005)
Debt retirement	(844,175)	(844,174)	1	(422,729)
Proceeds from bonds	-	-	-	2,545,000
Proceeds from notes	784,175	774,748	(9,427)	249,175
Operating grants	520,272	372,163	(148,109)	579,445
Other sources	-	22,944	22,944	306,702
Other uses	(288,000)	(463,000)	(175,000)	(200,000)
Income taxes	350,000	350,000	-	400,000
Total non-operating revenues (expenses)	471,267	258,171	(213,096)	3,592,644
Income (loss) before operating transfers	(968,166)	852,781	1,820,947	3,150,233
Operating transfers-out	(1,383,401)	(1,383,401)	-	(2,674,881)
Total transfers	(1,383,401)	(1,383,401)	-	(2,674,881)
Net income (loss)	(2,351,567)	(530,620)	1,820,947	475,352
Retained earnings, beginning of the year	11,594,193	11,594,193	-	7,881,957
Appropriation for prior year encumbrances	2,246,509	2,246,509	-	3,236,884
Retained earnings, end of the year	\$ 11,489,135	\$ 13,310,082	\$ 1,820,947	\$ 11,594,193

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department for the other departments within the City.

MUNICIPAL GARAGE

To account for the operations of the municipal garage for the purchase, sale and repair of vehicles for all departments within the City.

EMPLOYEE BENEFITS

To account for the operation of the City's self-funded health insurance program. The expenses of this fund are comprised of medical, dental, and prescription drug claims approved by the City's Third Party Administrator.

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
As of December 31, 2000**

	Totals			
	Municipal Garage	Employees Benefits Fund	2000	1999
Assets:				
Current assets:				
Equity in pooled cash, deposits and investments	\$ 801,161	\$ 499,243	\$ 1,300,404	\$ 1,941,269
Receivables (net of allowance for uncollectibles):				
Accounts	2,872	-	2,872	38,346
Due from other funds	201,920	910	202,830	168,394
Inventory of supplies	135,500	-	135,500	131,269
Total current assets	1,141,453	500,153	1,641,606	2,279,278
Property, plant, and equipment:				
Land	195,750	-	195,750	195,750
Buildings	344,227	-	344,227	337,507
Equipment	9,991,581	-	9,991,581	9,248,074
Less: Accumulated depreciation	(6,626,936)	-	(6,626,936)	(6,301,143)
Net property, plant, and equipment	3,904,622	0	3,904,622	3,480,188
Total assets	\$ 5,046,075	\$ 500,153	\$ 5,546,228	\$ 5,759,466

(continued)

**CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
As of December 31, 2000**

(continued)	Totals			
	Municipal Garage	Employees Benefits Fund	2000	1999
Liabilities:				
Current liabilities:				
Accounts payable	\$ 54,735	\$ 271,694	\$ 326,429	\$ 244,194
Accrued wages and benefits	18,159	-	18,159	23,582
Other accrued liabilities	9,818	-	9,818	8,707
Accrued interest payable	325	-	325	465
Due to other funds	1,485	-	1,485	1,485
Notes payable	260,000	-	260,000	400,000
Total current liabilities	344,522	271,694	616,216	678,433
Long-term liabilities:				
Compensated absences payable	68,022	-	68,022	66,569
Total long-term liabilities	68,022	0	68,022	66,569
Total liabilities	412,544	271,694	684,238	745,002
Fund equity:				
Retained earnings:				
Unreserved	4,633,531	228,459	4,861,990	5,014,464
Total fund equity	4,633,531	228,459	4,861,990	5,014,464
Total liabilities and fund equity	\$ 5,046,075	\$ 500,153	\$ 5,546,228	\$ 5,759,466

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN EQUITY
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 2000

	Municipal Garage	Employees Benefits Fund	Totals	
			2000	1999
Operating revenues:				
Charges for services	\$ 2,439,019	\$ 2,453,286	\$ 4,892,305	\$ 4,506,093
Other operating revenues	8,342	-	8,342	54,387
Total operating revenues	2,447,361	2,453,286	4,900,647	4,560,480
Operating expenses:				
Personal services	528,147	-	528,147	530,099
Contractual services	232,192	2,964,364	3,196,556	2,160,362
Commodities	612,775	-	612,775	417,846
Depreciation	758,700	-	758,700	660,054
Other operating expenses	-	-	-	4,724
Total operating expenses	2,131,814	2,964,364	5,096,178	3,773,085
Operating income	315,547	(511,078)	(195,531)	787,395
Non-operating revenues (expenses):				
Interest revenue	55,074	-	55,074	54,749
Interest expense	(18,648)	-	(18,648)	(4,674)
Gain (Loss) on sale of equipment	6,631	-	6,631	24,625
Total non-operating revenues (expenses)	43,057	0	43,057	74,700
Transfers out	0	0	0	(321,000)
Net income (loss)	358,604	(511,078)	(152,474)	541,095
Equity, beginning of the year	4,274,927	739,537	5,014,464	4,473,369
Equity, end of the year	\$ 4,633,531	\$ 228,459	\$ 4,861,990	\$ 5,014,464

