

**CITY OF MEDINA
MEDINA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012**

ISSUED BY: DEPARTMENT OF FINANCE
KEITH DIRHAM, CPA
DIRECTOR OF FINANCE



Dave Yost • Auditor of State

City Council
City of Medina
132 N. Elmwood Avenue
Medina, Ohio 44256

We have reviewed the *Independent Auditor's Report* of the City of Medina, Medina County, prepared by Rea & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Medina is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 8, 2013

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INTRODUCTORY SECTION

City of Medina
Medina County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012

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June 27, 2013

Honorable Mayor Dennis Hanwell
Members of City Council
Citizens of Medina, Ohio

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Medina, Ohio (the "City") for the year ended December 31, 2012. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2012 that is useful to the citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

Generally accepted accounting principles (GAAP) requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements.

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the Independent Auditors. The Basic Financial Statements and Notes provide an overview of the City's financial position and information relative to the basic financial statements.

History of Medina

Medina was founded in 1818 and became an Incorporated Village in 1835. The City is the County Seat of Medina County. During the early years of Medina's history, the City suffered two major fires but recovered and rebuilt each time. The City was a stop on the Underground Railroad and a contributor of men and arms to the Union cause during the Civil War.

Situated in the center of Medina County, the City is 35 miles from downtown Cleveland and 23 miles from downtown Akron. The City's population from the 2010 Federal Census was 26,176 residents. Total land area is approximately 11 square miles.

The City is served by diversified transportation facilities. There is immediate access to many State and U.S. highways and Interstate highways: I-71 and I-271. The City is served by the Wheeling and Lake Erie Railroad.

The City is also served by the Cleveland Hopkins International Airport located within 25 miles of the City. The proximity makes Medina a desirable location for residents and commercial enterprises.

Within commuting distance of the City are several public and private two-year and four-year colleges and universities, including Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Notre Dame College, Ursuline College, Oberlin College, Baldwin Wallace College, and the University of Akron.

The City utilizes over 800 acres of City-owned Park land to house a variety of recreational facilities including an outdoor municipal pool, splash-pad, playgrounds, and soccer, baseball, and football fields.

Form of Government

The City operates under and is governed by the laws of the State of Ohio and its own Charter, which was first adopted by the electorate in 1952. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of two members elected at-large and four members who are elected by wards, for four-year terms. The presiding officer is the President of Council, who is elected at-large by the electors for a four-year term. All members of Council serve in a part-time capacity.

The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may also veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The City's chief financial officer is the Director of Finance who is elected to a four-year term and serves in a full-time capacity.

Judicial services for the City of Medina are provided by the Medina Municipal Court. The jurisdiction of the Court, as established by the Ohio Revised Code, encompasses the cities of Medina and Brunswick; the townships of Brunswick Hills, Chatham, Granger, Hinckley, Lafayette, Litchfield, Liverpool, Medina, Montville, Spencer, and York; and the villages of Chippewa Lake and Spencer.

Established by charter, the municipal government consists of four departments as well as other departments established by Council. All directors work closely with the Mayor in providing the citizens of Medina with the highest quality of services while maintaining efficiency and cost effectiveness.

The Police Department enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach, which has been met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three divisions: the Patrol Division, the Detective Bureau, and the Communications Division. The Patrol Division oversees the staff of patrol officers. The Detective Bureau oversees the City's investigative services. The Communications Division oversees dispatch and records operations. Additionally, the City provides dispatch services for the Fire Department, Emergency Medical Services, and several adjacent township Police Departments.

The Fire Department provides fire suppression and prevention services. The Chief of Fire heads the department.

The Service Department is comprised of several departments administered by a superintendent. This department is responsible for the maintenance of all City vehicles, buildings, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Street Department handles non-contractual maintenance of City streets and storm sewers including snow removal, leaf removal, signage, and other functions. The Water Department provides potable water for residents of Medina. The Water Department insures the water supply is safe and the water lines are properly maintained.

The Recreation Department provides numerous recreational activities and programs throughout the year. The City has a recreation center, which includes an indoor pool, sauna, steam room, racquetball courts, weight room, basketball courts, and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool. The Recreation Department also supervises several sports fields and maintains several playgrounds throughout the City.

The Finance Department is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payroll and maintains the capital asset system.

The department compiles the annual budget, the tax budget, the annual financial report, and assists the Mayor in all financial decisions. This department also handles all purchasing needed to maintain operations for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Central Collection Agency to oversee the collection and distribution of the City's income tax.

The Law Department advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents. This department's prosecutors prosecute traffic and criminal cases in the Medina Municipal Court.

Reporting Entity

A reporting entity includes the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the City includes all City departments, boards, and commissions whose activities are directly controlled by the City Council through the budgetary process. The City has oversight responsibility for the Medina Municipal Court by appropriating and financing its operations through the General Fund.

The City participates in a joint venture, the Medina-Lorain Water Consortium. Note 16 to the basic financial statements describes the City's relationship to this entity.

Economic Condition and Outlook

Summary of Local Economy

Location is one of the greatest assets of the City. As a major suburb of both the City of Cleveland and the City of Akron, its easy access to interstate highways has contributed to the City's economic growth. The City has continued its aggressive position to increase its commercial and economic development.

Major Industries Affecting the City Economy

Several businesses in the Industrial Park are currently expanding their operations. Low interest rates have made it possible for area businesses to consider expansion. This economic growth is beneficial to the City and community, and the City is working to encourage and assist these expansions. Additionally, the City is undertaking several major transportation and infrastructure improvement projects in the industrial area to facilitate future growth.

Future Economic Outlook

The future economic outlook for the City is promising despite the uncertain economic condition nationwide.

Moody's Investors Service confirmed this assessment of the City. Moody's reviewed the City in conjunction with a bond issue conducted during 2012 and affirmed the City's Aa1 rating.

Moody's stated:

- That this rating reflects the City's strong financial operations characterized by robust reserve levels and prudent fiscal management.
- That Moody's expects the City's economy will remain stable.
- That Moody's expects the City's debt profile will remain strong.

Major Initiatives

Current Year Projects

In 2012 the City conducted a major bond issue. The bond issue was used to reduce interest costs by taking advantage of the City's improved bond rating as well as the favorable market conditions. Additionally, the bond issue was used to leverage future revenues for current improvement projects taking advantage of generally reduced costs of construction due to the weak economy.

The City completed more than \$4.9 million in roadway reconstruction projects, including major improvements to Lake Road and Beechwood Drive and the extension of Commerce Drive. In addition to the major roadway projects, the City completed several hundred thousand dollars in street repairs at other locations throughout the City.

