THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

CITY OF MADEIRA

State of Ohio

FOR THE YEAR ENDED DECEMBER 31, 2012

CITY OF MADEIRA,
OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared by:

Treasurer's Office

City of Madeira, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2012

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INTRODUCTORY SECTION

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CITY OF MADEIRA

7141 Miami Avenue • Cincinnati, Ohio 45243-2699
(513) 561-7228 • Fax (513) 272-4211

June 28, 2013

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

State law requires that all general-purposes local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Madeira for the fiscal year ended December 31, 2012.

This report consists of management's representations concerning the finances of the City of Madeira. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Madeira has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Madeira financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Madeira's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Madeira's financial statements have been audited by Foxx & Company, CPAs, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Madeira for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Madeira's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Madeira, incorporated in 1910 as a village, is located in the southwestern part of the state. The City of Madeira currently occupies a land area of 3.4 square miles and serves a population of 8,726. The City of Madeira is empowered to levy a property tax on real properties located within its boundaries.

The City of Madeira has operated under the council-manager form of government since 1959. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day to day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members are elected at large and serve four-year staggered terms, with elections every two years. The Madeira Home Rule Charter specifies term limits of three consecutive terms.

The Madeira City Council elects a Mayor and Vice-Mayor from within its ranks. The Mayor and Vice-Mayor each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings, performing ceremonial civic duties and overseeing the proceedings of Mayor's Court. The Vice-Mayor assumes the duties of the Mayor in his or her absence.

The City of Madeira provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the financial planning and control. The City Manager presents a proposed budget to the council for review prior to December 31. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of Madeira's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Madeira operates.

Local economy. The City of Madeira currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the City's boundaries or in close proximity include consumer product manufacturers, jet engine and automobile component manufacturers, and several financial and insurance institutions.

The City's central business district is expected to maintain its current high occupancy rate with a variety of stores, specialty shops, and commercial businesses. Meanwhile, there continues to be a discernible trend toward steady residential growth.

Long-term financial planning. Unreserved, undesignated fund balance in the general fund (42% of general fund expenditures) falls above the policy guidelines set by the city council for budgeting and planning purposes (i.e. – between 20 and 25 percent of general fund expenditures). It is council's intent to not borrow to fund improvement projects unless the project size is over $1 million. The City Council plans to add and improve walk ways, bike ways, park space and obtain improvement grants from the state for road improvements. In addition, they are trying to repave all streets on the existing 20 year schedule. The anticipated future annual street improvement budget is approximately $500,000 per year.

Relevant financial policies. During 2012, the City began planning for reductions in future intergovernmental revenue due to State cut backs. The City is considering an increase in income tax rates, fees and reducing spending and services.

Major Initiatives. The City borrowed $960,000 in 2012 to pay for the costs of the Kenwood Road Project. In 2009, the City also received a grant for sidewalk improvements that will require 25% participation by the City. The estimated cost is $360,000 and the project should begin in 2014.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This was the seventeenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to

express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Madeira's finances.

Respectfully submitted,

Steven A. Soper
Treasurer

Thomas W. Moeller
City Manager

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Madeira
Ohio

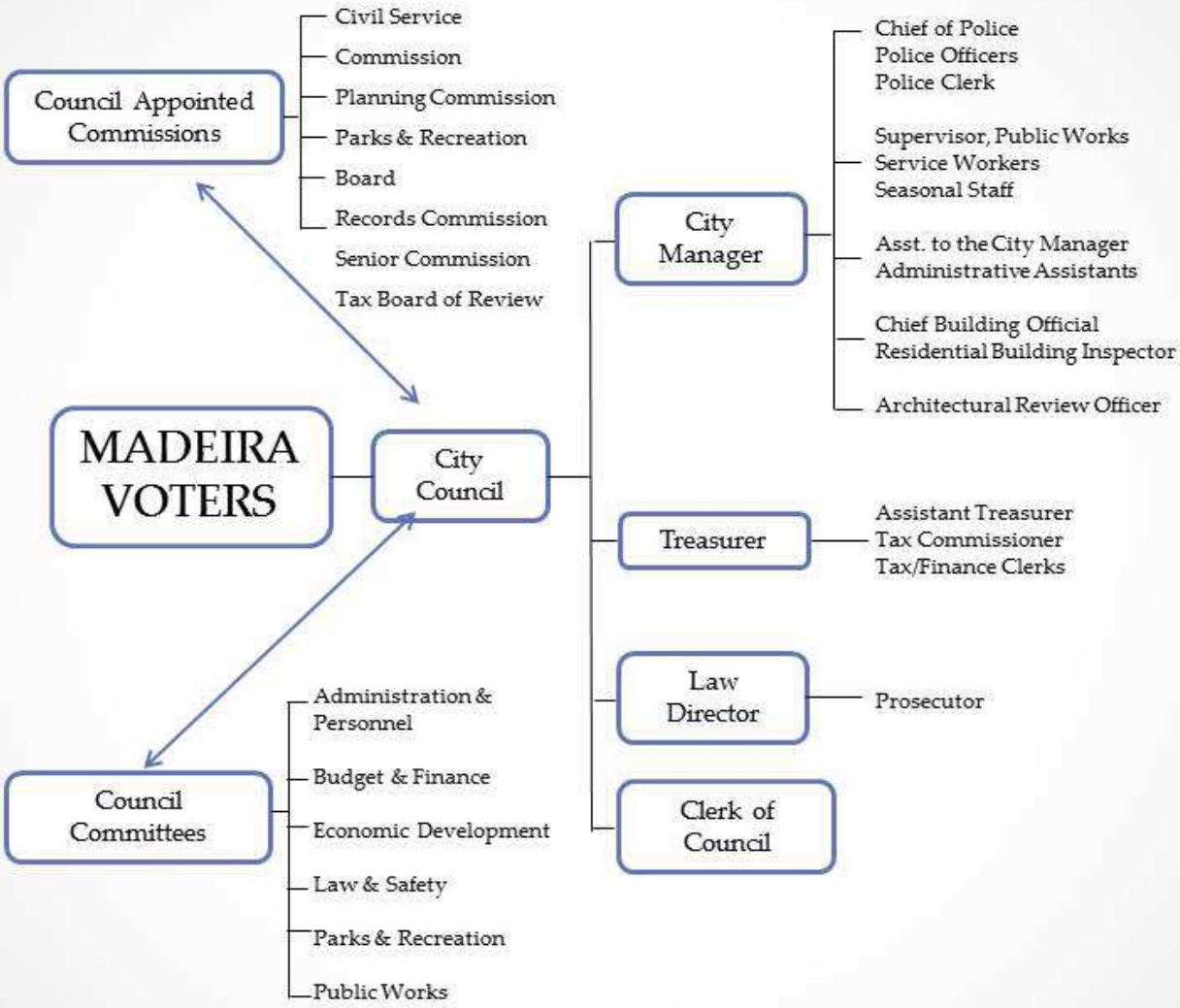
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.

President

Executive Director

City of Madeira
Organizational Chart



City of Madeira, Ohio
List of Elected and Appointed Officials
December 31, 2012

ELECTED OFFICIALS:

MAYOR	**Rick Brasington**	**Term on Council: 12/1/05 to 11/30/13**
VICE MAYOR	**Tim Dicke**	**Term on Council: 12/1/05 to 11/30/13**

MEMBERS OF COUNCIL:

Ken Born	**Term on Council: 11/22/04-11/30/15**
Rick Staubach	**Term on Council: 12/1/05 to 11/30/13**
Mike Steur	**Term on Council: 12/1/09 to 11/30/13**
Rob Steier	**Term on Council: 12/1/11-11/30/15**
Melisa Adrien	**Term on Council: 12/1/11-11/30/15**

APPOINTED OFFICIALS:

CITY MANAGER	**Thomas W. Moeller, M.P.A.**	**Hired 3/6/89 for Indefinite Term**
TREASURER	**Steven A. Soper, CPA**	**Term of Office: 12/1/97-11/30/13**
PROSECUTOR	**Michael Menninger**	**Term of Office: 12/1/08-11/30/13**
LAW DIRECTOR	**Robert Malloy, LLP**	**Term of Office: 12/1/89-11/30/13**

ARCHITECTURAL REVIEW OFFICER
David H. Ballweg — **Term of Office: 7/1/94-1/1/13**

FINANCIAL SECTION

FOXX & Company
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Madeira, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira, Hamilton County, Ohio (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in the *Government Audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira, Ohio, as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Street Repair Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note D to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 27, 2013, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Foxx & Company

Cincinnati, Ohio

June 27, 2013

Management's Discussion and Analysis

As management of the City of Madeira, we offer readers of the City of Madeira's financial statements this narrative overview and analysis of the financial activities of the City of Madeira for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in this report.

Financial Highlights

- The assets and deferred outflows of the City of Madeira exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $11,317,410 (net position). Of this amount, $3,190,807 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by $310,925.
- As of the close of the current fiscal year, the City of Madeira's governmental funds reported combined ending fund balances of $1,865,123, an increase of $322,319 in comparison with the prior year. Seventy-three percent (73%) of this total amount, $1,353,219 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $2,243,667 or forty-two percent (42%) of total general fund expenditures.
- The City of Madeira's total debt decreased by $120,000 (11 Percent) during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Madeira's basic financial statements. The City of Madeira's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Madeira's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Madeira's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Madeira is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Madeira that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Madeira include general government, public safety, transportation, sanitation, community environment, and recreation. The business-type activity of the City of Madeira is rental property.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Madeira, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Madeira can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets and deferred outflow of resources that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds.

The City of Madeira maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund and the street repair fund; both are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Madeira adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary fund. The City of Madeira maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Madeira uses an enterprise fund to account for its rental property operation.

Proprietary funds provide the same type of information as the governmental-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the rental property operation, which is considered to be a major fund of the City of Madeira.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Madeira's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City of Madeira believes readers will find useful. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, the statement of net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Madeira, the net position at the close of the most recent fiscal year was $11,317,410.

A portion of the City of Madeira's net position (68 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens consequently; these assets are not available for future spending. Although the City of Madeira's investment is reported net of related debt and any deferred outflows/inflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The following table provides a summary of the City's net position compared to the previous year.

City of Madeira's Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	$6,007	$5,695	$33	$15	$6,040	$5,710
Capital Assets	8,406	8,441	314	345	$8,720	$8,786
Total Assets	14,413	14,136	347	360	14,760	14,496
Current and other liabilities	272	266	3	0	275	266
Long-term liabilities outstanding	1,161	1,252	0	0	1,161	1,252
Total Liabilities	1,433	1,518	0	0	1,436	1,518
Total Deferred Inflows of Resources	2,007	1,972	0	0	2,007	1,972
Net Position:						
Net Investment in Capital Assets	7,346	7,361	315	345	7,661	7,706
Restricted	466	371	0	0	466	371
Unrestricted	3,161	2,914	29	15	3,190	2,929
Total Net Position	$10,973	$10,646	$344	$360	$11,317	$11,006

An additional portion of the City of Madeira's net position (4 percent) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net position ($3,190) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Madeira is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position increased by $311 during the current fiscal year. This growth largely reflects income in excess of expenses.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current and prior year.