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 2000

			Totals	
			2000	1999
	Municipal Garage	Employees Benefits Fund		
Cash flows from operating activities:				
Cash payments to suppliers for goods and services	\$ (851,239)	\$ (2,900,570)	\$ (3,751,809)	\$ (2,825,499)
Cash payments to employees for services	(475,865)	-	(475,865)	(465,580)
Miscellaneous revenue	5,470	-	5,470	26,471
Cash received from quasi-external operating activities	2,443,410	2,452,805	4,896,215	4,510,977
Cash payments for quasi-external operating activities	(69,883)	-	(69,883)	(53,537)
Net cash provided by operating activities	1,051,893	(447,765)	604,128	1,192,832
Cash flows from non-capital financing activities:				
Transfers out	-	-	-	(321,000)
Net cash used by non-capital financing activities	0	0	0	(321,000)
Cash flows from capital and related financing activities:				
Sale of fixed assets	133,485	-	133,485	32,213
Purchase of fixed assets	(1,274,764)	-	(1,274,764)	(1,107,628)
Interest expense	(18,788)	-	(18,788)	(4,402)
Principal payments	(400,000)	-	(400,000)	(120,500)
Sale of notes	260,000	-	260,000	400,000
Net cash used by capital and related financing activities	(1,300,067)	0	(1,300,067)	(800,317)
Cash flows from investing activities:				
Interest income	55,074	-	55,074	59,284
Net cash provided by investing activities	55,074	0	55,074	59,284
Net increase (decrease) in cash and cash equivalents	(193,100)	(447,765)	(640,865)	130,799
Cash and cash equivalents, beginning of year	994,261	947,008	1,941,269	1,810,470
Cash and cash equivalents, end of year	\$ 801,161	\$ 499,243	\$ 1,300,404	\$ 1,941,269

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 2000

(continued)	Municipal Garage	Employees Benefits Fund	Totals	
			2000	1999
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 315,547	\$ (511,078)	\$ (195,531)	\$ 787,395
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	758,700	-	758,700	660,054
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	250	-	250	(24,662)
Decrease (increase) in due from other funds	(33,955)	(481)	(34,436)	1,630
(Increase) decrease in supplies inventory	(4,231)	-	(4,231)	(36,986)
(Decrease) Increase in accounts payable	18,441	63,794	82,235	(205,581)
Increase (decrease) in accrued wages	(5,423)	-	(5,423)	7,035
(Decrease) in accrued liabilities	1,111	-	1,111	1,177
Increase (decrease) in compensated absences	1,453	-	1,453	2,770
Total adjustments	736,346	63,313	799,659	405,437
Net cash provided by operating activities	\$ 1,051,893	\$ (447,765)	\$ 604,128	\$ 1,192,832

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL GARAGE FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 2,412,990	\$ 2,582,365	\$ 169,375	\$ 2,212,284
Total operating revenues	2,412,990	2,582,365	169,375	2,212,284
Operating expenses				
Personal services	533,116	531,006	2,110	519,117
Contractual services	293,712	291,154	2,558	237,006
Commodities	618,103	609,525	8,578	482,211
Other operating expenses	1,440,531	1,425,900	14,631	1,764,137
Total operating expenses	2,885,462	2,857,585	27,877	3,002,471
Operating income (loss)	(472,472)	(275,220)	197,252	(790,187)
Non-operating revenues (expenses)				
Interest revenue	40,000	55,074	15,074	59,283
Interest expenses and fiscal charges	(18,800)	(18,788)	12	(4,402)
Debt retirement	(400,000)	(400,000)	-	(120,500)
Proceeds from notes	260,000	260,000	-	400,000
Total non-operating revenues(expenses)	(118,800)	(103,714)	15,086	334,381
Income(loss) before operating transfers	(591,272)	(378,934)	212,338	(455,806)
Operating transfers-out	-	-	-	(321,000)
Net income	(591,272)	(378,934)	212,338	(776,806)
Retained earnings, beginning of the year	299,143	299,143	-	840,467
Appropriation for prior year encumbrances	695,118	695,118	-	235,482
Retained earnings, end of the year	\$ 402,989	\$ 615,327	\$ 212,338	\$ 299,143

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMPLOYEE BENEFITS FUND
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 2,423,040	\$ 2,452,805	\$ 29,765	\$ 2,357,229
Total operating revenues	2,423,040	2,452,805	29,765	2,357,229
Operating expenses				
Contractual services	3,047,000	2,900,246	146,754	2,144,890
Total operating expenses	3,047,000	2,900,246	146,754	2,144,890
Net income	(623,960)	(447,441)	176,519	212,339
Retained earnings, beginning of the year	947,008	947,008	-	734,669
Retained earnings, end of the year	\$ 323,048	\$ 499,567	\$ 176,519	\$ 947,008

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL INTERNAL SERVICE FUNDS
For the year ended December 31, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues				
Charges for services	\$ 4,836,030	\$ 5,035,170	\$ 199,140	\$ 2,212,284
Other operating revenue	-	-	-	2,357,229
Total operating revenues	4,836,030	5,035,170	199,140	4,569,513
Operating expenses				
Personal services	533,116	531,006	2,110	519,117
Contractual services	3,340,712	3,191,400	149,312	2,381,896
Commodities	618,103	609,525	8,578	482,211
Other operating expenses	1,440,531	1,425,900	14,631	1,764,137
Total operating expenses	5,932,462	5,757,831	174,631	5,147,361
Operating income (loss)	(1,096,432)	(722,661)	373,771	(577,848)
Non-operating revenues (expenses)				
Interest revenue	40,000	55,074	15,074	59,283
Interest expenses and fiscal charges	(18,800)	(18,788)	12	(4,402)
Debt retirement	(400,000)	(400,000)	-	(120,500)
Proceeds from notes	260,000	260,000	-	400,000
Total non-operating revenues(expenses)	(118,800)	(103,714)	15,086	334,381
Income(loss) before operating transfers	(1,215,232)	(826,375)	388,857	(243,467)
Operating transfers-out	-	-	-	(321,000)
Net income	(1,215,232)	(826,375)	388,857	(564,467)
Retained earnings, beginning of the year	1,246,151	1,246,151	-	1,575,136
Appropriation for prior year encumbrances	695,118	695,118	-	235,482
Retained earnings, end of the year	\$ 726,037	\$ 1,114,894	\$ 388,857	\$ 1,246,151