The City completed more than \$100,000 in storm sewer drainage improvements in 2012.

Future Projects

In addition to the City's annual street repair project, the major roadway reconstruction projects to be under construction in 2013 include the reconstruction of West Smith Road and Fair Road. In addition, the City's five-year capital improvement plan includes reconstruction of numerous other City roadways.

Water line replacement projects will be completed or under construction in 2013 include a project to replace and upgrade water lines in the uptown area.

Other Information

Internal Controls

City Management is fully responsible for the completeness and reliability of the information contained in this report. The City uses a comprehensive framework of internal controls to ensure that this information is dependable. Because the cost of internal controls should not exceed the benefit derived from such controls, the objective of the framework is to provide reasonable, not absolute, assurance that this report is free from any material misstatements.

Independent Audit

In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Included in this report is an unmodified audit opinion regarding the City's financial statements for the year ended December 31, 2012. Rea & Associates, Inc. conducted this year's audit. Their report is presented in the financial section.

Acknowledgments

This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff and with the assistance of Rea & Associates, Inc. I appreciate their expertise and assistance. Appreciation is also expressed to all City departments for their cooperation and assistance. I would also like to acknowledge the cooperation of the team from Rea and Associates, Inc., who conducted a thorough audit of our finances.

In closing, I would like to thank the Mayor, City Council and the citizens of our fine community, for without your continued support, the preparation of this report would not have been possible.

Respectfully submitted,



Keith Dirham, CPA
Director of Finance

**City of Medina
Medina County, Ohio**

Principal Officials

December 31, 2012

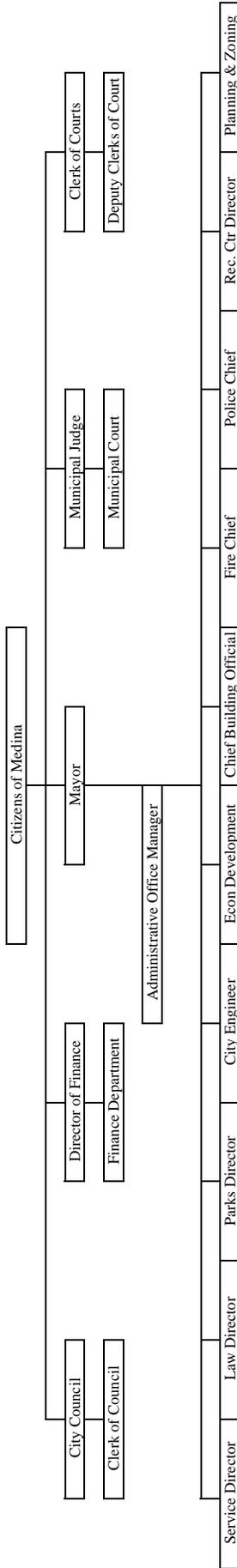
ELECTED OFFICIALS

Mayor	Dennis Hanwell
President of Council	John M. Coyne III
Council Member-at-Large	Paul Rose, Sr.
Council Member-at-Large	William C. Lamb
Council Member - Ward 1	Brian D. Hilberg
Council Member - Ward 2	Dennie R. Simpson
Council Member - Ward 3	Mark E. Kolesar
Council Member - Ward 4	James A. Shields
Director of Finance	Keith Dirham

APPOINTED OFFICIALS

Director of Law	Gregory A. Huber
Director of Public Service	Nino Piccoli

City of Medina
Medina County, Ohio
 Organization Chart
 For the Year Ended December 31, 2012



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Medina
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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

June 27, 2013

To the Members of Council and Management
City of Medina
Medina County, Ohio
132 N. Elmwood Ave.
Medina, OH 44256

Independent Auditor's Report

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 Medina, Medina 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Medina, Medina County, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, police special fund, stormwater/street fund and grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 21, the City restated governmental fund balances to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 be presented 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 basic financial statements.

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

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 it.

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 on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

City of Medina
Medina County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012

The discussion and analysis of the City of Medina's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, net position increased \$4.7 million, which represents a 4 percent increase from 2011. Net position of governmental activities increased \$3.5 million. Net position of business-type activities increased \$1.2 million.
- Total capital assets increased \$5.2 million in 2012. Capital assets of governmental activities increased \$5.5 million and capital assets of business-type activities decreased \$.3 million.
- Outstanding debt decreased from \$30.9 million to \$30.1 million. The City issued a various improvement bond for \$1.2 million and made principal payments of \$1.8 million during 2012. The City refunded water improvement and recreation center facility bonds during the year.

Using this Comprehensive Annual Financial Report (CAFR)

This report is designed to allow the reader to look at the financial activities of the City of Medina as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2012 and how they affected the operations of the City as a whole.

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City, the general fund is the most significant fund. Business-type funds consist of the water, sanitation, recreation center and stormwater utility funds.

City of Medina
Medina County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012

A question typically asked about the City's finances "How did we do financially during 2012?" The statement of net position and the statement of activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the City as a whole, the *financial position* of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, and other factors.

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, leisure time services, community development, basic utility service and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sanitation, recreation center and stormwater utility funds are reported as business activities.

Reporting the City of Medina's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, police special fund, stormwater/street fund, grants fund and the general purpose capital fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

City of Medina
Medina County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012

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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The City of Medina as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$ 55,500,937	\$ 57,698,249	\$ 15,432,538	\$ 14,849,170	\$ 70,933,475	\$ 72,547,419
Capital Assets	52,357,056	46,808,037	30,901,618	31,213,927	83,258,674	78,021,964
<i>Total Assets</i>	<u>107,857,993</u>	<u>104,506,286</u>	<u>46,334,156</u>	<u>46,063,097</u>	<u>154,192,149</u>	<u>150,569,383</u>
Liabilities						
Long-Term Liabilities	15,882,942	15,436,483	15,235,259	16,361,858	31,118,201	31,798,341
Other Liabilities	4,090,092	4,722,364	857,538	617,140	4,947,630	5,339,504
<i>Total Liabilities</i>	<u>19,973,034</u>	<u>20,158,847</u>	<u>16,092,797</u>	<u>16,978,998</u>	<u>36,065,831</u>	<u>37,137,845</u>
Net Position						
Net Investment in Capital Assets	44,603,341	43,188,085	16,421,940	15,917,114	61,025,281	59,105,199
Restricted	22,418,313	21,235,112	501,989	0	22,920,302	21,235,112
Unrestricted	20,863,305	19,924,242	13,317,430	13,166,985	34,180,735	33,091,227
<i>Total Net Position</i>	<u>\$ 87,884,959</u>	<u>\$ 84,347,439</u>	<u>\$ 30,241,359</u>	<u>\$ 29,084,099</u>	<u>\$ 118,126,318</u>	<u>\$ 113,431,538</u>

At year end, capital assets represented 54 percent of total assets. Capital assets include, land and intangible assets, buildings and improvements, furniture and equipment, vehicles, infrastructure and construction in progress. The net investment in capital assets is \$61.0 million at December 31, 2012, with \$44.6 million in governmental activities and \$16.4 million in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$22.9 million or 19 percent, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position of \$34.2 million may be used to meet the government's ongoing obligations to citizens and creditors.