City of Madeira's Changes in Net Position

(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for Services	$450	$464	$36	$36	$486	$500
Operating Grants and Contributions	482	517	0	0	482	517
General revenues:						
Property Taxes	1,980	2,103	0	0	1,980	2,103
Other Taxes	2,466	2,439	0	0	2,466	2,439
Grants & Contributions not Restricted to Specific Programs	1,100	904	0	0	1,100	904
Investment Earnings	3	1	0	0	3	1
Total Revenues	6,481	6,428	36	36	6,517	6,464
Expenses:						
General Government	976	1,058	0	0	976	1,058
Public Safety	3,199	3,183	0	0	3,199	3,183
Transportation	1,243	1,236	0	0	1,243	1,236
Sanitation	446	574	0	0	446	574
Community Environment	110	101	0	0	110	101
Recreation	180	227	0	0	180	227
Interest on Long-Term Debt	0	3	0	0	0	3
Rental Property	0	0	52	48	52	48
Total Expenses	6,154	6,382	52	48	6,206	6,430
Increase/(Decrease) in net position	327	46	(16)	(12)	311	34
Net Position – Beginning	10,646	10,600	360	372	11,006	10,972
Net Position - Ending	$10,973	$10,646	$344	$360	$11,317	$11,006

Governmental activities. Governmental activities increased the City of Madeira's net position by $327, thereby accounting for namely all of the growth in the net position of the City of Madeira. Key elements of this increase are as follows:

- Charges for services decreased 3% from the previous year due to reduced usage.
- Property tax collections decreased $123 from the previous year due to reduced property values. The income and franchise taxes increased by $5 due to a flat economy.
- Grants for road work ended reducing revenues by $35.
- Grants not restricted rose $196 due to increased estate tax collections.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities. Business-type activities decreased the City of Madeira's net position by $16.

Financial analysis of the City of Madeira's Funds

As noted earlier, the City of Madeira uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Madeira's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Madeira's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Madeira's governmental funds reported combined ending fund balances of $1,865,123, an increase of $322,319 in comparison with the prior year. Of this entire amount, $1,353,219, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the City of Madeira. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,243,667. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 41 and 43 percent of total general fund expenditures respectively.

The fund balance of the City of Madeira's general fund increased by $239,440 during the current fiscal year. Key factors in this increase are as follows:

- Decrease in license and permit revenues of $34,410 due to a decrease in building permits.
- Decrease in tax collections of $163,872 due to reduced property valuations.
- Decrease in sanitation of $128,801 due to new trash collection contract.
- Decrease in general government of $70,343 due to decreased repairs, capital purchases and legal costs.
- Increase in transfers to other funds of $60,738.

The fund balance for Street Repair decreased by $11,711, which was due to an increase in Capital Projects.

Proprietary fund. The City of Madeira's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the rental property at the end of the year amounted to $29,997. The decrease in net position was ($15,473). The largest factor causing the loss is depreciation.

General Fund Budgetary Highlights

The increase between the original and final budget anticipated revenues totaled $500,000. It was evident as the year progressed that intergovernmental revenue from estate tax was going to exceed original estimates. However, taxes did not increase as projected.

Differences between the original budget and the final amended budget for expenditures totaled $30,000. During the year, revenues did exceed budgetary estimates and expenditures were less than budgetary estimates, thus reducing the amount to be drawn upon the existing fund balance. The actual revenues exceeded our final budget, due to increased intergovernmental revenue. Actual expenditures and transfers out were short of the final budget by a total of $38,500. The favorable variance was due to anticipated capital expenditures not incurred prior to the end of the year and conservative budgeting.

Capital Asset and Debt Administration

Capital assets. The City of Madeira's investment in capital assets for its governmental and business type activities as of December 31, 2012 amounts to $8,620,797 (net of accumulated depreciation). This investment in capital assets includes vehicles, improvements, furniture and equipment and roads. The total decrease in the City of Madeira's investment in capital assets for the current fiscal year was 2 percent.

City of Madeira's Capital Assets
(net of depreciation)
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$645	$645	$134	$134	$779	$779
Buildings and Improvements	989	1,108	180	211	1,169	1,319
Vehicles	56	40	0	0	56	40
Furniture and Software	119	138	0	0	119	138
Infrastructure	6,497	6,510	0	0	6,497	6,510
Total	$8,306	$8,441	$314	$345	$8,620	$8,786

No major capital asset events occurred during the current fiscal year.

Additional information on City of Madeira's capital assets can be found in note IV.C.

Long-term debt. At the end of the current year, the City of Madeira had a bond anticipation note outstanding in the amount of $960,000.

All $960,000 is backed by the full faith and credit of the government.

City of Madeira's Outstanding Debt
General Obligation Bonds
(In thousands)

	Governmental Activities	
	2012	2011
General obligation bond anticipation note	$960	$1,080

Additional information on City of Madeira's long-term debt can be found in note IV.E.

The City of Madeira's total debt decreased by $120,000 during the current fiscal year. The key factor in the decrease was the scheduled payment principal retirement.

Economic Factors and Next Year's Budgets and Rates

- The occupancy rate of the City's central business district has remained at a high percent for the past three years.
- Inflationary trends in the region compare favorably to national indices.
- Building permits and earnings tax to remain flat.
- Reduction in expenditures due to anticipated future elimination of estate tax

All of these factors were considered in preparing the City of Madeira's budget for the 2013 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to $2,243,667. The City of Madeira has appropriated $681,576 of this amount for spending in the 2013 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Madeira's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Treasurer, 7141 Miami Avenue, Madeira, Ohio, 45243.

BASIC FINANCIAL STATEMENTS

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CITY OF MADEIRA, OHIO

Statement of Net Position
December 31, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$2,419,681	$30,006	$2,449,687
Receivables			
Taxes Receivable	2,955,392	0	2,955,392
Intergovernmental Receivable	663,312	0	663,312
Accounts Receivables	22,318	3,350	25,668
Inventory of Supplies	26,968	0	26,968
Prepaid Items	19,130	0	19,130
Capital Assets - Land	645,000	134,008	779,008
Capital Assets, Net of Accumulated Depreciation	7,661,264	180,525	7,841,789
TOTAL ASSETS	14,413,065	347,889	14,760,954
DEFERRED OUTFLOWS OF RESOURCES	0	0	0
LIABILITIES			
Accounts Payable	145,612	3,359	148,971
Accrued Payroll	117,920	0	117,920
Accrued Interest	8,661	0	8,661
Other Liabilities:			
Due within one year	1,088,641	0	1,088,641
Due in more than one year	72,133	0	72,133
TOTAL LIABILITIES	1,432,967	3,359	1,436,326
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,007,218	0	2,007,218
TOTAL DEFERRED INFLOWS OF RESOURCES	2,007,218	0	2,007,218
NET POSITION			
Net Investment in Capital Assets	7,346,264	314,533	7,660,797
Restricted for:			
Public Safety	24,072	0	24,072
Recreation	7,454	0	7,454
Capital Improvements	434,280	0	434,280
Unrestricted	3,160,810	29,997	3,190,807
TOTAL NET POSITION	$10,972,880	$344,530	$11,317,410

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Activities
For the Year Ended December 31, 2012

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		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General Government	$976,031	$60,247	$0	(915,784)	$0	(915,784)
Public Safety	3,199,422	263,415	0	(2,936,007)	0	(2,936,007)
Transportation	1,227,664	0	468,140	(759,524)	0	(759,524)
Sanitation	445,654	26,441	0	(419,213)	0	(419,213)
Community Environment	110,175	89,163	0	(21,012)	0	(21,012)
Recreation	179,751	10,977	13,551	(155,223)	0	(155,223)
Interest Expense	15,833	0	0	(15,833)	0	(15,833)
Total Governmental Activities	6,154,530	450,243	481,691	(5,222,596)	0	(5,222,596)
Business-Type Activities:						
Rental Property	51,473	36,000	0	0	(15,473)	(15,473)
Total Business-Type Activities	51,473	36,000	0	0	(15,473)	(15,473)
Total - Primary Government	6,206,003	486,243	481,691	(5,222,596)	(15,473)	(5,238,069)
	General Revenues					
	Property Taxes			1,979,622	0	1,979,622
	Income Taxes			2,279,099	0	2,279,099
	Franchise Taxes			187,480	0	187,480
	Grants and Contributions Not Restricted to Specific Programs			1,100,312	0	1,100,312
	Unrestricted Investment Earnings			2,481	0	2,481
	Total General Revenues and Transfers			5,548,994	0	5,548,994
	Change in Net Position			326,398	(15,473)	310,925
	Net Position Beginning of Year			10,646,482	360,003	11,006,485
	Net Position End of Year			$10,972,880	$344,530	$11,317,410

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Balance Sheet
Governmental Funds
December 31, 2012

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	General	Street Repair	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	$1,916,205	$32,883	$470,593	$2,419,681
Taxes Receivable	2,955,392	0	0	2,955,392
Intergovernmental Receivable	458,485	204,827	0	663,312
Other Receivables	22,318	0	0	22,318
Inventory of Supplies	26,968	0	0	26,968
Prepaid Items	19,130	0	0	19,130
TOTAL ASSETS	5,398,498	237,710	470,593	6,106,801
DEFERRED OUTFLOWS OF RESOURCES	0	0	0	0
LIABILITIES, DEFERRED INFLOWS OF RECOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	112,708	28,117	4,787	145,612
Accrued Payroll	117,920	0	0	117,920
Note Payable	0	960,000	0	960,000
Note Interest Payable	0	8,661	0	8,661
TOTAL LIABILITIES	230,628	996,778	4,787	1,232,193
Deferred Inflows of Resources:				
Property Taxes	2,080,768	0	0	2,080,768
Unavailable Revenue - Income Tax	443,251	0	0	443,251
Unavailable Revenue - Grants	354,086	131,380	0	485,466
TOTAL DEFERRED INFLOWS OF RESOURCES	2,878,105	131,380	0	3,009,485
				0
Fund Balances:				
Nonspendable	46,098	0	0	46,098
Restricted for Public Safety	0	0	24,072	24,072
Committed For:				
Recreation	0	0	7,454	7,454
Capital Improvements	0	0	434,280	434,280
Unassigned (deficit)	2,243,667	(890,448)	0	1,353,219
TOTAL FUND BALANCES	2,289,765	(890,448)	465,806	1,865,123
TOTAL LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$5,398,498	$237,710	$470,593	$6,106,801

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities

TOTAL GOVERNMENTAL FUND BALANCES		1,865,123
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		8,306,264
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Property Taxes	73,550	
Income Taxes	443,251	
Grants	485,466	
Total		1,002,267
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences		(200,774)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$10,972,880

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Street Repair	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$4,226,885	$0	$0	$4,226,885
Licenses & Permits	89,063	0	0	89,063
Intergovernmental Revenue	965,960	467,282	0	1,433,242
Charges for Services	122,512	0	10,977	133,489
Investment Earnings	2,377	104	0	2,481
Fines & Forfeitures	99,872	0	16,986	116,858
All Other Revenues	298,313	0	13,551	311,864
Total Revenues	5,804,982	467,386	41,514	6,313,882
EXPENDITURES				
Current				
Public Safety	3,187,403	0	8,867	3,196,270
Recreation	111,199	0	22,814	134,013
Community Environment	104,612	0	5,563	110,175
Transportation	589,761	88,991	0	678,752
Sanitation	445,654	0	0	445,654
General Government	917,413	0	0	917,413
Capital Outlay	0	474,273	19,180	493,453
Interest	0	15,833	0	15,833
Total Expenditures	5,356,042	579,097	56,424	5,991,563
Excess/(Deficiency) of Revenues over (under) Expenditures	448,940	(111,711)	(14,910)	322,319
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	100,000	109,500	209,500
Transfers Out	(209,500)	0	0	(209,500)
Total Other Financing Sources and Uses	(209,500)	100,000	109,500	0
Net Change in Fund Balances	239,440	(11,711)	94,590	322,319
Fund Balance - Beginning	2,050,325	(878,737)	371,216	1,542,804
Fund Balance - Ending	$2,289,765	($890,448)	$465,806	$1,865,123