FIDUCIARY FUNDS

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

NON-EXPENDABLE TRUST FUNDS

Fire Damage Escrow

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

Sawyer Trust

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

EXPENDABLE TRUST FUNDS

Community Development Act Escrow

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

AGENCY FUNDS

Conservancy

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

City Income Tax

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

Payroll Clearing

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

Municipal Court

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

**CITY OF MIDDLETOWN, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 As of December 31, 2000**

	NON-EXPENDABLE TRUST FUNDS		EXPENDABLE TRUST FUND
	Fire Damage Escrow	Sawyer Trust	Community Development Act Escrow
Assets:			
Cash and equity in pooled cash, deposits and investments	\$ 53,881	\$ 7,535	\$ 109,964
Cash with fiscal and escrow agent	-	-	1,646,838
Receivable (net of allowance for uncollectibles):			
Income taxes	-	-	-
Loans	-	-	1,377,414
Total assets	53,881	7,535	3,134,216
Liabilities:			
Due to other funds	-	-	-
Due to other governments	-	-	-
Due to other individuals	-	-	109,964
Unapportioned monies	-	-	-
Total liabilities	0	0	109,964
Fund equity:			
Fund balance			
Reserved for endowments	-	6,000	-
Reserved for loans	-	-	3,024,252
Unreserved:			
Undesignated	53,881	1,535	-
Total fund equity	53,881	7,535	3,024,252
Total liabilities and fund equity	\$ 53,881	\$ 7,535	\$ 3,134,216

AGENCY FUNDS					Totals	
Conservancy	City Income Tax	Payroll Clearing	Municipal Court		2000	1999
\$ 9,433	\$ 1,103,109	\$ -	\$ 109,998		\$ 1,393,920	\$ 1,852,640
-	-	90,876	-		1,737,714	1,585,911
-	1,055,885	-	-		1,055,885	1,802,161
-	-	-	-		1,377,414	1,357,825
9,433	2,158,994	90,876	109,998		5,564,933	6,598,537
-	2,158,994	910	-		2,159,904	3,381,266
9,433	-	83,566	-		92,999	15,978
-	-	6,400	34,270		150,634	141,589
-	-	-	75,728		75,728	58,162
9,433	2,158,994	90,876	109,998		2,479,265	3,596,995
-	-	-	-		6,000	6,000
-	-	-	-		3,024,252	2,943,736
-	-	-	-		55,416	51,806
0	0	0	0		3,085,668	3,001,542
\$ 9,433	\$ 2,158,994	\$ 90,876	\$ 109,998		\$ 5,564,933	\$ 6,598,537

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, 2000

	Fire Damage		Totals	
	Escrow	Sawyer Trust	2000	1999
Operating revenues:				
Charges for services	\$ 39,577	\$ 254	\$ 39,831	\$ 53,238
Total operating revenues	39,577	254	39,831	53,238
Operating expenses:				
Contractual services	36,221	-	36,221	58,441
Total operating expenses	36,221	-	36,221	58,441
Operating income (loss)	3,356	254	3,610	(5,203)
Equity, beginning of year	50,525	7,281	57,806	63,009
Total equity, end of year	53,881	7,535	61,416	57,806

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL NON-EXPENDABLE TRUST FUNDS
For the year ended December 31, 2000

	Fire Damage		Totals	
	Escrow	Sawyer Trust	2000	1999
Cash flows from operating activities:				
Cash received from customers	\$ 39,577	\$ -	\$ 39,577	\$ 53,098
Payment to suppliers	(36,221)	-	(36,221)	(58,441)
Net cash provided (used) by operating activities	3,356	-	3,356	(5,343)
Cash flows from investing activities:				
Interest income	-	254	254	255
Net increase (decrease) in cash and cash equivalents	3,356	254	3,610	(5,088)
Cash and cash equivalents, beginning of year	50,525	1,281	51,806	56,894
Cash and cash equivalents, end of year	\$53,881	\$1,535	\$55,416	\$51,806

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

Operating income	\$ 3,356	\$ 254	\$ 3,610	\$ (5,203)
Adjustments to reconcile operating income to net cash provided by operating activities				
Increase in accrued interest receivable	-	(254)	(254)	(140)
Net cash provided by operating activities	\$ 3,356	\$ -	\$ 3,356	\$ (5,343)

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, 2000

	Fire Damage Escrow			Sawyer Trust		
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)
Operating revenues:						
Charges for services	\$ 50,000	\$ 39,577	\$ (10,423)	-	-	-
Interest revenue	-	-	-	-	254	254
Total operating revenues	50,000	39,577	(10,423)	-	254	254
Operating expenses:						
Contractual services	40,000	36,221	3,779	-	-	-
Total operating expenses	40,000	36,221	3,779	-	-	-
Operating income	10,000	3,356	(6,644)	-	254	254
Net income (loss)	10,000	3,356	(6,644)	-	254	254
Fund balance, beginning of the year	50,525	50,525	-	7,281	7,281	-
Fund balance, end of year	\$60,525	\$53,881	(\$6,644)	\$7,281	\$7,535	\$254