Total assets in the governmental activities increased by \$3.4 million. Intergovernmental receivable decreased \$1.3 million from 2011 due to completion of grant funded construction projects in 2012. Capital assets increased \$5.5 million due to several construction projects in 2012. Liabilities decreased \$.2 million from 2011. Accounts payable decreased \$.9 million from 2011 due to a payable in 2011 for a railroad improvement project which was complete in 2012. Long term obligations increased \$.4 million

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from a bond issued in 2012 net of scheduled debt payments. Net position in the governmental activities increased \$3.5 million from 2011.

Business-type activities had an increase in net position of \$1.2 million over 2011.

Table 2 shows the changes in net position for fiscal year 2012 and 2011.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 3,204,235	\$ 3,563,527	\$ 9,982,789	\$ 8,897,261	\$ 13,187,024	\$ 12,460,788
Operating Grants	2,201,118	1,904,129	0	0	2,201,118	1,904,129
Capital Grants	1,214,535	1,806,173	0	0	1,214,535	1,806,173
<i>General Revenues:</i>						
Property Taxes	2,570,999	2,561,533	0	0	2,570,999	2,561,533
Income Taxes	13,124,620	11,927,075	843,379	765,236	13,967,999	12,692,311
Grants and Entitlements	1,348,331	1,183,788	21,172	19,526	1,369,503	1,203,314
Payment in Lieu of Taxes	52,798	35,938	1,165	2,457	53,963	38,395
Investment Earnings	32,588	94,902	23,310	58,847	55,898	153,749
Miscellaneous	77,156	16,992	1,792	4,344	78,948	21,336
<i>Total Revenues</i>	<u>23,826,380</u>	<u>23,094,057</u>	<u>10,873,607</u>	<u>9,747,671</u>	<u>34,699,987</u>	<u>32,841,728</u>
Program Expenses						
General Government	7,533,534	7,567,023	0	0	7,533,534	7,567,023
Security of Persons and Property	7,291,839	6,944,210	0	0	7,291,839	6,944,210
Public Health	196,660	214,477	0	0	196,660	214,477
Leisure Time Services	951,747	937,537	0	0	951,747	937,537
Community Development	831,549	663,584	0	0	831,549	663,584
Basic Utility Service	66,833	62,981	0	0	66,833	62,981
Transportation	2,739,376	3,723,619	0	0	2,739,376	3,723,619
Interest and Fiscal Charges	677,322	783,905	0	0	677,322	783,905
<i>Enterprise Operations:</i>						
Water	0	0	4,109,356	4,002,719	4,109,356	4,002,719
Sanitation	0	0	3,285,618	3,258,046	3,285,618	3,258,046
Recreation Center	0	0	2,321,373	2,381,252	2,321,373	2,381,252
<i>Total Program Expenses</i>	<u>20,288,860</u>	<u>20,897,336</u>	<u>9,716,347</u>	<u>9,642,017</u>	<u>30,005,207</u>	<u>30,539,353</u>
<i>Change in Net Position</i>	3,537,520	2,196,721	1,157,260	105,654	4,694,780	2,302,375
<i>Net Position Beginning of Year</i>	<u>84,347,439</u>	<u>82,150,718</u>	<u>29,084,099</u>	<u>28,978,445</u>	<u>113,431,538</u>	<u>111,129,163</u>
<i>Net Position End of Year</i>	<u>\$ 87,884,959</u>	<u>\$ 84,347,439</u>	<u>\$ 30,241,359</u>	<u>\$ 29,084,099</u>	<u>\$ 118,126,318</u>	<u>\$ 113,431,538</u>

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Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements, charges for services and investment interest.

The City's income tax is at a rate of 1.25 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations.

Revenues increased \$.7 million from 2011, partially due to an increase in income taxes due to the City at year end.

Expenses decreased \$.6 million over 2011. The largest part of this is a \$1.0 million decrease in transportation expense. The 2011 expense included large repair and maintenance projects while projects completed in 2012 were capitalized. The largest program function of the City was for general government, which represents approximately 37 percent of program expenses in 2012. The next largest program function relates to security of persons and property, which includes the police and fire departments and represents approximately 36 percent of program expenses. General government decreased \$33,489 from 2011 and security of persons and property expenses increased \$.3 million over 2011.

Business-Type Activities

Business-type activities include water, sanitation, recreation center and stormwater utility operations. The revenues are generated primarily from charges for services. In 2012, charges for services of \$10.0 million accounted for 92 percent of the business type revenues. The total expenses for the business-type activities were \$9.7 million in 2012. The business-type activities had an increase in net position of \$1.1 million over 2011 mainly through an increase in water and sanitation revenues due to a change utility billing cycles.

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 14. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$25.0 million and expenditures of \$26.8 million. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

Fund balance in general fund decreased \$13,503 from 2011. Revenues increased \$.4 million from an increase of \$.2 million in intergovernmental revenues and \$.2 million in income tax. General government expenditures increased \$.2 million over 2011.

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The police special fund had a \$.7 million increase in fund balance over 2011. Income tax revenues increased \$.3 million over 2011 and security of persons and property expenditures increased \$.2 million over 2011.

The fund balance of the stormwater/street fund decreased \$3.5 million from 2011 due to the timing of revenues to cover payments for street improvement projects.

The grants fund had a decrease in fund balance of \$.1 million from 2011. Grants for improvement projects increased \$.3 million over 2011 while expenditures for the projects increased \$.4 million.

The general purpose capital project fund increased \$1.6 million over 2011. The City issued a various improvement bond for \$1.2 million for projects to be started in 2013 contributing to the increase in fund balance.