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds		$322,319
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(134,730)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(15,582)	
Income Tax	47,418	
Intergovernmental Revenues	135,210	
Total		167,046
Compensated Absences		(28,237)
Change in Net Assets of Governmental Activities		$326,398

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	$4,158,747	$4,178,747	$4,226,885	48,138
Licenses & Permits	66,000	86,000	89,063	3,063
Intergovernmental Revenue	609,200	1,009,200	965,960	(43,240)
Charges for Services	101,100	101,100	122,512	21,412
Investment Earnings	2,000	2,000	2,377	377
Fines & Forfeitures	85,000	85,000	99,872	14,872
All Other Revenues	275,050	335,050	298,313	(36,737)
Total Revenues	5,297,097	5,797,097	5,804,982	7,885
EXPENDITURES				
Current:				
Public Safety	3,226,067	3,226,067	3,187,403	38,664
Recreation	114,800	114,800	111,199	3,601
Community Environment	92,500	92,500	104,612	(12,112)
Transportation	663,546	663,546	589,761	73,785
Sanitation	445,654	445,654	445,654	0
General Government	997,975	967,975	917,413	50,562
Total Expenditures	5,540,542	5,510,542	5,356,042	154,500
Excess of Revenues Over Expenditures	(243,445)	286,555	448,940	162,385
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(218,000)	(248,000)	(209,500)	38,500
Total Other Financing Sources/(Uses)	(218,000)	(248,000)	(209,500)	38,500
Net Change in Fund Balance	(461,445)	38,555	239,440	200,885
Fund Balance - Beginning	2,050,325	2,050,325	2,050,325	0
Fund Balance - Ending	$1,588,880	$2,088,880	$2,289,765	$200,885

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Street Repair Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$1,537,000	$577,000	$467,282	($109,718)
Investment Earnings	0	0	104	104
TOTAL REVENUES	1,537,000	577,000	467,386	(109,614)
EXPENDITURES				
Current				
Transportation	141,000	141,000	88,991	52,009
Capital Outlay	500,000	500,000	474,273	25,727
Debt Service				
Principal Retirement	1,080,000	0	0	0
Interest	19,500	19,500	15,833	3,667
TOTAL EXPENDITURES	1,740,500	660,500	579,097	81,403
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(203,500)	(83,500)	(111,711)	(28,211)
OTHER FINANCING SOURCES/(USES)				
Transfers In	100,000	100,000	100,000	0
TOTAL OTHER FINANCING SOURCES/(USES)	100,000	100,000	100,000	0
Net Change in Fund Balance	(103,500)	16,500	(11,711)	(28,211)
Fund Balance - Beginning	(878,737)	(878,737)	(878,737)	0
Fund Balance - Ending	($982,237)	($862,237)	($890,448)	($28,211)

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Net Position
Proprietary Fund
December 31, 2012

	Business-type Activities Enterprise Fund
	Rental Property
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$30,006
Receivables:	
Accounts	3,350
Total Current Assets	33,356
Noncurrent Assets:	
Capital Assets:	
Land	134,008
Depreciable Capital Assets, Net	180,525
Total Noncurrent Assets	314,533
Total Assets	347,889
LIABILITIES:	
Current Liabilities:	
Accounts Payable	3,359
Total Current Liabilities	3,359
Total Liabilities	3,359
Net Position	
Invested in Capital Assets	314,533
Unrestricted	29,997
Total Net Position	$344,530

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2012

	Business-type Activities Enterprise Fund
	Rental Property
Operating Revenues	
Rents	$36,000
Total Operating Revenues	36,000
Operating Expenses	
Insurance	4,760
Water	314
Professional Services	6,443
Repairs & Maintenance	2,992
Property Taxes	6,339
Depreciation	30,625
Total Operating Expenses	51,473
Operating Income (Loss)	(15,473)
Change in Net Position	(15,473)
Total Net Position Beginning of Year	360,003
Total Net Position End of Year	$344,530

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2012

	Business-Type Activities Enterprise Fund
	Rental Property
Cash Flows from Operating Activities	
Cash Received from Customers	$35,350
Cash Payments for Goods and Services	(17,738)
Net Increase in Cash and Cash Equivalents	17,612
Cash and Cash Equivalents Beginning of Year	12,394
Cash and Cash Equivalents End of Year	30,006
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities	
Operating (Loss)	(15,473)
Adjustments:	
Depreciation	30,625
Increase in Assets:	
Accounts Receivable	(650)
Increase in Liabilities:	
Accounts Payable	3,110
Net Cash Provided by Operating Activities	$17,612

The Notes to the Financial Statements are an integral part of this statement.

CITY OF MADEIRA, OHIO

Statement of Fiduciary Assets & Liabilities
Agency Fund
December 31, 2012

ASSETS	
Cash with Fiscal Agent	$9,574
Total Assets	9,574
LIABILITIES	
Due to Other Governments	9,574
Total Liabilities	$9,574

The Notes to the Financial Statements are an integral part of this statement.

I. Summary of significant accounting policies

A. Reporting Entity

The City of Madeira (the City) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter, which provides for a council/manager form of government and was adopted in 1959. The seven-member council is elected to four-year terms. Every two years council selects one of its members to serve as mayor and one of its members to serve as vice-mayor. Council also appoints the city manager, treasurer, law director and clerk of council.

The City provides various services including police protection, parks and recreation, planning, street maintenance and repair, and community development. The City also provides refuse collection and fire protection through annual contracts with outside contractors.

For financial reporting purposes, the City's financial statements include all funds for which the City is financially accountable based upon criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14. The City reviewed certain legally separate organizations to determine if the elected officials of the City were financially accountable. No such organizations were identified.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however interfund services provided and used are not eliminated in the process of consolidating. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. However, Agency fund has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

> The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The street repair fund accounts for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

The government reports the following proprietary fund:

> The proprietary fund type consists of only one Enterprise Fund. This fund accounts for operations of rental properties.

The government reports the following fiduciary fund:

> The fiduciary fund type consists of only one Agency Fund. This fund accounts for Mayor's Court.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-

sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is rent. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year end.

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

Under modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), fines and forfeitures, interest, grants and entitlements, and rentals.

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City had no deferred outflows.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and

unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheed and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

On the accrual bases of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, Certificates of Deposit, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables

All trade and property tax receivables are considered collectable at December 31, 2012, and the allowance for uncollectible amounts receivable is zero.

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2009. Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

Property Tax Calendar - 2012 Collections

Lien Date	January 1, 2011
Levy Date	October 31, 2011
First Installment Payment Due	January 31, 2012
Second Installment Payment Due	June 20, 2012

The full tax rate applied to real property for the fiscal year ended December 31, 2012, was $7.50 per $1,000 of assessed valuation. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Tangible personal property used in business, other than public utilities, is no longer taxed.

Public utilities real and tangible personal property taxes collected in any calendar year are those levied on assessed values as of December 31 of the preceding year. Certain tangible personal property of public utilities is currently assessed at 100% of its true value. Real property of public utilities is currently assessed at 35% of true value. Property taxes on public utilities are subject to the same calendar as real property taxes, which are described above.

Property taxes that are measurable but not available at fiscal yearend are recorded as a receivable with the corresponding revenue deferred until available. Delinquent property tax amounts, net of allowance for uncollectibles, are recorded if material in amount.

3. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather that when purchased.

4. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building &	27
Infrastructure	15
Police Vehicles	3
All Other Vehicles	5
Office Furniture &	3 - 5

Infrastructure assets acquired prior to 2004 have not been capitalized.

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government, unless they are eligible to retire. If they are eligible to retire, a liability is recorded for 40 percent of their accrued sick leave up to a maximum of 85 days and accounted for using the termination method. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

8. Fund balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid items) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation. The City's restricted balance consists of funds for specific public safety purposes imposed by the state.

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. The City's committed funds consist of recreation and capital improvements. Council has committed funds for recreation programs and amounts for future capital improvements to sidewalks, storm sewers and other large capital purchases.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent is expressed by City Council.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund. Unassigned funds are used after all other fund balances are expended.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

9. Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both net position-restricted and net position-unrestricted are available.

10. Estimates

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

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term

liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Compensated Absences	$200,774
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$200,774

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statements of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	$532,578
Depreciation Expense	(723,557)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	($134,730)

III. Stewardship, compliance, and accountability

A. Budgetary information

In 1994 the City, being a home rule Municipal Corporation, adopted, through ordinance, GAAP (generally accepted accounting principle) as its budgetary basis. This change was thought necessary in order to provide more comparable budget and actual revenue and expenditure analysis. Therefore, the revenue and expenditure statements contained herein for comparative purposes are presented on the basis of generally accepted accounting principles. The City is reporting at the legal level of budgetary control which requires the governing body to approve any over budget expenditures of appropriations or transfers of appropriated amounts at the fund level.

Budgetary Process

Annual budgets are adopted for all governmental funds. The City adopts an annual budget for the proprietary fund; however, budgetary data is not presented for the proprietary fund due to the nature of the fund. There is no legal requirement to report on such budget. The budgetary process is prescribed by provisions of the Ohio Revised Code. The legal level of budgetary control is defined as the level at which management may not reallocate appropriations without the approval of the governing body (City Council). For the City, the legal level of control is

the fund level for each fund. The major documents prepared are:

Tax Budget. A tax budget of estimated cash revenues and expenditures for all budgeted funds, for the period January 1 to December 31 of the following year, is submitted to the County Auditor by July 20 of each year. The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. The certificate of estimated resources may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. Because the tax budget prepared for the County Auditor is on a cash basis, those numbers do not match the GAAP-basis budget shown in this report as required by ordinance.

Appropriations. A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be amended during the year by ordinance of council as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, two supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications. All annual appropriations lapse at December 31.

Encumbrances. As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered and unexpended appropriations lapse at year end. Encumbrances are closed to unreserved fund balance/net position at year end and are re-encumbered and re-appropriated at the start of the following year.

B. Deficit Fund Equity

The SR-21 Street Repair Fund had a deficit balance at December 31, 2012 due to street improvements incurred in 2010 in excess of revenue. The City plans to transfer funds from the general fund to cover the short fall over the next several years.

C. Change in Accounting Principles

For fiscal year 2012, the City has implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”, and Statement NO. 65, “Items Previously Reported as Assets and Liabilities”.

GASB Statement 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of the Statement are effective for periods beginning after December 15, 2012 and have been implemented by the City.

IV. Detailed notes on all funds

A. Deposits and investments

The City follows the practice of pooling cash and investments with the Treasurer, except for the cash and cash equivalents in Agency Fund. Each fund's portion of total cash and investments is summarized by fund type in the Balance Sheet as either "Cash and Cash Equivalents" and/or "Investments."

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, Municipal Corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, none of the City's bank balance of $191,844 was exposed to custodial credit risk, as it was fully insured by the FDIC.

Investments

The City's investments at December 31, 2012 are as summarized as follows:

	Fair Value	Average Maturity Years
Star Ohio	$1,282,360	n/a
Star Plus	$1,000.561	n/a

Credit Risk. It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. Investments in STAR Ohio and STAR Plus were rated AAAm by Standard & Poor's.

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City is required to disclose the amount of investments with any one issuer that represent five percent or more of total investments. Investments issued by the U.S. government, investments, and investments in external investment pools are excluded from this requirement. At December 31, 2012 100% of the City's investments are at STAR Ohio and STAR Plus, which are external investment pools.

STAR Ohio and Star Plus are investment pools managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio and Star Plus are not registered with the SEC as investment companies, but do operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio and Star Plus are valued at their share price, which is the price the investment could be sold for on December 31, 2012.