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, 2000

	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	1999 Actual
Operating revenues:				
Charges for services	\$ 50,000	\$ 39,577	\$ (10,423)	\$ 53,098
Interest revenue	-	254	254	255
Total operating revenues	50,000	39,831	(10,169)	53,353
Operating expenses:				
Contractual services	40,000	36,221	3,779	58,441
Total operating expenses	40,000	36,221	3,779	58,441
Operating income	10,000	3,610	(6,390)	(5,088)
Net income (loss)	10,000	3,610	(6,390)	(5,088)
Fund balance, beginning of the year	57,806	57,806	-	62,894
Fund balance, end of year	\$ 67,806	\$ 61,416	\$ (6,390)	\$ 57,806

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the year ended December 31, 2000

	Community Development Act Escrow		Totals	
		2000		1999
Revenues:				
Interest earnings	\$ 82,714	\$ 82,714	\$ 66,392	
Miscellaneous revenues	1,110	1,110	35,478	
Total revenues	83,824	83,824	101,870	
Expenditures:				
Current:				
Miscellaneous	3,308	3,308	28,589	
Total expenditures	3,308	3,308	28,589	
Excess of revenues over (under) expenditures	80,516	80,516	73,281	
Fund balance, beginning of year, restated (Note 22)	2,943,736	2,943,736	2,848,755	
Fund balance, end of year	\$3,024,252	\$3,024,252	\$2,922,036	

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL EXPENDABLE TRUST FUND
For the year ended December 31, 2000

	Community Development Act Escrow			Totals	
	Revised Budget	2000 Actual	Variance Favorable (Unfavorable)	2000 Actual	1999 Actual
Revenues					
Interest earnings	\$ 70,000	\$ 82,714	\$ 12,714	\$ 82,714	\$ 66,392
Total revenues	70,000	82,714	12,714	82,714	66,392
Expenditures					
Current					
Community environment	-	-	-	-	-
Total expenditures	0	0	0	0	0
Excess of revenues over (under) expenditures	70,000	82,714	12,714	82,714	66,392
Other financing sources (uses):					
Other sources	-	189,594	189,594	189,594	186,556
Other uses	(360,000)	(205,863)	154,137	(205,863)	(98,153)
Total other financing sources (uses)	(360,000)	(16,269)	343,731	(16,269)	88,403
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(290,000)	66,445	356,445	66,445	154,795
Fund balance, beginning of year	1,690,357	1,690,357	-	1,690,357	1,535,562
Fund balance, end of year	\$ 1,400,357	\$ 1,756,802	\$ 356,445	\$ 1,756,802	\$ 1,690,357

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 2000**

	CONSERVANCY			Balance End of Year
	Balance Beginning of Year	Additions	Deductions	
Assets:				
Cash and equity in pooled cash, deposits and investments	\$15,978	\$90,346	\$96,891	\$9,433
Total assets	\$15,978	\$90,346	\$96,891	\$9,433
Liabilities:				
Due to other governments	\$15,978	\$90,346	\$96,891	\$9,433
Total liabilities	\$15,741	\$90,346	\$96,891	\$9,433

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 2000**

(continued)	CITY INCOME TAX			Balance End of Year
	Balance Beginning of Year	Additions	Deductions	
Assets:				
Cash and equity in pooled cash, deposits and investments	\$1,578,676	\$18,065,819	\$18,541,386	\$1,103,109
Taxes receivable	1,802,161	17,319,543	18,065,819	1,055,885
Total assets	\$3,380,837	\$35,385,362	\$36,607,205	\$2,158,994
Liabilities:				
Due to other funds	\$3,380,837	\$17,319,543	\$18,541,386	\$2,158,994
Total liabilities	\$3,380,837	\$17,319,543	\$18,541,386	\$2,158,994

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 2000**

(continued)	PAYROLL CLEARING			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash with fiscal and escrow agent	\$7,441	\$10,527,616	\$10,444,181	\$90,876
Total assets	\$7,441	\$10,527,616	\$10,444,181	\$90,876
 Liabilities:				
Due to other funds	\$429	\$400,698	\$400,217	\$ 910
Due to other governments	-	5,490,361	5,406,795	\$ 83,566
Due to individuals	7,012	4,636,557	4,637,169	6,400
Total liabilities	\$7,441	\$10,527,616	\$10,444,181	\$90,876

(continued)

**CITY OF MIDDLETOWN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the year ended December 31, 2000**

(continued)	MUNICIPAL COURT			Balance End of Year
	Balance Beginning of Year	Additions	Deductions	
Assets:				
Cash and equity in pooled cash, deposits and investments	\$88,293	\$2,950,604	\$2,928,899	\$109,998
Total assets	\$88,293	\$2,950,604	\$2,928,899	\$109,998
Liabilities:				
Due to other funds	\$ -	\$1,082,742	\$1,082,742	\$ -
Due to other governments	-	395,608	395,608	-
Due to individuals	30,131	560,616	556,477	34,270
Unapportioned monies	58,162	911,638	894,072	75,728
Total liabilities	\$88,293	\$2,950,604	\$2,928,899	\$109,998

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the year ended December 31, 2000