Proprietary Funds

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

Unrestricted net position of the proprietary funds at the end of the year amounted to \$13.3 million. The increase in net position for the water fund was \$.7 million and the increase in net position for the sanitation fund was \$25,526 over 2011. The recreation center had an increase in net position of \$.4 million over 2011 and all other enterprise funds had an increase in net position of \$430. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2012, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the City Finance Director. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, actual revenues of \$6.7 million were \$.5 million over the final budget estimates of \$6.2 million with intergovernmental revenues being estimated lower than actual revenue. Original budget revenues of \$5.5 million were \$.7 million below final budget revenues with no individually significant revenue accounting for the difference.

Final expenditure appropriations of \$9.5 million were \$2.5 million higher than the actual expenditures of \$7.0 million, as cost savings were recognized for general government throughout the year. Original expenditure appropriations were \$7.4 million, or \$2.1 million under final appropriations since original budget does not include carryforward appropriations.

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Capital Assets and Debt Administration

Capital Assets

At the end of year 2012, the City had \$83.3 million invested in capital assets. A total of \$52.4 million of this was for governmental activities and \$30.9 million being attributable to business-type activities. Table 3 shows fiscal year 2012 balances compared with 2011.

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,577,994	\$ 3,529,235	\$ 167,384	\$ 167,384	\$ 3,745,378	\$ 3,696,619
Intangible	42,322	0	0	0	42,322	0
Construction in Progress	3,604,496	781,078	0	12,040	3,604,496	793,118
Buildings and Improvements	7,287,206	7,261,930	9,918,289	10,115,945	17,205,495	17,377,875
Furniture and Equipment	455,527	426,092	16,384	27,306	471,911	453,398
Vehicles	1,499,938	1,543,986	395,210	494,121	1,895,148	2,038,107
Traffic Signals	2,731,605	2,929,303	0	0	2,731,605	2,929,303
Roads	23,998,025	20,505,233	0	0	23,998,025	20,505,233
Water Lines	0	0	20,404,351	20,397,131	20,404,351	20,397,131
Storm Sewers	9,159,943	9,831,180	0	0	9,159,943	9,831,180
Total	\$ 52,357,056	\$ 46,808,037	\$ 30,901,618	\$ 31,213,927	\$ 83,258,674	\$ 78,021,964

The \$5.5 million increase in capital assets of governmental activities was attributable to current year acquisitions exceeding depreciation and disposals. The \$.3 million decrease in capital assets of business-type activities is due to current year depreciation and disposals exceeding additional purchases. See Note 10 for additional information about the capital assets of the City.

City of Medina
Medina County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012

Debt

The outstanding debt for the City as of December 31, 2012 was \$30.1 million. See Note 14 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 14,500,000	\$ 13,845,000	\$ 14,165,000	\$ 15,275,000	\$ 28,665,000	\$ 29,120,000
Special Assessment Bonds	356,008	562,016	2,992	5,984	359,000	568,000
OPWC Loans	115,252	123,484	0	0	115,252	123,484
OWDA Loans	0	0	970,391	1,045,099	970,391	1,045,099
<i>Total</i>	\$ 14,971,260	\$ 14,530,500	\$ 15,138,383	\$ 16,326,083	\$ 30,109,643	\$ 30,856,583

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, 132 N. Elmwood Avenue, P.O. Box 703, Medina, Ohio, 44256-0703.