The classification of cash and cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Reconciliation between the classifications of cash and investments on the financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash	Investments
GASB Statement 9	$2,459,261	$0
Star Ohio	(1,282,361)	1,282,361
Star Plus	(1,000,561)	1,005,561
GASB Statement 3	$176,339	$2,282,922

B. Receivables

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

C. Capital assets

Capital asset activity for the year ended December 31, 2012 was as follows:

Governmental Activities	Balance at 1/1/12	Increases	Decreases	Balance at 12/31/12
Land - not being depreciated	$645,000	$0	$0	$645,000
Capital Assets - being depreciated				
Building & Land Improvements	3,228,884	19,145	0	3,248,029
Vehicles	702,032	58,124	56,249	703,907
Infrastructure	7,801,774	502,630	0	8,304,404
Furniture, Equipment and Software	639,506	8,928	0	648,434
Total Capital Assets	13,017,196	$588,827	$56,249	13,549,774
Less Accumulated Depreciation				
Building & Land Improvements	(2,121,403)	(137,682)	0	(2,259,085)
Vehicles	(661,904)	(42,519)	56,249	(648,174)
Infrastructure	(1,291,780)	(515,514)	0	(1,807,294)
Furniture, Equipment and Software	(501,115)	(27,842)	0	(528,957)
Total Accumulated Depreciation	(4,576,202)	(723,557)	0	(5,243,510)
Total Capital Assets, being depreciated, net	7,795,994	(134,730)	(56,249)	7,661,264
Governmental Activities Capital Assets, Net	$8,440,994	($134,730)	($56,249)	$8,306,264

Business-type Activities	Balance at 1/1/12	Increases	Decreases	Balance at 12/31/12
Land - not being depreciated	$134,008	$0	$0	$134,008
Capital assets being depreciated:				
Land Improvements	118,827	0	0	118,827
Buildings	370,164	0	0	370,164
Subtotal	622,999	0	0	622,999
Less Accumulated Depreciation:				
Land Improvements	(74,869)	(16,945)	0	(91,814)
Buildings	(202,972)	(13,680)	0	(216,652)
Total Accumulated Depreciation	(277,841)	(30,625)	0	(308,466)
Total Capital Assets, being depreciated, net	211,150	(30,625)	0	180,525
Net Capital Assets	$345,158	($30,625)	$0	$314,533

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$71,579
Public Safety	26,216
Transportation	570,526
Recreation	55,236
Total depreciation expense - governmental activities	$723,557
Business-type activities:	
Enterprise	$30,625

D. Interfund transfers

Interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	$0	$209,500
SR-21 – Street Repair Fund	100,000	0
Other Governmental Funds	109,500	0
Totals	$209,500	$209,500

Transfers were made to fund capital improvements and subsidize recreation programs.

E. Other Liabilities

Short Term Debt

On May 23, 2012, the City issued a one-year bond anticipation note in the amount of $960,000 for the Kenwood Road resurfacing project. This note will be due on May 22, 2013. The City retired the note from May 24, 2011 in the amount of $1,080,000 on May 23, 2012.

Changes in other liabilities

Other liability activity for the year ended December 31, 2012 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond Anticipation Note	$1,080,000	$0	($120,000)	$960,000	$960,000
Compensated Absences	172,537	106,396	(78,159)	200,774	128,641
Governmental Activity Long-Term Liabilities	$1,252,537	$106,396	($198,159)	$1,160,774	$1,088,641

Compensated absences have been liquidated from the General Fund in the past.

V. Other information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. During 2012, the City contracted with Miami Valley Risk Management Association for vehicle, property and general liability insurance. There has been no reduction in coverage from the prior years and claims have not exceeded coverage in any of the past three years. The City provided medical insurance through Humana Health Insurance, dental insurance through Superior and life insurance through Humana Health Insurance.

Insurance Pool

Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a consortium of municipalities located in southwest Ohio which, beginning in 1988, formed an Association under Section 2744.081 of the Ohio Revised Code (ORC) to act collectively in addressing its members' risk management and risk financing needs. At December 31, 2012, Madeira's participation was limited to coverage for all property, crime liability, boiler and machinery and public official liability up to the limits stated below. MVRMA provides broad-based coverage, through self-insurance and commercial reinsurance, up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA, Inc. is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. The City of Madeira does not hold an equity interest in MVRMA, Inc.

The following is a summary of insurance coverage at year end:

1. General Liability: $10,000,000/occurrence
   Automobile Liability: $10,000,000/occurrence
   MVRMA self-insured $500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for $1.5 million excess $500,000, and from General Reinsurance Corporation for $8 million excess $2 million.

2. Police Professional Liability: $10,000,000/occurrence
   MVRMA self-insured $500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for $1.5 million excess $500,000, and from General Reinsurance Corporation for $8 million excess $2 million.

3. Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability
   MVRMA self-insured $500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for $1.5 million excess $500,000, and from General Reinsurance Corporation for $8 million excess $2 million — Annual aggregate $10 million per member.

4. Property (effective 7/1/09-7/1/13):
   $1,000,000,000/occurrence
   MVRMA SIR: $250,000/occurrence
   Coverage excess SIR provided by PEPIP USA as follows:
   Lexington Insurance Company (Primary $25 million)
   List of carriers for layers excess of $25 million provided upon request.

5. Flood (effective 7/1/09-7/1/13) - included in Property Policy
   $25 million/occurrence and annual aggregate
   Sublimit: Flood Zone A & V - $5 million/occurrence and annual aggregate
   MVRMA SIR: $100,000/occurrence excluding Flood Zones A & V
   MVRMA SIR: $250,000/occurrence Flood Zones A & V

6. Earthquake (effective 7/1/09-7/1/13) - included in Property Policy
   $25 million/occurrence and annual aggregate
   MVRMA SIR: $100,000/occurrence

7. Boiler & Machinery (effective 7/1/09-7/1/12)
   $100,000,000/occurrence
   MVRMA SIR: $5,000/occurrence (except as shown for specific objects or perils)
   Coverage excess SIR provided by PEPIP USA as follows:
      Lexington Insurance Company (Primary $25 million)
      List of carriers for layers excess of $25 million provided upon request.

   Boiler & Machinery (effective 7/1/12-7/1/13)
   $100,000,000/occurrence
   MVRMA SIR: $10,000-$350,000/occurrence
      Power generating turbines at Piqua have an SIR of $500,000/occurrence
   Coverage excess SIR provided by PEPIP USA as follows:
      Lexington Insurance Company (Primary $25 million)
      List of carriers for layers excess of $25 million provided upon request.

8. Cyber Coverage (effective 7/1/10-7/1/13)
   MVRMA SIR: $100,000/occurrence
   Coverage excess SIR provided by Lloyd's of London - Beazley Syndicate

   Third Party Liability:
   $2 million/occurrence and annual aggregate, but sublimited to:
   $500,000/occurrence and annual aggregate for Privacy Notification Costs

   First Party Computer Liability:
   $2 million/occurrence and annual aggregate subject to policy sublimits

9. Pollution Liability (effective 7/1/11-7/1/13) - Claims Made and Reported Policy
   Retroactive Date: Policy inception
   $1 million/pollution condition and aggregate with a $200,000 sublimit for Fungi & Legionella
   MVRMA SIR: $100,000/pollution condition; $750,000 underground storage tanks specific

The deductible per occurrence for all types is $2,500.

MVRMA prepares annual financial statements. Additional information can be obtained from their Comprehensive Annual Financial Report for 2011 by writing MVRMA, 1450 E. David Road, Suite 1B, Kettering, OH 45429-5706.

The City pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs. In order to lower rates charged to the City, the City has joined a group rating program through Ohio Municipal League.

B. Contingent liabilities

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

C. Contractual commitments

The City contracts with the Madeira/Indian Hill Joint Fire District for fire protection and emergency medical services. The contract fee for 2012 was $1,535,837.

The City also contracts with CSI for solid waste collection. The contract fee for 2012 was $447,906.

Health Department services are provided by Hamilton County. The contract for 2012 was $18,058.

D. Resolution of legal claim

In March 1992, an employee of the City suffered a fatal accident while working on City business. In February of 1993, Council approved Resolution 10-93 which approved an agreement concerning a settlement with the employee's widow. The settlement provided for a guaranteed amount of $88,400, payable to the widow (or her estate) in monthly installments of $737 from February of 1993 through February of 2003. The guaranteed amount was paid off in February of 2003 and no liability exists at December 31, 2012 relative to the guaranteed settlement.

In addition, the agreement provided for monthly payments of $650 to the widow after February of 2003, contingent upon death or remarriage. The City made all such required payments to the widow from January through December 2012.

E. Defined Benefit Pension Plan

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

Ohio Public Employees Retirement System - (OPERS)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

All employees of the City, except full-time uniformed police officers, participate in one of the three pension plans administered by OPERS: The Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate

retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has the elements of both defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including post-employment health care coverage. Chapter 145 of the Ohio Revised Code (ORC) provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting https://www.opers.org/investments/cafr.shtml, making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 OR 1-800-222-7377. The ORC provides statutory authority for employee and employer contributions. For 2012, employee and employer contribution rates were consistent across all three plans. The employee contribution rate is 10.0%. The 2012 employer contribution rate for local government employer units was 14.0% of covered payroll, which is the maximum contribution rate set by State statutes. The City's required employer contributions for all plans are equal to 100% of employer charges. The pension obligations for the years ending December 31, 2012, 2011, and 2010 were $107,192, $106,370, and $104,100 respectively.

Ohio Police and Fire Pension Fund – (OP&F)

All City full-time police officers participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary, while employers are required to contribute 19.5%. The City's contributions to OP&F for the years ended December 31, 2012, 2011, and 2010 were $188,472, $186,805, and $189,015, respectively, or 57% of the required contributions for 2011, 62% of the required contributions for 2010 and 55% of required contributions for 2009.

F. Other Postemployment benefits

Ohio Public Employees Retirement System – (OPERS)

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/investments/cafr.shtml, by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, local government employer units contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during the calendar year of 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during the calendar year of 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended

by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above, are the contractually required contribution rates for OPERS. The employer contributions actually made to fund post-employment benefits for the years ending December 31, 2012, 2011, and 2010 were $30,625, $30,390, 37,768, respectively, which equaled the required contributions each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes. OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description - The City of Madeira contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police employers. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City of Madeira's contributions to OP&F for the years ending December 31, 2012, 2011, and 2010 were $188,472, $186,805, and $189,015, respectively, which equaled the required contributions each year. The portion of each year's payment allocated to the health care plan was $65,211, $65,635 and $65,428, respectively.

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Nonmajor Governmental Funds
Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Sidewalk Repair Fund: Accounts for maintenance and repair of all city sidewalks.

Recreation and Parks: Accounts for the City's operation of recreation programs and improvements to the City's two parks, Sellman and McDonald Commons. Revenues are derived from recreation fees.

Street Dance: Accounts for the annual Street Dance held in August by the Recreation and Parks Commission. Revenues are proceeds from the sale of beer at the function.

Police Trust Fund: Receives proceeds from the sale of confiscated properties (vehicles, weapons, etc.) other than from drug cases. Disbursements may be made from the fund only to pay the costs of investigations, technical training, matching funds for federal grants or other appropriate law enforcement purposes.

Police Forfeitures: Receives proceeds from the sale of confiscated properties and equipment from drug related cases. Expenditures may only be made for drug enforcement programs.

DUI: Receives fines imposed upon DUI offenders. Under state law, disbursements may be made from this fund for law enforcement purposes related to informing the public of laws governing the operation of a motor vehicle while under the influence of alcohol, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

Computer Fund: Receives fines for the operation and maintenance of the computer system for the police department.