(continued)	TOTAL - ALL AGENCY FUNDS			
	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash and equity in pooled cash, deposits and investments	\$1,682,947	\$21,106,769	\$21,567,176	\$1,222,540
Cash with fiscal and escrow agent	7,441	10,527,616	10,444,181	90,876
Taxes receivable	1,802,161	17,319,543	18,065,819	1,055,885
Total assets	\$3,492,549	\$48,953,928	\$50,077,176	\$2,369,301
Liabilities:				
Due to other funds	\$3,381,266	\$18,802,983	\$20,024,345	\$2,159,904
Due to other governments	15,978	5,976,315	5,899,294	92,999
Due to individuals	37,143	5,197,173	5,193,646	40,670
Unapportioned monies	58,162	911,638	894,072	75,728
Total liabilities	\$3,492,549	\$30,888,109	\$32,011,357	\$2,369,301

**GENERAL FIXED ASSET
ACCOUNT GROUP**

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

CITY OF MIDDLETOWN, OHIO
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
As of December 31, 2000 and 1999

	2000	1999
General fixed assets:		
Land	\$7,635,050	\$7,323,940
Buildings	19,551,564	19,323,115
Equipment	6,022,121	5,483,924
Total general fixed assets	\$33,208,735	\$32,130,979
Investment in general fixed assets from:		
General fund revenues	\$28,920,334	\$28,135,719
Special revenue fund revenues	4,288,401	3,995,260
Total investment in general fixed assets	\$33,208,735	\$32,130,979

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
As of December 31, 2000

FUNCTION AND ACTIVITY	LAND	BUILDINGS	EQUIPMENT	TOTAL
General government:				
City Commission	\$ -	\$ -	\$ 37,758	\$ 37,758
City Manager	-	-	30,472	30,472
Personnel	-	-	19,338	19,338
Finance	284,035	12,513,691	2,002,347	14,800,073
Law	-	-	36,199	36,199
Human Resources	-	-	19,667	19,667
Engineering	-	-	99,450	99,450
Public Works Administration	-	-	14,159	14,159
Taxation	-	-	23,691	23,691
Municipal Court	-	4,900	170,235	175,135
Total general government	284,035	12,518,591	2,453,316	15,255,942
Community environment:				
Economic Development	1,056,177	7,660	74,369	1,138,206
Community Center	126,500	1,558,454	24,807	1,709,761
Total community environment	1,182,677	1,566,114	99,176	2,847,967
Public safety:				
Fire	205,750	825,747	797,547	1,829,044
Police	-	491,341	1,149,679	1,641,020
Building Inspection	-	-	-	-
Building Maintenance	-	306,940	95,419	402,359
Electronic Maintenance	-	427,865	403,370	831,235
Total public safety	205,750	2,051,893	2,446,015	4,703,658
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
Total public health and welfare	1,651,350	1,524,358	76,331	3,252,039
Leisure time activities:				
Pools	406,250	1,059,580	37,479	1,503,309
Recreation	3,904,988	534,155	208,746	4,647,889
Parks Maintenance	-	21,986	517,252	539,238
Total leisure time activities	4,311,238	1,615,721	763,477	6,690,436
Highways and streets:				
Street Maintenance	-	274,887	183,806	458,693
Total highways and streets	-	274,887	183,806	458,693
Total general fixed assets	\$ 7,635,050	\$ 19,551,564	\$ 6,022,121	\$ 33,208,735

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the year ended December 31, 2000

FUNCTION AND ACTIVITY	Balance Beginning of Year	Additions	Deductions	Balance End of Year
General government:				
City Commission	\$ 37,758	\$ -	\$ -	\$ 37,758
City Manager	27,774	2,698	-	30,472
Personnel	19,338	-	-	19,338
Finance	14,641,336	158,737	-	14,800,073
Law	32,004	4,195	-	36,199
Human Resources	19,667	-	-	19,667
Engineering	99,450	-	-	99,450
Public Works Administration	14,159	-	-	14,159
Taxation	22,124	1,567	-	23,691
Municipal Court	133,276	41,859	-	175,135
Total general government	15,046,886	209,056	-	15,255,942
Community environment:				
Economic Development	1,138,206	-	-	1,138,206
Community Center	1,706,311	3,450	-	1,709,761
Total community environment	2,844,517	3,450	-	2,847,967
Public safety:				
Fire	1,619,019	210,025	-	1,829,044
Police	1,598,501	42,519	-	1,641,020
Building Inspection	-	-	-	-
Building Maintenance	364,758	37,601	-	402,359
Electronic Maintenance	749,302	81,933	-	831,235
Total public safety	4,331,580	372,078	-	4,703,658
Public health and welfare:				
Health & Environment	2,718,710	3,339	-	2,722,049
Social Health	526,855	3,135	-	529,990
Total public health and welfare	3,245,565	6,474	-	3,252,039
Leisure time activities:				
Pools	1,483,805	19,504	-	1,503,309
Recreation	4,309,104	338,785	-	4,647,889
Parks Maintenance	539,238	-	-	539,238
Total leisure time activities	6,332,147	358,289	-	6,690,436
Highways and streets:				
Street Maintenance	330,284	128,409	-	458,693
Total highways and streets	330,284	128,409	-	458,693
Total general fixed assets	32,130,979	1,077,756	-	33,208,735