City of Medina
Medina County, Ohio
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 46,415,572	\$ 5,510,749	\$ 51,926,321
Cash and Investments in Segregated Accounts	11,962	0	11,962
Accounts Receivable	287,469	1,993,213	2,280,682
Accrued Interest Receivable	43,770	3,552	47,322
Intergovernmental Receivable	1,362,492	0	1,362,492
Taxes Receivable	5,853,003	214,719	6,067,722
Special Assessments Receivable	522,527	0	522,527
Deferred Charges	131,190	84,442	215,632
Internal Balances	872,952	(872,952)	0
Investment in Joint Venture	0	8,498,815	8,498,815
Non-Depreciable Capital Assets	7,224,812	167,384	7,392,196
Depreciable Capital Assets, Net	45,132,244	30,734,234	75,866,478
<i>Total Assets</i>	<u>107,857,993</u>	<u>46,334,156</u>	<u>154,192,149</u>
Liabilities			
Accounts and Contracts Payable	688,626	563,365	1,251,991
Accrued Wages	377,544	110,782	488,326
Intergovernmental Payable	429,989	120,769	550,758
Matured Interest Payable	11,962	0	11,962
Accrued Interest Payable	40,914	34,584	75,498
Deferred Revenue	2,499,457	0	2,499,457
Matured Compensated Absences Payable	41,600	28,038	69,638
Long-Term Liabilities:			
Due Within One Year	1,047,009	1,249,158	2,296,167
Due in More Than One Year	14,835,933	13,986,101	28,822,034
<i>Total Liabilities</i>	<u>19,973,034</u>	<u>16,092,797</u>	<u>36,065,831</u>
Net Position			
Net Investment in Capital Assets	44,603,341	16,421,940	61,025,281
Restricted For:			
Debt Service	1,171,527	0	1,171,527
Capital Outlay	2,233,011	501,989	2,735,000
Safety Services	3,629,200	0	3,629,200
Stormwater and Street Repair and Improvement	9,889,907	0	9,889,907
Court Operations and Capital Outlay	4,011,327	0	4,011,327
Perpetual Care:			
Expendable	14,754	0	14,754
Nonexpendable	288,489	0	288,489
Other Purposes	1,180,098	0	1,180,098
Unrestricted	20,863,305	13,317,430	34,180,735
<i>Total Net Position</i>	<u>\$ 87,884,959</u>	<u>\$ 30,241,359</u>	<u>\$ 118,126,318</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 7,533,534	\$ 1,824,050	\$ 88,864	\$ 51,556	\$ (5,569,064)	\$ 0	\$ (5,569,064)
Security of Persons and Property	7,291,839	1,171,727	102,909	0	(6,017,203)	0	(6,017,203)
Public Health	196,660	84,011	635	0	(112,014)	0	(112,014)
Leisure Time Services	951,747	58,745	17,976	0	(875,026)	0	(875,026)
Community Development	831,549	0	9,795	0	(821,754)	0	(821,754)
Basic Utility Service	66,833	0	0	0	(66,833)	0	(66,833)
Transportation	2,739,376	65,702	1,686,674	1,162,979	175,979	0	175,979
Interest and Fiscal Charges	677,322	0	294,265	0	(383,057)	0	(383,057)
<i>Total Governmental Activities</i>	<u>20,288,860</u>	<u>3,204,235</u>	<u>2,201,118</u>	<u>1,214,535</u>	<u>(13,668,972)</u>	<u>0</u>	<u>(13,668,972)</u>
Business-Type Activities							
Water	4,109,356	4,780,159	0	0	0	670,803	670,803
Sanitation	3,285,618	3,304,992	0	0	0	19,374	19,374
Recreation Center	2,321,373	1,897,208	0	0	0	(424,165)	(424,165)
Stormwater Utility	0	430	0	0	0	430	430
<i>Total Business-Type Activities</i>	<u>9,716,347</u>	<u>9,982,789</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,442</u>	<u>266,442</u>
<i>Total Primary Government</i>	<u>\$ 30,005,207</u>	<u>\$ 13,187,024</u>	<u>\$ 2,201,118</u>	<u>\$ 1,214,535</u>	<u>(13,668,972)</u>	<u>266,442</u>	<u>(13,402,530)</u>
General Revenues:							
Property Taxes Levied for:							
					1,386,778	0	1,386,778
					1,184,221	0	1,184,221
Income Taxes Levied for:							
					2,582,384	0	2,582,384
					9,495,732	0	9,495,732
					0	843,379	843,379
					1,046,504	0	1,046,504
Grants and Entitlements not Restricted to Specific Programs							
					1,348,331	21,172	1,369,503
					52,798	1,165	53,963
					32,588	23,310	55,898
					77,156	1,792	78,948
<i>Total General Revenues</i>					<u>17,206,492</u>	<u>890,818</u>	<u>18,097,310</u>
<i>Change in Net Position</i>					<u>3,537,520</u>	<u>1,157,260</u>	<u>4,694,780</u>
<i>Net Position Beginning of Year</i>					<u>84,347,439</u>	<u>29,084,099</u>	<u>113,431,538</u>
<i>Net Position End of Year</i>					<u>\$ 87,884,959</u>	<u>\$ 30,241,359</u>	<u>\$ 118,126,318</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	Police Special Fund	Stormwater/ Street Fund	Grants Fund	General Purpose Capital Fund	All Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Investments	\$ 6,930,537	\$ 3,875,473	\$ 10,908,223	\$ 1,734,290	\$ 4,916,774	\$ 18,050,275	\$ 46,415,572
Cash and Investments in Segregated Accounts	0	0	0	0	0	11,962	11,962
Accounts Receivable	240,494	0	0	0	0	46,975	287,469
Accrued Interest Receivable	41,301	0	0	0	0	2,469	43,770
Intergovernmental Receivable	294,055	69,458	166,825	22,123	0	810,031	1,362,492
Taxes Receivable	1,980,780	1,207,796	670,998	0	201,299	1,792,130	5,853,003
Special Assessments Receivable	0	0	0	0	0	522,527	522,527
Interfund Receivable	1,911,758	0	0	0	0	0	1,911,758
Advances to Other Funds	2,238,408	0	0	0	872,952	0	3,111,360
<i>Total Assets</i>	<u>\$ 13,637,333</u>	<u>\$ 5,152,727</u>	<u>\$ 11,746,046</u>	<u>\$ 1,756,413</u>	<u>\$ 5,991,025</u>	<u>\$ 21,236,369</u>	<u>\$ 59,519,913</u>
Liabilities							
Accounts and Contracts Payable	\$ 104,106	\$ 46,831	\$ 176,408	\$ 82,908	\$ 200	\$ 278,173	\$ 688,626
Accrued Wages	153,690	143,349	0	2,776	0	77,729	377,544
Intergovernmental Payable	173,505	116,836	458	2,743	0	136,447	429,989
Matured Interest Payable	0	0	0	0	0	11,962	11,962
Interfund Payable	0	0	240,000	1,116,764	0	554,994	1,911,758
Advances from Other Funds	0	0	385,000	589,138	0	1,264,270	2,238,408
Deferred Revenue	1,850,920	402,479	223,600	0	67,079	2,540,189	5,084,267
Matured Compensated Absences Payable	23,907	17,693	0	0	0	0	41,600
Unearned Revenue	0	0	0	0	360,001	0	360,001
<i>Total Liabilities</i>	<u>2,306,128</u>	<u>727,188</u>	<u>1,025,466</u>	<u>1,794,329</u>	<u>427,280</u>	<u>4,863,764</u>	<u>11,144,155</u>
Fund Balances							
Nonspendable	20,178	0	0	0	0	288,489	308,667
Restricted	0	0	10,720,580	0	5,563,745	11,696,473	27,980,798
Committed	0	4,425,539	0	0	0	3,235,983	7,661,522
Assigned	2,010,772	0	0	0	0	1,720,378	3,731,150
Unassigned	9,300,255	0	0	(37,916)	0	(568,718)	8,693,621
<i>Total Fund Balances</i>	<u>11,331,205</u>	<u>4,425,539</u>	<u>10,720,580</u>	<u>(37,916)</u>	<u>5,563,745</u>	<u>16,372,605</u>	<u>48,375,758</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 13,637,333</u>	<u>\$ 5,152,727</u>	<u>\$ 11,746,046</u>	<u>\$ 1,756,413</u>	<u>\$ 5,991,025</u>	<u>\$ 21,236,369</u>	<u>\$ 59,519,913</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2012

Total Governmental Fund Balances		\$ 48,375,758
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		52,357,056
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	\$ 73,568	
Income Tax	1,067,046	
Intergovernmental	921,669	
Special Assessments	522,527	2,584,810
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(40,914)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(14,500,000)	
Unamortized Issuance Costs	131,190	
Special Assessment Bonds	(356,008)	
OPWC Loans	(115,252)	
Compensated Absences	(551,681)	(15,391,751)
 <i>Net Position of Governmental Activities</i>		 \$ 87,884,959

See accompanying notes to the basic financial statements.