Centennial Celebration Fund: Accounts for revenue and expenses due to the City of Madeira's Centennial Celebration.

Capital Project Funds

OPWC: Accounts for expenditures for road improvements reimbursed by the State of Ohio. During 2012, the project that was budgeted for did not materialize; therefore, there are no amounts reported in the combining balance sheet or the combining statement of revenues, expenditures, and changes in fund balance.

Stormwater: Accounts for expenditures made to repair and replace parts of the City's stormwater system.

Central Business District: Accounts for expenditures made for the repair and improvement of Madeira's central business district.

CI&R: Accounts for capital expenditures made for all general improvement projects not funded elsewhere.

CITY OF MADEIRA, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Special Revenue									Capital Projects				
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Sidewalk Repairs	Recreation and Parks	Street Dance	Police Trust	Police Forfeitures	DUI	Computer Fund	Centennial Celebration	Total	Stormwater	Central Business District	Capital Improvement & Reserve	Total	Total Nonmajor Governmental Funds
ASSETS:														
Cash and Cash Equivalents	$150,000	$6,551	$903	$3,152	$8,815	$5,455	$6,650	$61,801	$243,327	$21,206	$18,444	$187,616	$227,266	$470,593
TOTAL ASSETS	$150,000	$6,551	$903	$3,152	$8,815	$5,455	$6,650	$61,801	$243,327	$21,206	$18,444	$187,616	$227,266	$470,593
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$150,000	$6,551	$903	$3,152	$8,815	$5,455	$6,650	$61,801	$243,327	$21,206	$18,444	$187,616	$227,266	$470,593
LIABILITIES, DEFERRED INFLOWS OF RECOURCES AND FUND BALANCES														
LIABILITIES														
Accounts Payable	0	0	0	0	0	0	0	0	0	0	787	4,000	4,787	4,787
TOTAL LIABILITIES	0	0	0	0	0	0	0	0	0	0	787	4,000	4,787	4,787
Deferred Inflows of Resources:														
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEFERRED INFLOWS OF RESOURCES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCES														
Unreserved and Undesignated	150,000	6,551	903	3,152	8,815	5,455	6,650	61,801	243,327	21,206	17,657	183,616	222,479	465,806
Total Fund Balances	150,000	6,551	903	3,152	8,815	5,455	6,650	61,801	243,327	21,206	17,657	183,616	222,479	465,806
TOTAL LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$150,000	$6,551	$903	$3,152	$8,815	$5,455	$6,650	$61,801	$243,327	$21,206	$18,444	$187,616	$227,266	$470,593

CITY OF MADEIRA, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue													
	Sidewalk	Recreation and Parks	Street Dance	Police Trust	Police Forfeitures	DUI	Computer Fund	Centennial Celebration	Total	Stormwater	Central Business District	Capital Improvement & Reserve	Total	Total Nonmajor Governmental Funds
REVENUES														
Charges for Services	0	5,863	5,114	0	0	0	0	0	10,977	0	0	0	0	10,977
Fines & Forfeitures	0	0	0	2,627	10,064	160	4,135	0	16,986	0	0	0	0	16,986
All Other Revenues	0	0	0	0	0	0	0	13,551	13,551	0	0	0	0	13,551
TOTAL REVENUES	0	5,863	5,114	2,627	10,064	160	4,135	13,551	41,514	0	0	0	0	41,514
EXPENDITURES														
Current														
Public Safety	0	0	0	500	1,382	57	6,928	0	8,867	0	0	0	0	8,867
Recreation	0	4,573	8,534	0	0	0	0	9,707	22,814	0	0	0	0	22,814
Community Environment	0	0	0	0	0	0	0	0	0	0	5,563	0	5,563	5,563
Capital Improvements	0	0	0	0	0	0	0	0	0	10,060	0	9,120	19,180	19,180
TOTAL EXPENDITURES	0	4,573	8,534	500	1,382	57	6,928	9,707	31,681	10,060	5,563	9,120	24,743	56,424
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	1,290	(3,420)	2,127	8,682	103	(2,793)	3,844	9,833	(10,060)	(5,563)	(9,120)	(24,743)	(14,910)
OTHER FINANCING SOURCES/(USES)														
Transfers In	50,000	0	3,500	0	0	0	0	30,000	83,500	20,000	6,000	0	26,000	109,500
TOTAL OTHER FINANCING SOURCES/(USES)	50,000	0	3,500	0	0	0	0	30,000	83,500	20,000	6,000	0	26,000	109,500
Net Change in Fund Balance	50,000	1,290	80	2,127	8,682	103	(2,793)	33,844	93,333	9,940	437	(9,120)	1,257	94,590
Fund Balance - Beginning	100,000	5,261	823	1,025	133	5,352	9,443	27,957	149,994	11,266	17,220	192,736	221,222	371,216
Fund Balance - Ending	$150,000	$6,551	$903	$3,152	$8,815	$5,455	$6,650	$61,801	$243,327	$21,206	$17,657	$183,616	$222,479	$465,806

CITY OF MADEIRA, OHIO

Sidewalk Repair Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current				
Capital Outlay	100,000	100,000	0	100,000
TOTAL EXPENDITURES	100,000	100,000	0	100,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(100,000)	(100,000)	0	100,000
OTHER FINANCING SOURCES/(USES)				
Transfers In	50,000	50,000	50,000	0
TOTAL OTHER FINANCING SOURCES/(USES)	50,000	50,000	50,000	0
Net Change in Fund Balance	(50,000)	(50,000)	50,000	(100,000)
Fund Balance - Beginning	100,000	100,000	100,000	0
Fund Balance - Ending	$50,000	$50,000	$150,000	$100,000

CITY OF MADEIRA, OHIO

Recreation and Parks Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Charges for Services	$6,000	$6,000	$5,863	($137)
TOTAL REVENUES	6,000	6,000	5,863	(137)
EXPENDITURES				
Current				
Recreation	11,100	11,100	4,573	6,527
TOTAL EXPENDITURES	11,100	11,100	4,573	6,527
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(5,100)	(5,100)	1,290	6,390
OTHER FINANCING SOURCES/(USES)				
Transfers In	5,000	5,000	0	(5,000)
TOTAL OTHER FINANCING SOURCES/(USES)	5,000	5,000	0	(5,000)
Net Change in Fund Balance	(100)	(100)	1,290	1,390
Fund Balance - Beginning	5,261	5,261	5,261	0
Fund Balance - Ending	$5,161	$5,161	$6,551	$1,390

CITY OF MADEIRA, OHIO

Street Dance Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Charges for Services	$3,770	$3,770	$5,114	$1,344
All Other Revenues	1,000	1,000	0	(1,000)
TOTAL REVENUES	4,770	4,770	5,114	344
EXPENDITURES				
Current				
Recreation	11,000	11,000	8,534	2,466
TOTAL EXPENDITURES	11,000	11,000	8,534	2,466
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,230)	(6,230)	(3,420)	2,810
OTHER FINANCING SOURCES/(USES)				
Transfers In	7,000	7,000	3,500	(3,500)
TOTAL OTHER FINANCING SOURCES/(USES)	7,000	7,000	3,500	(3,500)
Net Change in Fund Balance	770	770	80	(690)
Fund Balance - Beginning	823	823	823	0
Fund Balance - Ending	$1,593	$1,593	$903	($690)

CITY OF MADEIRA, OHIO

Police Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$1,000	$2,627	$1,627
TOTAL REVENUES	1,000	1,000	2,627	1,627
EXPENDITURES				
Current				
Public Safety	1,000	1,000	500	500
TOTAL EXPENDITURES	1,000	1,000	500	500
Net Change in Fund Balance	0	0	2,127	2,127
Fund Balance - Beginning	1,025	1,025	1,025	0
Fund Balance - Ending	$1,025	$1,025	$3,152	$2,127

CITY OF MADEIRA, OHIO

Police Forfeitures Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$11,000	$10,064	($936)
TOTAL REVENUES	1,000	11,000	10,064	(936)
EXPENDITURES				
Current				
Public Safety	1,000	2,000	1,382	618
TOTAL EXPENDITURES	1,000	2,000	1,382	618
Net Change in Fund Balance	0	9,000	8,682	(318)
Fund Balance - Beginning	133	133	133	0
Fund Balance - Ending	$133	$9,133	$8,815	(318)

CITY OF MADEIRA, OHIO

DUI Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$1,000	$160	($840)
TOTAL REVENUES	1,000	1,000	160	(840)
EXPENDITURES				
Current				
Public Safety	1,000	1,000	57	943
TOTAL EXPENDITURES	1,000	1,000	57	943
Net Change in Fund Balance	0	0	103	103
Fund Balance - Beginning	5,352	5,352	5,352	0
Fund Balance - Ending	$5,352	$5,352	$5,455	$103

CITY OF MADEIRA, OHIO

Computer Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$5,000	$5,000	$4,135	($865)
TOTAL REVENUES	5,000	5,000	4,135	(865)
EXPENDITURES				
Current				
Public Safety	5,000	10,000	6,928	3,072
TOTAL EXPENDITURES	5,000	10,000	6,928	3,072
Net Change in Fund Balance	0	(5,000)	(2,793)	2,207
Fund Balance - Beginning	9,443	9,443	9,443	0
Fund Balance - Ending	$9,443	$4,443	$6,650	$2,207

CITY OF MADEIRA, OHIO

Centennial Celebration Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$10,000	$13,551	$3,551
TOTAL REVENUES	0	10,000	13,551	3,551
EXPENDITURES				
Current				
Recreation	0	32,958	9,707	23,251
TOTAL EXPENDITURES	0	32,958	9,707	23,251
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	(22,958)	3,844	26,802
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	30,000	30,000	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	30,000	30,000	0
Net Change in Fund Balance	0	7,042	33,844	26,802
Fund Balance - Beginning	27,957	27,957	27,957	0
Fund Balance - Ending	$27,957	$34,999	$61,801	$26,802

CITY OF MADEIRA, OHIO

OPWC Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$500,000	$0	$0	$0
TOTAL REVENUES	500,000	0	0	0
EXPENDITURES				
Current:				
Capital Improvements	500,000	0	0	0
TOTAL EXPENDITURES	500,000	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning	0	0	0	0
Fund Balance - Ending	$0	$0	$0	$0

CITY OF MADEIRA, OHIO

Stormwater Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Capital Improvements	20,000	20,000	10,060	9,940
TOTAL EXPENDITURES	20,000	20,000	10,060	9,940
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(20,000)	(20,000)	(10,060)	9,940
OTHER FINANCING SOURCES				
Transfers In	20,000	20,000	20,000	0
TOTAL OTHER FINANCING SOURCES	20,000	20,000	20,000	0
Net Change in Fund Balance	0	0	9,940	9,940
Fund Balance - Beginning	11,266	11,266	11,266	0
Fund Balance - Ending	$11,266	$11,266	$21,206	$9,940

CITY OF MADEIRA, OHIO

Central Business District Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Community Environment	14,600	14,600	5,563	9,037
TOTAL EXPENDITURES	14,600	14,600	5,563	9,037
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(14,600)	(14,600)	(5,563)	9,037
OTHER FINANCING SOURCES				
Transfers In	16,000	16,000	6,000	(10,000)
TOTAL OTHER FINANCING SOURCES	16,000	16,000	6,000	(10,000)
Net Change in Fund Balance	1,400	1,400	437	(963)
Fund Balance - Beginning	17,220	17,220	17,220	0
Fund Balance - Ending	$18,620	$18,620	$17,657	($963)

CITY OF MADEIRA, OHIO

Capital Improvement & Reserve Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Capital Improvements	165,000	165,000	9,120	155,880
TOTAL EXPENDITURES	165,000	165,000	9,120	155,880
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(165,000)	(165,000)	(9,120)	155,880
Net Change in Fund Balance	(165,000)	(165,000)	(9,120)	155,880
Fund Balance - Beginning	192,736	192,736	192,736	0
Fund Balance - Ending	$27,736	$27,736	$183,616	$155,880

CITY OF MADEIRA, OHIO

Statement of Change in Fiduciary Assets & Liabilities
Fiduciary Funds
For the Year Ended December 31, 2012

Assets:	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2012
Cash & Cash Equivalents	$13,210	$138,397	($142,033)	$9,574
Total Assets	$13,210	$138,397	($142,033)	$9,574
Liabilities:				
Due to Other Governments	$13,210	$138,397	($142,033)	$9,574
Total Liabilities	$13,210	$138,397	($142,033)	$9,574

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

CITY OF MADEIRA, OHIO

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
December 31, 2012 and 2011

	2012	2011
Governmental funds capital assets:		
Land	$645,000	$645,000
Buildings and Land Improvements	3,248,029	3,228,884
Furniture, Equipment and Software	648,434	639,506
Vehicles	703,907	702,032
Infrastructure	8,304,404	7,801,774
Total Governmental Funds Capital Assets	13,549,774	13,017,196
Investments in governmental funds capital assets by source:		
General fund	5,245,370	5,215,422
Special revenue fund	8,304,404	7,801,774
Total Governmental Funds Capital Assets	$13,549,774	$13,017,196

This schedule presents only the capital asset balances related to governmental funds.