STATISTICAL SECTION

STATISTICAL TABLES

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

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Public safety	\$12,691	\$12,788	\$13,053	\$14,450	\$15,529	\$16,559	\$17,667	\$17,962	\$18,753	\$19,457
Public health and welfare	864	894	868	899	1,120	1,178	1,138	1,098	1,246	1,548
Leisure time activities	770	882	737	937	875	946	959	957	1,264	1,022
Community environment	6,397	5,654	4,865	4,045	5,407	4,958	3,975	3,694	4,423	7,468
Highways and streets	1,978	2,023	1,826	3,469	2,983	4,043	5,179	3,946	3,255	4,618
General government	3,978	4,025	3,969	3,986	3,827	3,888	3,641	3,915	4,693	4,676
Principal and interest	2,181	2,225	2,175	4,694	1,937	2,067	1,955	1,615	1,676	2,429
Other	872	693	739	681	705	794	1,381	975	1,098	1,245
Total expenditures	\$29,731	\$29,184	\$28,232	\$33,161	\$32,383	\$34,433	\$35,895	\$34,162	\$36,408	\$42,461

(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

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Property taxes	\$4,021	\$4,169	\$3,943	\$4,067	\$4,236	\$4,439	\$4,809	\$4,593	\$4,837	\$5,140
Municipal income tax	11,365	11,229	11,488	12,781	13,661	14,361	14,959	15,975	17,614	16,970
Intergov'tal revenues	5,518	5,886	6,147	7,043	6,821	7,381	7,734	8,477	9,024	11,952
Charges for services	1,689	1,914	1,579	982	1,214	1,129	1,119	1,273	1,802	1,371
Special assessments	665	605	511	647	623	810	903	690	980	810
Licenses and permits	215	188	269	408	435	615	179	437	337	308
Interest earnings	842	553	397	486	801	985	758	1,073	1,179	1,974
Fines and forfeitures	772	888	799	907	933	1,162	1,149	1,218	1,152	1,272
Miscellaneous	543	596	751	1,164	758	875	1,593	1,803	1,276	1,544
Total revenues	\$ 25,630	\$ 26,028	\$ 25,884	\$ 28,485	\$ 29,482	\$ 31,757	\$ 33,203	\$ 35,539	\$ 38,201	\$41,339

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

Source: City of Middletown Finance Department

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

Last ten years

Table 3

Collection Year	(1) Billed	(2) Collected	Percentage Collected
1991	4,046,119	4,021,276	99.39
1992	4,045,993	4,180,156	103.32
1993	4,080,497	3,926,389	96.22
1994	4,195,749	4,124,426	98.30
1995	4,278,253	4,235,524	99.00
1996	4,516,177	4,439,402	98.30
1997	4,633,640	4,780,081	103.16
1998	4,727,232	4,561,403	98.44
1999	5,175,830	4,837,000	93.45
2000	5,587,908	5,507,880	98.57

(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

Tax Levy/ Collection Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
1989/1990	\$ 314,622,395	\$ 898,921,129	\$ 184,142,984	\$ 657,653,514
1990/1991	378,813,430	1,082,324,085	184,159,079	682,070,663
1991/1992	383,117,950	1,094,622,714	175,640,350	675,539,808
1992/1993	386,523,770	1,104,353,629	184,235,170	736,940,680
1993/1994	429,178,780	1,226,225,086	156,254,003	625,016,012
1994/1995	472,913,080	1,351,180,229	142,102,798	568,411,192
1995/1996	479,889,030	1,371,111,514	159,765,906	639,063,624
1996/1997	532,779,540	1,522,227,257	177,047,357	708,189,428
1997/1998	564,341,260	1,612,403,600	202,162,822	808,651,288
1998/1999	570,896,656	1,631,133,029	188,367,171	753,468,684
1999/2000	622,983,930	1,779,954,085	210,395,072	6,011,128,777

(1) Other than public utility.

(2) Real and tangible personal property

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

Public Utility (2)		Totals		Assessed Value as a percent of Estimated Actual Value	Tax Levy/ Collection Year
Assessed	Estimated Actual	Assessed	Estimated Actual		
\$ 42,147,570	\$ 150,455,643	\$ 540,912,949	\$ 1,707,030,286	31.69%	1989/1990
44,552,820	165,010,444	607,525,329	1,929,405,192	31.49	1990/1991
48,748,210	187,365,236	607,506,510	1,957,527,758	31.03	1991/1992
51,268,100	204,915,200	622,027,040	2,046,209,509	30.40	1992/1993
54,163,150	216,484,394	639,595,933	2,067,725,492	30.93	1993/1994
55,286,720	221,146,880	670,302,598	2,160,738,301	31.02	1994/1995
55,223,380	220,893,520	694,878,316	2,231,068,658	31.15	1995/1996
54,505,910	218,023,640	764,332,807	2,448,440,325	31.22	1996/1997
53,128,190	212,512,760	819,632,272	2,633,567,648	31.12	1997/1998
54,545,990	218,183,960	813,809,721	2,602,785,673	31.27	1998/1999
55,443,990	158,411,400	888,822,992	7,949,494,262	11.18	1999/2000

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

City of Middletown							
Collection Year	Operating	Police and Fire Pension	Debt Retirement	City of Middletown Total	Butler County	Middletown City School District	Total
1991	5.26	0.60	0.80	6.66	7.45	33.43	47.54
1992	5.26	0.60	0.80	6.66	7.45	33.43	47.54
1993	5.26	0.60	0.70	6.56	7.45	33.23	47.24
1994	5.26	0.60	0.70	6.56	7.44	32.88	46.88
1995	5.15	0.60	0.63	6.38	7.44	38.20	52.02
1996	5.15	0.60	0.63	6.38	7.44	40.13	53.95
1997	5.15	0.60	0.56	6.31	8.45	38.56	53.32
1998	5.15	0.60	0.56	6.31	8.45	38.56	53.32
1999	5.15	0.60	0.61	6.36	8.44	38.49	53.29
2000	5.15	0.60	0.71	6.46	8.45	37.26	52.17