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

	General Fund	Police Special Fund	Stormwater/ Street Fund	Grants Fund	General Purpose Capital Fund	All Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 1,386,778	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,192,202	\$ 2,578,980
Income Taxes	2,565,577	4,670,041	2,594,467	0	778,341	2,335,023	12,943,449
Other Local Taxes	811	0	0	0	0	0	811
Payment in Lieu of Taxes	3,193	6,440	10,516	0	1,073	31,576	52,798
Special Assessments	0	0	0	0	0	261,747	261,747
Charges for Services	570,931	390,704	0	0	0	310,600	1,272,235
Licenses and Permits	471,539	0	0	0	0	11,454	482,993
Fines and Forfeitures	925,254	0	0	0	0	674,257	1,599,511
Intergovernmental	1,426,444	62,551	514,377	407,660	53,059	3,076,815	5,540,906
Interest	32,588	0	0	0	52,349	11,075	96,012
Rent	16,358	0	0	0	13,333	8,906	38,597
Contributions and Donations	13,756	450	0	0	0	18,876	33,082
Other	15,311	4,322	0	20,000	0	34,208	73,841
Total Revenues	7,428,540	5,134,508	3,119,360	427,660	898,155	7,966,739	24,974,962
Expenditures							
Current:							
General Government	6,366,118	0	0	73,249	0	624,986	7,064,353
Security of Persons and Property	146,620	4,444,849	0	50	0	2,542,209	7,133,728
Public Health	195,449	0	0	0	0	1,013	196,462
Leisure Time Services	0	0	0	386,261	0	946,358	1,332,619
Community Development	673,240	0	0	98,855	0	54,942	827,037
Basic Utility Service	0	0	0	0	0	75,853	75,853
Transportation	60,616	0	5,692,099	0	0	2,714,132	8,466,847
Capital Outlay	0	0	0	0	196,394	6,275	202,669
Debt Service:							
Principal Retirement	0	0	428,232	0	115,000	206,008	749,240
Interest and Fiscal Charges	0	0	539,594	0	154,446	35,645	729,685
Bond Issuance Costs	0	0	0	0	14,682	0	14,682
Total Expenditures	7,442,043	4,444,849	6,659,925	558,415	480,522	7,207,421	26,793,175
Excess of Revenues Over (Under) Expenditures	(13,503)	689,659	(3,540,565)	(130,755)	417,633	759,318	(1,818,213)
Other Financing Sources (Uses)							
General Obligation Bonds Issued	0	0	0	0	1,190,000	0	1,190,000
Premium on Debt Issuance	0	0	0	0	24,682	0	24,682
Transfers In	0	0	0	0	0	22,114	22,114
Transfers Out	0	0	0	0	0	(22,114)	(22,114)
Total Other Financing Sources (Uses)	0	0	0	0	1,214,682	0	1,214,682
Net Change in Fund Balance	(13,503)	689,659	(3,540,565)	(130,755)	1,632,315	759,318	(603,531)
Fund Balance Beginning of Year <i>(Restated, See Note 21)</i>	11,344,708	3,735,880	14,261,145	92,839	3,931,430	15,613,287	48,979,289
Fund Balance End of Year	\$ 11,331,205	\$ 4,425,539	\$ 10,720,580	\$ (37,916)	\$ 5,563,745	\$ 16,372,605	\$ 48,375,758

See accompanying notes to the basic financial statements.