CITY OF MADEIRA, OHIO

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended December 31, 2012

Function and Activity	Governmental Funds Capital Assets 1/1/12	Additions	Deletions	Governmental Funds Capital Assets 12/31/12
Public Safety	$384,073	$67,052	($24,912)	$426,213
Transportation	8,772,753	512,277	(31,337)	9,253,693
Recreation	1,841,917	9,498		1,851,415
General Government	2,018,453	0		2,018,453
Total Governmental Funds Capital Assets	$12,720,500	$588,827	($56,249)	$13,549,774

CITY OF MADEIRA, OHIO

Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
December 31, 2012

By Function and Activity:	Land	Building & Land Improvements	Furniture, Equipment & Software	Vehicles	Infrastructure	Total
Public Safety	$0	$0	$141,672	$284,541	$0	$426,213
Transportation	0	415,246	123,409	410,634	8,304,404	9,253,693
Recreation	460,000	1,106,027	276,656	8,732	0	1,851,415
General Government	185,000	1,726,756	106,697	0	0	2,018,453
Total Governmental Funds Capital Assets	$645,000	$3,248,029	$648,434	$703,907	$8,304,404	$13,549,774

STATISTICAL SECTION

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

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Financial Trends 83

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

Revenue Capacity 88

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

Debt Capacity 93

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

Demographic and Economic Information 97

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 99

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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CITY OF MADEIRA, OHIO

Net Position By Component

Last Nine Years

(Accrual Basis of Accounting)

(In Thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities									
Invested in Capital Assets,									
Net of Related Debt	$7,347	$7,361	$7,388	$6,017	$4,327	$2,847	$2,095	$1,000	$613
Restricted:									
Transportation	0	0	234	25	481	780	337	485	390
Public Safety	24	0	0	0	0	0	0	0	0
Recreation	7	0	0	0	0	0	0	0	0
Capital Improvements	434	0	0	0	0	0	0	0	0
Unrestricted	3,161	3,285	2,978	2,563	3,031	3,613	3,526	2,649	1,985
Total Governmental Activities Net Position	$10,973	$10,646	$10,600	$8,605	$7,839	$7,240	$5,958	$4,134	$2,988
Business Type - Activities									
Invested in Capital Assets,									
Net of Related Debt	$315	$345	$367	$390	$413	$352	$367	$383	$398
Unrestricted	29	15	5	0	1	31	39	33	26
Total Business-Type Activities Net Position	$344	$360	$372	$390	$414	$383	$406	$416	$424
Primary Government									
Invested in Capital Assets,									
Net of Related Debt	$7,662	$7,706	$7,755	$6,407	$4,740	$3,199	$2,462	$1,383	$1,011
Restricted	465	0	234	25	481	780	337	485	390
Unrestricted	3,190	3,300	2,983	2,563	3,032	3,644	3,565	2,682	2,011
Total Primary Government Net Position	$11,317	$11,006	$10,972	$8,995	$8,253	$7,623	$6,364	$4,550	$3,412

Information for 2003 is not available.

CITY OF MADEIRA, OHIO

Changes in Net Position

Last Nine Years

(Accrual Basis of Accounting)

(In Thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	$60	$41	$6	$7	$29	$10	$0	$31	$35
Public Safety	263	260	269	265	242	267	343	155	60
Sanitation	27	30	34	37	47	51	42	43	39
Recreation	11	10	16	6	9	5	12	11	16
Community Environment	89	123	72	75	88	108	91	215	139
Transportation	0	0	0	0	0	0	0	0	93
Subtotal - Charges for Services	450	464	397	390	415	441	488	455	382
Operating Grants and Contributions:									
General Government	0	0	0	1	1	1	0	1	1
Public Safety	0	1	3	4	5	8	17	3	8
Recreation	14	14	24	1	1	15	92	33	14
Transportation	468	502	1,938	1,191	767	473	449	448	417
Subtotal - Operating Grants and Contributions	482	517	1,965	1,197	774	497	558	485	440
Total Governmental Activities Program Revenues	932	981	2,362	1,587	1,189	938	1,046	940	822
Business-Type Activities:									
Charges for Services:									
Rental Property	36	36	36	23	18	22	28	27	19
Total Primary Government Program Revenues	$968	$1,017	$2,398	$1,610	$1,207	$960	$1,074	$967	$841
Expenses									
Governmental Activities:									
General Government	$976	$1,058	$986	$1,010	$1,120	$990	$990	$943	$903
Public Safety	3,199	3,183	3,107	3,151	3,098	2,853	2,720	2,350	2,286
Sanitation	446	574	541	518	498	502	420	374	360
Recreation	180	228	253	268	273	250	195	173	235
Community Environment	110	101	99	105	158	130	112	132	103
Transportation	1,243	1,236	1,126	944	933	788	648	765	720
Interest and Fiscal Charges	0	3	27	28	38	49	58	68	77
Total Governmental Activities Expenses	6,154	6,383	6,139	6,024	6,118	5,562	5,143	4,805	4,684

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-Type Activities									
Rental Property	52	48	53	47	48	45	38	35	31
Total Business-Type Activities Expenses	52	48	53	47	48	45	38	35	31
Total Primary Government Program Expenses	6,206	6,431	6,192	6,071	6,166	5,607	5,181	4,840	4,715
Net (Expense)/Revenue									
Governmental Activities	(5,222)	(5,402)	(3,777)	(4,437)	(4,929)	(4,624)	(4,097)	(3,865)	(3,862)
Business-Type Activities	(16)	(12)	(17)	(24)	(30)	(23)	(10)	(8)	(12)
Total Primary Government Net Expense	(5,238)	(5,414)	(3,794)	(4,461)	(4,959)	(4,647)	(4,107)	(3,873)	(3,874)
General Revenues and Other Changes in Net Position									
Governmental Activities									
Taxes:									
Property Taxes Levied For:									
General Purposes	$1,980	$2,104	$2,165	$2,126	$2,096	$2,041	$2,046	$1,684	$1,685
Municipal Income Taxes levied for:									
General Purposes	2,279	2,267	2,047	2,105	2,369	2,389	2,376	1,891	1,693
Franchise Fees	187	172	166	117	111	100	94	93	91
Grants and Entitlements not Restricted to Specific Programs	1,100	904	1,389	836	908	1,225	1,292	1,291	735
Investment Income	3	1	5	19	105	150	118	52	21
Total Governmental Activities	5,549	5,448	5,772	5,203	5,589	5,905	5,926	5,011	4,225
Transfers to Business-type Activities	0	0	0	0	(60)	0	0	0	0
Total Primary Government General Revenues and Other Changes in Net Position	5,549	5,448	5,772	5,203	5,529	5,905	5,926	5,011	4,225
Change in Net Position									
Governmental Activities	327	46	1,995	766	600	1,281	1,829	1,146	363
Business-Type Activities	(16)	(12)	(17)	(24)	30	(23)	(10)	(8)	(12)
Total Primary Government Change in Net Position	$311	$34	$1,978	$742	$630	$1,258	$1,819	$1,138	$351

Information for 2003 is not available.

CITY OF MADEIRA, OHIO

Fund Balances, Governmental Funds

Last Ten Years

(In Thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nonspendable	$46	$27	$0	$0	$0	$0	$0	$0	$0	$0
Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$17
Unassigned	2,244	2,023	1,698	1,697	2,014	2,467	2,558	1,814	1,492	1,502
Total General Fund	2,290	2,050	1,698	1,697	2,014	2,467	2,558	1,814	1,492	1,519
All Other Governmental Funds										
Restricted for Public Safety	24	16	0	0	0	0	0	0	0	0
Restricted for Transportation	0	0	192	0	385	680	386	377	269	163
Committed for:										
Recreation	7	34	0	0	0	0	0	0	0	0
Debt Service funds	0	0	279	3	1	1	1	1	2	16
Capital Improvements	434	321	277	269	344	445	104	115	79	76
Unassigned	(890)	(878)	0	(81)	0	0	0	0	0	0
Total All Other Governmental Funds	(425)	(507)	748	191	730	1,126	491	493	350	255
Total Governmental Funds	$1,865	$1,543	$2,446	$1,888	$2,744	$3,593	$3,049	$2,307	$1,842	$1,774

CITY OF MADEIRA, OHIO
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Property Taxes	$1,893,761	$2,098,683	$1,858,638	$2,079,768	$1,995,772	$1,955,236	$2,137,191	$1,683,823	1,659,970	$1,622,232
Municipal Income Taxes	2,333,124	2,293,520	2,349,311	2,211,643	2,343,262	2,475,033	2,247,219	1,842,967	1,658,839	1,724,149
Charges for Services	133,489	116,944	122,935	73,498	72,320	67,606	79,220	75,374	82,816	71,565
Fees, Licenses and Permits	89,063	123,473	72,382	75,030	87,864	108,223	91,317	215,230	138,871	95,474
Fines and Forfeitures	116,858	78,967	108,149	123,744	132,792	153,147	210,429	132,954	58,424	65,642
Intergovernmental	1,433,242	1,472,421	2,986,201	1,949,114	1,864,647	1,698,294	1,909,896	1,472,955	1,107,955	997,437
Interest	2,481	1,346	4,535	19,416	104,745	150,733	118,170	52,259	20,928	22,642
Other	311,864	344,681	419,847	314,787	239,935	235,388	224,376	151,473	216,028	90,078
Total Revenues	6,313,882	6,530,035	7,921,998	6,847,000	6,841,337	6,843,660	7,017,818	5,627,035	4,943,831	4,689,219
Expenditures										
Current:										
General Government	917,413	987,756	918,369	931,392	1,052,349	920,116	944,340	870,637	801,346	887,493
Police	3,196,270	3,150,251	3,092,362	3,131,639	3,094,902	2,849,358	2,737,666	2,336,996	2,274,701	2,138,544
Sanitation	445,654	574,455	540,817	517,959	498,387	502,338	419,973	374,555	360,059	0
Recreation	134,013	113,745	130,564	162,086	180,179	225,156	278,535	135,411	133,933	199,148
Community Environment	110,175	101,003	99,195	105,225	157,749	129,955	111,598	131,862	103,255	64,174
Transportation	678,752	664,201	766,500	1,029,463	1,759,368	1,185,688	1,180,183	1,015,368	937,064	1,293,657
Capital Outlay	493,453	338,942	2,677,023	1,535,448	596,005	195,085	313,162	7,302	23,393	265,831
Principal Retirement	0	285,000	270,000	260,000	250,000	240,000	230,000	220,000	215,000	205,000
Interest and Fiscal Charges	15,833	17,764	18,765	30,295	41,135	51,305	60,882	69,940	78,533	86,671
Total Expenditures	5,991,563	6,233,117	8,513,595	7,703,507	7,630,074	6,299,001	6,276,339	5,162,071	4,927,284	5,140,518
Excess of Revenues Over (Under) Expenditures	322,319	296,918	(591,597)	(856,507)	(788,737)	544,659	741,479	464,964	16,547	(451,299)
Other Financing Sources (Uses)										
Transfers In	209,500	148,762	477,000	477,000	652,000	1,383,917	794,996	325,800	193,336	480,006
Transfers Out	(209,500)	(148,762)	(477,000)	(477,000)	(712,000)	(1,383,917)	(794,996)	(325,800)	(193,336)	(480,006)
Total Other Financing Sources (Uses)	0	0	0	0	(60,000)	0	0	0	0	0
Net Change in Fund Balances	$322,319	$296,918	($591,597)	($856,507)	($848,737)	$544,659	$741,479	$464,964	$16,547	($451,299)
Debt Service as a Percentage of Noncapital Expenditures	0.3%	5.1%	5.0%	4.9%	4.8%	5.0%	5.1%	6.0%	6.4%	6.4%