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

Source: Butler County Auditor's Office

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

Collection Year	Billed	Collected	Percentage Collected	Accumulated Delinquent
1990	\$566,413	\$584,253	103.1%	\$105,132
1991	541,585	486,537	89.8	160,180
1992	538,259	546,264	101.5	152,175
1993	535,208	516,259	96.5	171,124
1994	531,607	511,722	96.3	191,009
1995	507,808	506,804	99.8	192,013
1996	557,611	560,260	100.5	189,364
1997	523,002	591,053	113.0	68,051
1998	625,000	626,228	100.2	66,823
1999	706,541	747,284	105.8	26,080
2000	748,297	731,531	97.8	42,846

(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

Fiscal Year	Population (1)	Assessed Value	Gross General Bonded Debt	Less Cash Available in Debt Service Funds
1991	46,486	607,525,329	6,796,740	291,673
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

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

Source: City of Middletown Finance Department.

Less Debt Payable from Enterprise Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Per Capital Net General Bonded Debt	Fiscal Year
475,000	6,030,067	0.99%	129.72	1991
400,000	5,226,377	0.86%	111.69	1992
325,000	4,409,014	0.71%	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

**CITY OF MIDDLETOWN, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 UNVOTED DEBT LIMIT (5.5 %)
 December 31, 2000
 Table 8 (A)**

Assessed valuations:	
Total assessed property value	<u><u>\$888,822,992</u></u>
Legal unvoted debt margin:	
Unvoted debt limit 5.5% of assessed valuation	\$48,885,261
Total unvoted bonded debt outstanding at December 31, 1999	\$ 29,779,429
Less: Unvoted general obligation bonds to be paid from enterprise fund revenues	(10,565,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(10,205,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	<u>(3,002,987)</u>
Total	6,006,442
Less: Cash in debt service fund	<u>(372,658)</u>
Net subject to 5.5% limit	<u>5,633,784</u>
Total legal unvoted debt margin	<u><u>\$43,251,477</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, 2000
 Table 8 (B)**

Assessed valuations:	
Total assessed property value	<u><u>\$888,822,992</u></u>
Legal voted and unvoted debt margin:	
Voted and unvoted debt limit 10.5% of assessed valuation	\$93,326,414
Total voted and unvoted bonded debt outstanding at December 31, 1999	\$ 30,379,429
Less: Unvoted general obligation bonds to be paid from enterprise fund and internal service fund revenues	(10,565,000)
Unvoted general obligation bonds issued to fund urban renewal projects	(10,205,000)
Unvoted general obligation bonds issued in anticipation of the collection of special assessments (1)	<u>(3,002,987)</u>
Total	6,606,442
 Less: Cash in debt service fund	 <u>(1,085,201)</u>
Net subject to 10.5% limit	<u>5,521,241</u>
Total legal voted and unvoted debt margin	<u><u>\$87,805,173</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 DIRECT AND OVERLAPPING DEBT
December 31, 2000
Table 9

Political Subdivision	General Bonded Debt	Percent Applicable to City	City's Share
City of Middletown	\$ 30,379,429	100.00	\$ 30,379,429
Butler County	15,765,000	13.80	2,175,570
Warren County	<u>13,037,369</u>	2.09	<u>272,481</u>
Total	\$ 59,181,798		\$ 32,827,481

Source: Butler and Warren County Auditor's Offices.

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

Fiscal Year	Principal	Interest and Fiscal Charges	Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
1990	\$ 1,276,740	\$ 742,285	\$ 2,019,025	\$ 28,329,218	7.1%
1991	956,740	641,384	1,598,124	29,730,527	5.4
1992	1,031,740	582,818	1,614,558	29,183,577	5.5
1993	900,000	462,151	1,362,151	28,187,334	4.8
1994	870,000	510,580	1,380,580	33,380,497	4.1
1995	1,140,771	783,299	1,924,070	32,383,058	5.9
1996	1,347,000	720,426	2,067,426	34,433,034	6.0
1997	1,117,018	838,579	1,955,597	35,895,394	5.4
1998	875,743	715,908	1,591,651	34,345,520	4.6
1999	913,376	754,426	1,667,802	36,408,780	4.6
2000	1,236,780	1,191,866	2,428,646	42,175,729	5.8

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>							
1991	3,738,876	3,334,264	404,612	115,000	109,198	224,198	1.80
1992	3,920,438	3,663,131	287,307	120,000	96,968	216,968	1.32
1993	4,496,579	3,583,762	912,817	121,250	87,482	208,732	4.37
1994	5,245,029	3,970,845	1,274,184	222,500	200,198	422,698	3.01
1995	5,072,962	4,307,645	765,317	683,200	228,390	911,590	0.84
1996	5,209,994	4,040,121	1,169,873	165,000	170,464	335,464	3.49
1997	5,130,879	3,839,969	1,290,910	165,000	160,774	325,774	3.96
1998	4,991,289	3,965,041	1,026,248	110,000	151,152	261,152	3.93
1999	5,140,331	4,492,751	647,580	115,000	173,331	288,331	2.25
2000	5,338,202	2,886,657	2,501,625	400,000	285,062	685,062	3.65
<i>Sewer</i>							
1991	4,558,880	2,916,609	1,642,271	335,122	429,203	764,325	2.15
1992	5,384,472	3,439,903	1,944,569	352,942	400,629	753,571	2.58
1993	6,160,383	3,742,643	2,417,740	376,564	386,053	762,617	3.17
1994	7,054,831	4,239,582	2,815,249	233,750	212,370	446,120	6.31
1995	6,371,050	4,055,246	2,315,804	502,071	259,050	761,121	3.04
1996	6,364,374	5,150,628	1,213,746	180,000	237,320	417,320	2.91
1997	5,888,343	3,970,440	1,917,903	195,000	140,565	335,565	5.72
1998	5,824,247	4,142,245	1,682,002	150,000	152,100	302,100	5.57
1999	6,153,529	4,011,458	2,142,071	160,000	81,285	241,285	8.88
2000	6,229,722	3,053,316	3,176,406	170,000	73,605	243,605	13.04