City of Medina
Medina County, 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		\$ (603,531)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions exceeded depreciation in the current period.		
Capital Asset Additions	\$ 8,403,636	
Current Year Depreciation	<u>(2,854,617)</u>	5,549,019
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(16,598)	
Income Tax	90,060	
Special Assessments	(258,177)	
Intergovernmental	<u>(805,824)</u>	(990,539)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	535,000	
Special Assessment Bonds	206,008	
OPWC Loans	<u>8,232</u>	749,240
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
General Obligation Bonds		(1,190,000)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and bond issuance costs and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	49,268	
Amortization of Premium on Bonds	<u>(6,905)</u>	42,363
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(19,032)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 3,537,520</u></u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 1,142,512	\$ 1,315,634	\$ 1,386,778	\$ 71,144
Income Taxes	2,140,807	2,465,567	2,541,677	76,110
Other Local Taxes	738	850	1,104	254
Payment in Lieu of Taxes	2,433	2,433	3,193	760
Charges for Services	47,328	54,500	141,242	86,742
Licenses and Permits	138,012	98,925	154,149	55,224
Fines and Forfeitures	889,254	925,899	921,432	(4,467)
Intergovernmental	923,985	1,161,782	1,404,307	242,525
Interest	173,682	147,651	119,444	(28,207)
Rent	13,026	15,000	16,358	1,358
Contributions and Donations	13,549	13,556	13,756	200
Other	1,368	4,429	8,639	4,210
<i>Total Revenues</i>	<u>5,486,694</u>	<u>6,206,226</u>	<u>6,712,079</u>	<u>505,853</u>
Expenditures				
Current:				
General Government	6,225,138	7,998,514	5,845,569	2,152,945
Security of Persons and Property	230,080	264,900	207,290	57,610
Public Health	202,404	321,063	227,836	93,227
Community Development	737,784	920,685	703,100	217,585
Basic Utility	1,185	1,185	0	1,185
<i>Total Expenditures</i>	<u>7,396,591</u>	<u>9,506,347</u>	<u>6,983,795</u>	<u>2,522,552</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,909,897)</u>	<u>(3,300,121)</u>	<u>(271,716)</u>	<u>3,028,405</u>
Other Financing Sources (Uses)				
Advances In	782,000	900,000	207,459	(692,541)
Advances Out	(20,000)	(1,716,831)	(1,908,070)	(191,239)
Transfers Out	(107,000)	(140,353)	0	140,353
<i>Total Other Financing Sources (Uses)</i>	<u>655,000</u>	<u>(957,184)</u>	<u>(1,700,611)</u>	<u>(743,427)</u>
<i>Net Change in Fund Balance</i>	<u>(1,254,897)</u>	<u>(4,257,305)</u>	<u>(1,972,327)</u>	<u>2,284,978</u>
<i>Fund Balance Beginning of Year</i> <i>(Restated, See Note 21)</i>	7,692,401	7,692,401	7,692,401	0
Prior Year Encumbrances Appropriated	400,346	400,346	400,346	0
<i>Fund Balance End of Year</i>	<u>\$ 6,837,850</u>	<u>\$ 3,835,442</u>	<u>\$ 6,120,420</u>	<u>\$ 2,284,978</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Special Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 4,357,401	\$ 4,615,560	\$ 4,654,466	\$ 38,906
Payment in Lieu of Taxes	0	6,440	6,440	0
Charges for Services	389,808	363,000	416,959	53,959
Intergovernmental	58,479	26,800	62,551	35,751
Contributions and Donations	421	3,000	450	(2,550)
Other	4,041	15,000	4,322	(10,678)
<i>Total Revenues</i>	<u>4,810,150</u>	<u>5,029,800</u>	<u>5,145,188</u>	<u>115,388</u>
Expenditures				
Current:				
Security of Persons and Property	4,895,285	5,008,704	4,469,130	539,574
<i>Total Expenditures</i>	<u>4,895,285</u>	<u>5,008,704</u>	<u>4,469,130</u>	<u>539,574</u>
<i>Net Change in Fund Balance</i>	(85,135)	21,096	676,058	654,962
<i>Fund Balance Beginning of Year</i>	3,039,046	3,039,046	3,039,046	0
Prior Year Encumbrances Appropriated	33,748	33,748	33,748	0
<i>Fund Balance End of Year</i>	<u>\$ 2,987,659</u>	<u>\$ 3,093,890</u>	<u>\$ 3,748,852</u>	<u>\$ 654,962</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stormwater/Street Fund
For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Income Taxes	\$ 1,817,831	\$ 2,557,484	\$ 2,585,815	\$ 28,331
Payment in Lieu of Taxes	0	10,516	10,516	0
Intergovernmental	669,720	821,857	959,336	137,479
<i>Total Revenues</i>	<u>2,487,551</u>	<u>3,389,857</u>	<u>3,555,667</u>	<u>165,810</u>
Expenditures				
Current:				
Transportation	5,025,448	9,501,306	7,157,055	2,344,251
Debt Service:				
Principal Retirement	428,232	428,232	428,232	0
Interest and Fiscal Charges	539,594	539,594	539,594	0
<i>Total Expenditures</i>	<u>5,993,274</u>	<u>10,469,132</u>	<u>8,124,881</u>	<u>2,344,251</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,505,723)</u>	<u>(7,079,275)</u>	<u>(4,569,214)</u>	<u>2,510,061</u>
Other Financing Sources (Uses)				
Advances In	170,000	240,000	240,000	0
Advances Out	0	(80,000)	(75,695)	4,305
<i>Total Other Financing Sources (Uses)</i>	<u>170,000</u>	<u>160,000</u>	<u>164,305</u>	<u>4,305</u>
<i>Net Change in Fund Balance</i>	<u>(3,335,723)</u>	<u>(6,919,275)</u>	<u>(4,404,909)</u>	<u>2,514,366</u>
<i>Fund Balance Beginning of Year</i>	10,239,044	10,239,044	10,239,044	0
Prior Year Encumbrances Appropriated	3,614,448	3,614,448	3,614,448	0
<i>Fund Balance End of Year</i>	<u>\$ 10,517,769</u>	<u>\$ 6,934,217</u>	<u>\$ 9,448,583</u>	<u>\$ 2,514,366</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 405,889	\$ 320,889
Other	0	0	20,000	20,000
<i>Total Revenues</i>	<u>85,000</u>	<u>85,000</u>	<u>425,889</u>	<u>340,889</u>
Expenditures				
Current:				
General Government	71,778	71,778	73,535	(1,757)
Security of Persons and Property	8,839	8,839	88	8,751
Leisure Time Services	538,809	538,809	503,548	35,261
Community Development	1,014,313	1,014,313	961,211	53,102
Transportation	550	550	0	550
<i>Total Expenditures</i>	<u>1,634,289</u>	<u>1,634,289</u>	<u>1,538,382</u>	<u>95,907</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,549,289)</u>	<u>(1,549,289)</u>	<u>(1,112,493)</u>	<u>436,796</u>
Other Financing Sources (Uses)				
Advances In	1,750,000	1,750,000	1,116,764	(633,236)
Advances Out	(116,764)	(116,764)	(116,764)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,633,236</u>	<u>1,633,236</u>	<u>1,000,000</u>	<u>(633,236)</u>
<i>Net Change in Fund Balance</i>	83,947	83,947	(112,493)	(196,440)
<i>Fund Balance Beginning of Year</i> <i>(Restated, See Note 21)</i>	259,799	259,799	259,799	0
Prior Year Encumbrances Appropriated	523,960	523,960	523,960	0
<i>Fund Balance End of Year</i>	<u>\$ 867,706</u>	<u>\$ 867,706</u>	<u>\$ 671,266</u>	<u>\$ (196,440)</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	Enterprise Funds				Total
	Water Fund	Sanitation Fund	Recreation Center Fund	All Other Enterprise Funds	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Investments	\$ 3,171,106	\$ 825,977	\$ 1,419,210	\$ 94,456	\$ 5,510,749
Accounts Receivable	1,143,893	849,320	0	0	1,993,213
Accrued Interest Receivable	2,816	736	0	0	3,552
Taxes Receivable	0	0	214,719	0	214,719
<i>Total Current Assets</i>	<u>4,317,815</u>	<u>1,676,033</u>	<u>1,633,929</u>	<u>94,456</u>	<u>7,722,233</u>