CITY OF MADEIRA, OHIO

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

	Real Property		Tangible Personal Property		Tangible Personal Property					
			Public Utility		Personal Property		Total			
Collection Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Total Direct Tax Rate Per Thousand	Estimated Actual Value	Ratio
2012	$296,358,390	$846,738,257	$5,226,120	$5,938,773	$0	$0	$301,584,510	7.50	$852,677,030	35.37%
2011	$293,306,210	$838,017,743	$4,991,980	$5,672,705	$0	$0	$298,298,190	7.50	$843,690,447	35.36%
2010	$319,494,300	$912,840,857	$4,625,570	$5,256,330	$138,080	$736,427	$324,257,950	7.50	$918,833,613	35.29%
2009	319,622,020	913,205,771	4,028,650	4,578,011	265,040	1,413,547	323,915,710	7.50	919,197,329	35.24
2008	296,467,680	847,050,514	3,940,800	4,478,182	1,740,610	9,283,253	302,149,090	7.50	860,811,949	35.10
2007	295,215,620	843,473,200	4,447,990	5,054,534	3,078,490	16,418,613	302,742,100	7.50	864,946,347	35.00
2006	292,479,760	835,656,457	4,489,330	5,101,511	4,336,660	23,128,853	301,305,750	7.50	863,886,822	34.88
2005	245,947,700	702,707,714	4,846,340	5,507,205	4,911,050	19,644,200	255,705,090	7.50	727,859,119	35.13
2004	243,653,130	696,151,800	4,479,680	5,090,545	4,756,840	19,027,360	252,889,650	7.50	720,269,705	35.11
2003	241,898,190	691,137,686	4,358,670	4,953,034	4,702,060	18,808,240	250,958,920	7.50	714,898,960	35.10

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Hamilton County Auditor

CITY OF MADEIRA, OHIO

Property Tax Rates - Direct and Overlapping Governments

(Per $1,000 of Assessed Valuation)

Last Ten Years

		Overlapping Rates								
	City	County Wide			Local School Districts			Total Direct and Overlapping Rates		
Fiscal Year	Charter Millage	Hamilton County Millage	Great Oaks Joint Vocation School District	Total County Millage	Madeira School District	Cincinnati School District	Indian Hill School District	Total Madeira School District	Total Cincinnati School District	Total Indian Hill School District
2012	7.50	20.06	2.70	22.76	101.27	70.76	45.87	151.59	121.08	96.19
2011	7.50	20.48	2.70	23.18	94.02	68.54	45.72	145.18	119.70	96.88
2010	7.50	20.48	2.70	23.18	91.02	67.87	45.82	142.18	119.03	96.98
2009	7.50	20.63	2.70	23.33	95.39	67.95	46.32	146.85	119.41	97.78
2008	7.50	20.56	2.70	23.26	94.77	59.67	45.42	146.09	110.99	96.74
2007	7.50	20.18	2.70	22.88	94.77	59.37	45.42	145.33	109.93	95.98
2006	7.50	20.81	2.70	23.51	85.67	59.77	46.52	137.49	111.59	98.34
2005	7.50	21.06	2.70	23.76	86.34	60.83	46.54	138.66	113.15	98.86
2004	7.50	21.51	2.70	24.21	79.47	60.75	46.70	132.69	113.97	99.92
2003	7.50	21.87	2.70	24.57	79.47	56.25	47.10	133.41	110.19	101.04

Source: Hamilton County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generate the property tax revenue billed in that year. The city's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter Millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

CITY OF MADEIRA, OHIO

Property Tax Levies And Collections

Last Ten Years

Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date		Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy		
2012	$2,310,912	$2,179,595	94.32%	$56,782	$2,236,377	96.77%	$73,550	3.18%
2011	$2,516,050	$2,372,615	94.30%	$53,969	$2,426,584	96.44%	$89,132	3.54%
2010	2,538,622	2,376,948	93.63	70,010	2,446,958	96.39	90,669	3.57
2009	2,517,907	2,360,628	93.75	65,119	2,425,747	96.34	92,049	3.66
2008	2,346,973	2,200,774	93.77	68,467	2,269,241	96.69	77,058	3.28
2007	2,234,725	2,174,757	97.32	35,422	2,210,179	98.90	84,513	3.78
2006	2,226,473	2,181,683	97.99	48,124	2,229,807	100.15	60,060	2.70
2005	1,882,582	1,843,404	97.92	33,928	1,877,332	99.72	54,699	2.91
2004	1,860,170	1,820,427	97.86	49,230	1,869,657	100.51	53,204	2.86
2003	1,845,045	1,803,422	97.74	33,677	1,837,099	99.57	57,875	3.14

Source: Hamilton County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

CITY OF MADEIRA, OHIO

Principal Taxpayers - Real Estate Tax

2012 and 2002

	2012	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Duke Energy Ohio, Inc.	$5,090,180	1.72 %
Kenwood Country Club	3,520,780	1.19
Viking Partners Kenwood, LLC	3,150,000	1.06
Edgewood Investment, LLC	1,824,620	0.62
Lamb Realty, LLC	1,452,500	0.49
Steigler Road Realty, LLC	1,246,320	0.42
Kugler Mill Partners, LLC	1,225,010	0.41
HCR Manorcare Properties, LLC	975,400	0.33
Cole WG Madeira OH, LLC (Walgreens)	808,180	0.27
Park Place of Cincinnati, LLC	774,060	0.26
Total	$20,067,050	6.77 %
Total Assessed Valuation	$296,358,390	

	2002	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Kenwood Country Club	$3,854,930	1.81 %
Cinergy	3,125,520	1.47
Kenwood Galleria Corporation	3,059,950	1.44
Edgewood Investment	1,394,010	0.66
Burnett Square	1,204,110	0.57
Steigler Realty	1,151,260	0.54
Americana Health Care	1,145,940	0.54
Cincinnati Bell Telephone	987,700	0.46
Camargo Manor Realty Company	850,240	0.40
Park Place Partnership	743,860	0.35
Total	$17,517,520	8.25 %
Total Assessed Valuation	$212,432,810	

Source: Hamilton County Auditor

(1) The amounts presented represent the assessed values upon which 2012 and 2002 collections were based.

CITY OF MADEIRA, OHIO

Income Tax Revenue Base and Collections

Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2012	1.00%	$2,333,124	$1,100,442	47.17%	$169,891	7.28%	$1,062,791	45.55%
2011	1.00%	$2,293,520	$1,081,410	47.15%	$148,354	6.47%	$1,063,757	46.38%
2010	1.00%	$2,349,311	$1,109,323	47.22%	$197,602	8.41%	$1,042,387	44.37%
2009	1.00%	$2,211,643	$1,095,639	49.54%	$124,664	5.64%	$991,340	44.82%
2008	1.00	2,343,262	1,089,159	46.48	219,558	9.37	1,034,544	44.15
2007	1.00	2,475,033	1,085,944	43.88	153,232	6.19	1,235,857	49.93
2006	1.00	2,247,219	1,027,672	45.73	154,987	6.90	1,064,560	47.37
2005	1.00	1,842,967	976,790	53.00	149,047	8.09	717,130	38.91
2004	1.00	1,658,839	957,527	57.72	120,601	7.27	580,711	35.01
2003	1.00	1,724,149	950,428	55.12	169,825	9.85	603,896	35.03

CITY OF MADEIRA, OHIO

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Governmental Activities

Year	General Obligation Bonds	Total Debt	Percentage of Personal Income	Per Capita
2012	$0	$0	0.00%	$0
2011	$0	$0	0.00%	$0
2010	285,000	285,000	0.09%	33
2009	555,000	555,000	0.20%	62
2008	815,000	815,000	0.30%	91
2007	1,065,000	1,065,000	0.39%	119
2006	1,305,000	1,305,000	0.48%	146
2005	1,535,000	1,535,000	0.56%	172
2004	1,755,000	1,755,000	0.64%	197
2003	1,970,000	1,970,000	0.72%	221

CITY OF MADEIRA, OHIO

Ratio of General Obligation Debt to Assessed Value and Debt Per Capita

Last Ten Years

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Debt (3)	Ratio of Net Debt to Estimated Actual Value of Taxable Property	Net Debt Per Capita
2012	8,726	a	$852,677,030	$0	0.00 %	$0
2011	8,726	a	$843,690,447	$0	0.00 %	$0
2010	8,726	a	918,833,613	285,000	0.03 %	33
2009	8,923	b	919,197,329	555,000	0.06 %	62
2008	8,923	b	860,811,949	815,000	0.09 %	91
2007	8,923	b	864,946,347	1,065,000	0.12 %	119
2006	8,923	b	863,886,822	1,305,000	0.15 %	146
2005	8,923	b	727,859,119	1,535,000	0.21 %	172
2004	8,923	b	720,269,705	1,755,000	0.24 %	197
2003	8,923	b	714,898,960	1,970,000	0.28 %	221

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 2010 Federal Census
(b) 2000 Federal Census

(2) Hamilton County Auditor

(3) Includes all general obligation long term debt with the exception of Special Assessment debt.

CITY OF MADEIRA, OHIO

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2012

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct Debt	$0	100.00 %	$0
Overlapping			
Hamilton County	75,970,000	1.66%	1,261,102
Madeira City School District	24,499,994	98.44%	24,117,794
Cincinnati City School District	556,248,928	0.02%	111,250
Indian Hill XV School District	29,790,000	0.80%	238,320
Great Oaks Career Center Joint Vocational School District	16,170,000	1.69%	273,273
Total Overlapping Debt	702,678,922		26,001,739
Total	$702,678,922		$26,001,739

Source: Ohio Municipal Advisory Council

Long term debt is allocated based on assessed valuations.