(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, 2000
Table 12 (A)**

Population

Year	City of Middletown	Butler County
1940	31,220	120,249
1950	33,695	147,203
1960	42,115	199,076
1970	48,767	226,207
1980	43,719	258,787
1990	46,022	291,479
2000	51,605	332,807

Housing and Income Statistics

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

Sources: City of Middletown Department of Planning & Economic Development, and 1990 census (2000 census data unavailable)

**CITY OF MIDDLETOWN, OHIO
DEMOGRAPHIC STATISTICS
December 31, 2000
Table 12 (B)**

1990 Census of Employed Persons

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

Source: 1990 U.S. Census (2000 Census data unavailable)

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.

<i>Employment Data</i>			<i>Unemployment Percentage Rates (%)</i>		
Year	Employed County/MSA	Unemployed County/MSA	City of Middletown	Butler County	State of Ohio
1991	143,300	8,900	8.80	6.60	6.40
1992	144,900	10,300	9.70	7.88	7.20
1993	146,900	10,400	9.50	7.74	6.48
1994	152,400	8,600	7.90	5.37	5.53
1995	159,000	6,600	6.20	4.20	4.90
1996	160,800	6,800	6.10	3.40	4.90
1997	169,600	6,100	5.20	3.56	4.60
1998	172,500	5,900	5.00	3.40	4.20
1999	180,200	6,000	4.80	3.20	4.30
2000	183,600	5,700	4.50	3.00	4.10

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

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

Fiscal Year	Commercial Construction		Residential Construction		Property Value		
	# of Permits	Value	# of Permits	Value	Commercial	Residential	Nontaxable
1990	95	\$ 16,720,090	287	\$ 8,901,653	\$333,172,344	\$207,740,605	\$82,312,840
1991	89	7,067,242	433	11,273,688	352,956,139	254,569,190	86,841,630
1992	74	7,515,926	344	9,465,840	349,616,540	257,889,970	86,841,630
1993	81	10,329,050	425	14,686,487	360,309,050	261,717,990	58,428,910
1994	123	23,076,415	520	13,866,723	336,802,163	302,793,770	88,184,630
1995	167	21,916,721	402	11,443,868	348,714,108	321,858,490	90,386,060
1996	142	18,421,031	348	13,699,542	325,297,899	326,422,380	82,453,310
1997	127	14,558,059	343	13,263,369	324,836,171	369,256,300	81,611,112
1998	165	32,841,518	448	12,117,541	378,357,482	387,992,590	81,726,156
1999	174	16,537,595	382	12,200,500	359,643,120	438,941,970	94,985,310
2000	146	14,776,814	326	7,716,633	366,412,190	446,452,110	94,553,410

(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, 2000
Table 14

Real Property: Excluding Public Utility

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 20,998,990	3.37%
Garden Manor	Retirement home	3,248,850	0.52
Southwestern Ohio Steel	Steel processing	2,706,700	0.43
Armco, Inc.	Diversified holding company	1,823,680	0.29
Bavarian Woods	Apartment complex	1,813,220	0.29
Pre Finish Metals	Steel processing	1,742,760	0.28
Church of God	Retirement Home	1,675,620	0.27
Olde Towne-American Housing	Apartment complex	1,647,490	0.26
Jefferson Smurfit Corp.	Paper manufacturing	1,612,860	0.26
Riverside Village	Apartment complex	1,596,520	0.26
Total		\$ 38,866,690	6.24%

Tangible Personal: Excluding Public Utility

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed
A.K. Steel	Steel manufacturing	\$ 102,807,000	48.86%
Jefferson Smurfit Corporation	Paper and packaging	6,556,660	3.12
Bay West Paper Corporation	Paper Company	5,881,910	2.80
Messer Griesheim	Steel trimming	5,653,280	2.69
Southwestern Ohio Steel	Steel trimming	5,570,870	2.65
Aeronca, Inc.	Aircraft parts manufacturing	4,630,143	2.20
Air Products & Chemicals	Industrial gas manufacturing	3,915,100	1.86
J. & F. Steel Corporation	Steel Processor	3,351,160	1.59
MSC Pre-Finish	Steel trimming	2,393,890	1.14
Inland Paperboard	Paper and packaging	2,303,980	1.10
Total		\$ 143,063,993	68.00%

Source: City of Middletown Finance Department

**CITY OF MIDDLETOWN, OHIO
MISCELLANEOUS STATISTICS
December 31, 2000
Table 15**

Date of incorporation	1837
Form of government	Council - Manager
Number of employees	465
Area	25.486 square miles
Miles of streets	229
Fire protection:	
Number of stations	5
Number of sworn firemen	89
Police protection:	
Number of stations	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 2000	472
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	2,600

Source: City of Middletown Finance and Public Works Departments.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF MIDDLETOWN

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2001**