CITY OF MADEIRA, OHIO

Legal Debt Margin

Last Ten Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Assessed Property Value	$301,584,510	$298,298,190	$324,257,950	$323,915,710	$302,149,090	$302,742,100	$301,305,750	$255,705,090	$252,889,650	$250,958,920
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	31,666,374	31,321,310	34,047,085	34,011,150	31,725,654	31,787,921	31,637,104	26,849,034	26,553,413	26,350,687
Debt Outstanding:										
General Obligation Bonds	$0	$0	$285,000	$555,000	$815,000	$1,065,000	$1,305,000	$1,535,000	$1,755,000	$1,970,000
Bond Anticipation Notes	960,000	1,080,000	1,200,000	0	0	0	0	0	0	0
Total Gross Indebtedness	960,000	1,080,000	1,485,000	555,000	815,000	1,065,000	1,305,000	1,535,000	1,755,000	1,970,000
Less:										
General Obligation Bond Retirement Fund Balance	0	0	(279,204)	(3,136)	(1,398)	(448)	(592)	(1,474)	(1,575)	(16,382)
Total Net Debt Applicable to Debt Limit	960,000	1,080,000	1,205,796	551,864	813,602	1,064,552	1,304,408	1,533,526	1,753,425	1,953,618
Legal Debt Margin Within 10 ½ % Limitations	$30,706,374	$30,241,310	$32,841,289	$33,459,286	$30,912,052	$30,723,369	$30,332,696	$25,315,508	$24,799,988	$24,397,069
Legal Debt Margin as a Percentage of the Debt Limit	96.97%	96.55%	96.46%	98.38%	97.44%	96.65%	95.88%	94.29%	93.40%	92.59%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$16,587,148	$16,406,400	$17,834,187	$17,815,364	$16,618,200	$16,650,816	$16,571,816	$14,063,780	$13,908,931	$13,802,741
Total Gross Indebtedness	960,000	1,080,000	1,485,000	555,000	815,000	1,065,000	1,305,000	1,535,000	1,755,000	1,970,000
Less:										
General Obligation Bond Retirement Fund Balance	0	0	(279,204)	(3,136)	(1,398)	(448)	(592)	(1,474)	(1,575)	(16,382)
Net Debt Within 5 ½ % Limitations	960,000	1,080,000	1,205,796	551,864	813,602	1,064,552	1,304,408	1,533,526	1,753,425	1,953,618
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$15,627,148	$15,326,400	$16,628,391	$17,263,500	$15,804,598	$15,586,264	$15,267,408	$12,530,254	$12,155,506	$11,849,123
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	94.21%	93.42%	93.24%	96.90%	95.10%	93.61%	92.13%	89.10%	87.39%	85.85%

Source: City Financial Records

CITY OF MADEIRA, OHIO

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Hamilton County Unemployment Rate (3)(6)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2012	8,726	$332,137,738	$38,063	$81,020	42.9	54.2%	1,392	6.3%	$239,573	$301,584,510
2011	8,726	332,137,738	38,063	81,020	42.9	44.6	1,411	8.6	238,288	298,298,190
2010	8,726	332,137,738	38,063	81,020	42.9	44.6	1,417	9.5	266,044	324,257,950
2009	8,923	273,721,948	30,676	59,626	41.6	44.6	1,409	8.8	229,995	323,915,710
2008	8,923	273,721,948	30,676	59,626	41.6	44.6	1,410	5.6	231,138	302,149,090
2007	8,923	273,721,948	30,676	59,626	41.6	44.6	1,411	4.9	310,568	302,742,100
2006	8,923	273,721,948	30,676	59,626	41.6	44.6	1,552	5.0	265,533	301,305,750
2005	8,923	273,721,948	30,676	59,626	41.6	44.6	1,491	5.5	286,581	255,705,090
2004	8,923	273,721,948	30,676	59,626	41.6	44.6	1,508	5.7	220,859	252,889,650
2003	8,923	273,721,948	30,676	59,626	41.6	44.6	1,491	5.4	238,624	250,958,920

(1) Source: U. S. Census

(a) Years 2000 through 2009 - 2000 Federal Census "**http://www.census.gov/census2000"**

(2) Source: Ohio Department of Education Website: **"http://www.ode.state.oh.us/reportcardfiles"**

(3) Source: Ohio Labor Market Info Website: **"http://lmi.state.oh.us"**

(4) Source: Hamilton County Auditor

(5) Computation of per capita personal income multiplied by population

(6) Rate not available for only City of Madeira. The county rate is shown for informational purposes.

CITY OF MADEIRA, OHIO
Principal Employers
Current Year and Ten Years Ago

2012

Employer	Employees	Percentage of Total City Employment
Heartland Employment	293	5.87%
Kenwood Country Club	293	5.87
Madeira City Schools	211	4.23
Kroger Company	166	3.33
Hospice of Southwest Ohio	151	3.03
Embers	150	3.01
TGI Fridays	112	2.24
Jimmy John's Gourmet	73	1.46
Chi-nnati's Pizza, LLC	72	1.44
Chipotle Mexican Grill Service	71	1.42
Total	1,592	31.90%
Total Employment within the City	4,990	

2002

Employer	Employees	Percentage of Total City Employment
Heartland Employment	376	7.18
Kenwood Country Club	352	6.72
TGI Fridays's Bistros of OH & KY	202	3.86
Madeira City Schools	201	3.84
Miami Road Health Care Inc.	161	3.07
Kroger Company	137	2.62
Mitchell's Salon	125	2.39
Camargo Manor	118	2.25
Aluta (Kutol Products)	102	1.95
Ferrari's Little Italy & Bakery	83	1.58
Total	1,857	35.45%
Total Employment within the City	5,239	

Source: Number of employees obtained from the W2's
from the City Tax Department

CITY OF MADEIRA, OHIO

Full-Time Equivalent City Government Employees by Function

Last Ten Years (1)

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Council	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Finance/Tax	2.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Security of Persons and Property										
Police	12.00	12.00	12.00	12.00	13.00	12.00	12.00	11.00	11.00	12.00
Police - Auxiliary/Guards	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Police - Dispatchers/Office/Other	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities										
Recreation	2.00	2.00	2.00	2.00	5.00	5.00	5.00	5.00	5.00	5.00
Transportation										
Service	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Totals:	33.00	35.00	35.00	35.00	39.00	38.00	38.00	37.00	37.00	38.00

Source: City Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

CITY OF MADEIRA, OHIO

Operating Indicators by Function

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Council and Clerk										
Number of Ordinances Passed	32	35	26	40	43	49	48	41	38	39
Number of Resolutions Passed	9	11	8	8	9	11	7	8	12	11
Number of Planning Commission docket items	43	46	36	5	25	9	45	63	56	46
Zoning Board of Appeals docket items	3	0	6	16	7	30	26	41	33	29
Finance Department										
Number of checks/ vouchers issued	2,891	2,943	3,052	3,329	3,433	3,262	3,232	3,072	3,044	n/a
Amount of checks written	$4,860,317	$4,248,417	$5,560,334	$4,304,386	$5,223,493	$4,959,129	$4,868,670	$4,587,095	$3,709,953	n/a
Interest earnings for fiscal year	$2,481	$1,346	$4,535	$19,416	$105,032	$150,733	$118,170	$52,259	$20,927	$22,642
Number of Budget Adjustments issued	2	2	3	2	3	1	2	1	1	1
Agency Ratings - Moody's Financial Services	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
General Fund Receipts (in thousands)	$5,805	$6,000	$6,072	$5,645	$6,034	$6,352	$6,439	$5,112	$4,407	$4,198
General Fund Expenditures (in thousands)	$5,356	$5,498	$5,337	$5,486	$5,835	$5,153	$4,900	$4,505	$4,299	$4,176
General Fund Cash Balances (in thousands)	$1,916	$1,756	$1,500	$1,173	$1,397	$1,179	$1,368	$719	$674	$939
Income Tax Department										
Number of Individual Returns Filed	4,561	3,800	3,212	3,559	3,558	3,133	3,260	3,238	3,178	3,105
Number of Business Returns Filed	647	579	566	519	568	520	578	560	563	555
Number of withholding accounts	621	571	546	558	556	605	576	559	522	529
Amount of Penalties and Interest Collected	$49,386	$16,724	$12,751	$12,399	$19,378	$15,755	$8,052	$10,578	$7,544	$11,149
Annual number of Corporate withholding forms processed	2,863	2,698	2,553	2,519	2,504	2,558	2,394	2,137	2,125	2,125
Annual number of balance due statements forms processed	1,363	663	554	621	701	987	505	359	383	380
Annual number of estimated payment forms processed	2,501	2,279	2,296	2,487	2,750	3,237	2,877	1,525	1,401	1,303
Annual number of reconciliations of withholdings processed	617	561	547	556	592	599	569	548	518	529
Civil Service										
Number of police entry tests administered	0	1	0	1	0	1	0	1	0	1
Number of police promotional tests administered	0	0	0	1	0	0	0	0	0	0
Number of hires of Police Officers from certified lists	0	0	0	0	0	0	0	2	2	2
Number of promotions from police certified lists	0	0	0	0	0	0	0	0	0	0
Building Department Indicators										
Number of permits issued	321	316	270	295	287	333	301	318	303	338
Estimated Value of Construction (In Thousands)	$11,136	$18,487	$7,536	$7,771	$10,126	$13,683	$10,466	$24,776	$14,284	$7,990
Amount of Revenue generated from permits	$81,066	$113,395	$67,307	$70,624	$77,326	$102,938	$91,317	$215,230	$138,871	$95,474

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Security of Persons & Property										
Police										
Number of traffic citations issued	910	659	792	965	924	947	1,439	1,131	n/a	n/a
Number of parking citations issued	74	73	56	32	35	52	137	81	n/a	n/a
Number of criminal arrests	353	601	366	393	388	313	469	108	n/a	n/a
OVI Arrests	16	12	13	23	21	24	16	26	31	32
Motor Vehicle Accidents	177	138	172	167	180	194	206	208	230	226
Fatalities from Motor Vehicle Accidents	0	0	0	0	1	0	0	0	0	0
Gasoline costs of fleet	$32,434	$28,436	$28,436	$22,750	$37,334	$30,048	$31,672	$23,337	$15,577	$14,763
Basic Utility Services										
Refuse disposal per year (in tons)	2,634	2,642	2,693	2,633	2,855	2,741	400	400	400	400
Refuse disposal costs per year	$445,654	$574,455	$540,817	$517,959	$534,335	$502,338	$419,972	$396,770	$347,987	$396,996
Annual recycling tonnage (excluding leaf, and compost items)	986	854	1,061	767	1,005	927	100	100	100	100
Percentage of waste recycled	27.23%	24.43%	28.25%	22.56%	26.04%	25.27%	20.00%	20.00%	20.00%	20.00%
Transportation										
Street Improvements - asphalt overlay (linear feet)	9,225	0	9,000	4,000	5,550	8,460	5,750	7,350	2,950	4,500
Leaf collection (hours)	860	860	860	860	860	860	860	860	860	860
Tons of snow melting salt purchased	287	364	1,549	1,046	1,120	844	396	994	689	1,397
Cost of salt purchased	$19,379	$24,008	$100,733	$62,380	$59,550	$43,270	$20,691	$41,952	$26,129	$48,921

CITY OF MADEIRA, OHIO

Capital Assets Statistics by Function

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Square Footage Occupied	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Vehicles	7	7	7	7	7	7	6	6	6	6
Recreation										
Number of Parks	4	4	4	4	4	4	4	4	4	4
Number of Tennis Courts	4	4	4	4	4	4	4	4	4	4
Number of Baseball Diamonds	3	3	3	3	3	3	3	3	3	3
Number of Tot Lots	2	2	2	2	2	2	2	2	2	2
Number of Soccer Fields	4	4	4	4	4	4	4	4	4	4
Other Public Works										
Streets (miles)	47	47	47	47	47	47	47	47	47	47
Service Vehicles	9	9	9	9	9	9	9	9	9	9
Wastewater										
Storm Sewers (miles)	20	20	20	20	20	20	20	20	20	20