<i>Non-Current Assets:</i>					
Deferred Charges	59,859	0	24,583	0	84,442
Investment in Joint Venture	8,498,815	0	0	0	8,498,815
Non-Depreciable Capital Assets	167,384	0	0	0	167,384
Depreciable Capital Assets, Net	24,236,158	345,328	6,152,748	0	30,734,234
<i>Total Non-Current Assets</i>	<u>32,962,216</u>	<u>345,328</u>	<u>6,177,331</u>	<u>0</u>	<u>39,484,875</u>
<i>Total Assets</i>	<u>37,280,031</u>	<u>2,021,361</u>	<u>7,811,260</u>	<u>94,456</u>	<u>47,207,108</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts and Contracts Payable	286,194	131,974	145,197	0	563,365
Accrued Wages	35,254	34,809	40,719	0	110,782
Intergovernmental Payable	36,900	38,796	45,073	0	120,769
Matured Compensated Absences Payable	0	28,038	0	0	28,038
Accrued Interest Payable	24,324	0	10,260	0	34,584
Compensated Absences Payable	33,508	40,181	9,254	0	82,943
OWDA Loans Payable	78,223	0	0	0	78,223
General Obligation Bonds Payable	700,000	0	385,000	0	1,085,000
Special Assessment Bonds Payable	2,992	0	0	0	2,992
<i>Total Current Liabilities</i>	<u>1,197,395</u>	<u>273,798</u>	<u>635,503</u>	<u>0</u>	<u>2,106,696</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable - Net of Current Portion	44,217	27,508	14,480	0	86,205
OWDA Loans Payable - Net of Current Portion	892,168	0	0	0	892,168
General Obligation Bonds Payable - Net of Current Portion	8,995,259	0	4,012,469	0	13,007,728
Advances from Other Funds	872,952	0	0	0	872,952
<i>Total Long-Term Liabilities</i>	<u>10,804,596</u>	<u>27,508</u>	<u>4,026,949</u>	<u>0</u>	<u>14,859,053</u>
<i>Total Liabilities</i>	<u>12,001,991</u>	<u>301,306</u>	<u>4,662,452</u>	<u>0</u>	<u>16,965,749</u>
Net Position					
Net Investment in Capital Assets	14,296,749	345,328	1,779,863	0	16,421,940
Restricted for Capital Outlay	501,989	0	0	0	501,989
Unrestricted	10,479,302	1,374,727	1,368,945	94,456	13,317,430
<i>Total Net Position</i>	<u>\$ 25,278,040</u>	<u>\$ 1,720,055</u>	<u>\$ 3,148,808</u>	<u>\$ 94,456</u>	<u>\$ 30,241,359</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds				Total
	Water Fund	Sanitation Fund	Recreation Center Fund	All Other Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 4,780,159	\$ 3,304,992	\$ 1,897,208	\$ 430	\$ 9,982,789
Other	0	1,792	0	0	1,792
<i>Total Operating Revenues</i>	<u>4,780,159</u>	<u>3,306,784</u>	<u>1,897,208</u>	<u>430</u>	<u>9,984,581</u>
Operating Expenses					
Personal Services	1,080,052	1,192,541	1,311,014	0	3,583,607
Contractual Services	1,863,700	1,511,726	242,384	0	3,617,810
Materials and Supplies	307,671	482,851	442,381	0	1,232,903
Depreciation	424,664	96,327	162,437	0	683,428
Other	3,918	2,173	8,496	0	14,587
<i>Total Operating Expenses</i>	<u>3,680,005</u>	<u>3,285,618</u>	<u>2,166,712</u>	<u>0</u>	<u>9,132,335</u>
<i>Operating Income (Loss)</i>	<u>1,100,154</u>	<u>21,166</u>	<u>(269,504)</u>	<u>430</u>	<u>852,246</u>
Non-Operating Revenues (Expense)					
Interest	18,950	4,360	0	0	23,310
Intergovernmental	21,172	0	0	0	21,172
Income Tax	0	0	843,379	0	843,379
Payment in Lieu of Taxes	0	0	1,165	0	1,165
Interest and Fiscal Charges	(429,351)	0	(154,661)	0	(584,012)
<i>Total Non-Operating Revenues (Expense)</i>	<u>(389,229)</u>	<u>4,360</u>	<u>689,883</u>	<u>0</u>	<u>305,014</u>
<i>Change in Net Position</i>	710,925	25,526	420,379	430	1,157,260
<i>Net Position Beginning of Year</i>	<u>24,567,115</u>	<u>1,694,529</u>	<u>2,728,429</u>	<u>94,026</u>	<u>29,084,099</u>
<i>Net Position End of Year</i>	<u>\$ 25,278,040</u>	<u>\$ 1,720,055</u>	<u>\$ 3,148,808</u>	<u>\$ 94,456</u>	<u>\$ 30,241,359</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds				Totals
	Water	Sanitation	Recreation Center	All Other Enterprise Funds	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 4,329,409	\$ 3,022,896	\$ 1,897,208	\$ 430	\$ 9,249,943
Cash Received from Other Operating Receipts	0	1,792	0	0	1,792
Cash Payments to Suppliers for Goods and Services	(290,544)	(465,996)	(435,699)	0	(1,192,239)
Cash Payments to Employees for Services and Benefits	(1,040,465)	(1,148,705)	(1,310,911)	0	(3,500,081)
Cash Payments for Contractual Services	(1,703,058)	(1,519,424)	(193,536)	0	(3,416,018)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,295,342</u>	<u>(109,437)</u>	<u>(42,938)</u>	<u>430</u>	<u>1,143,397</u>
Cash Flows from Noncapital Financing Activities					
Income Tax	0	0	827,461	0	827,461
Federal Interest Subsidy	21,172	0	0	0	21,172
Payment in Lieu of Taxes	0	0	1,165	0	1,165
Advances In	872,952	0	0	0	872,952
Advances Out	(1,163,937)	0	0	0	(1,163,937)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(269,813)</u>	<u>0</u>	<u>828,626</u>	<u>0</u>	<u>558,813</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds of Refunding Bonds	3,575,000	0	1,695,000	0	5,270,000
Payment for Capital Acquisitions	(371,119)	0	0	0	(371,119)
Payment to Refunding Bond Escrow Agent	(3,640,000)	0	(1,725,000)	0	(5,365,000)
Principal Payments on Debt	(727,700)	0	(365,000)	0	(1,092,700)
Bond Issuance Costs	4,276	0	2,732	0	7,008
Interest Payments on Debt	(426,459)	0	(155,959)	0	(582,418)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,586,002)</u>	<u>0</u>	<u>(548,227)</u>	<u>0</u>	<u>(2,134,229)</u>
Cash Flows from Investing Activities					
Interest	18,304	4,170	0	0	22,474
<i>Net Increase (Decrease) in Cash and Investments</i>	<u>(542,169)</u>	<u>(105,267)</u>	<u>237,461</u>	<u>430</u>	<u>(409,545)</u>
<i>Cash and Investments Beginning of Year</i>	<u>3,713,275</u>	<u>931,244</u>	<u>1,181,749</u>	<u>94,026</u>	<u>5,920,294</u>
<i>Cash and Investments End of Year</i>	<u>\$ 3,171,106</u>	<u>\$ 825,977</u>	<u>\$ 1,419,210</u>	<u>\$ 94,456</u>	<u>\$ 5,510,749</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ 1,100,154	\$ 21,166	\$ (269,504)	\$ 430	\$ 852,246
Adjustments:					
Depreciation	424,664	96,327	162,437	0	683,428
(Increase) Decrease in Assets:					
Accounts Receivable	(450,750)	(282,096)	0	0	(732,846)
Prepaid Items	17,127	16,855	6,682	0	40,664
Increase (Decrease) in Liabilities:					
Accounts Payable	164,560	(5,525)	57,344	0	216,379
Accrued Wages	(31,174)	(34,464)	(43,609)	0	(109,247)
Compensated Absences Payable	33,861	11,466	(1,361)	0	43,966
Matured Compensated Absences Payable	0	28,038	0	0	28,038
Intergovernmental Payable	36,900	38,796	45,073	0	120,769
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 1,295,342</u>	<u>\$ (109,437)</u>	<u>\$ (42,938)</u>	<u>\$ 430</u>	<u>\$ 1,143,397</u>

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	Private Purpose Trust	
	Tricentennial	Agency Funds
Assets		
Equity in Pooled Cash and Investments	\$ 6,441	\$ 530,171
Cash in Segregated Accounts	0	315,240
<i>Total Assets</i>	6,441	\$ 845,411
Liabilities		
Undistributed Monies	0	\$ 845,411
<i>Total Liabilities</i>	0	\$ 845,411
Net Position		
Held in Trust for Tricentennial	\$ 6,441	

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2012

	Private Purpose Trust
	Tricentennial
Additions	
Interest	\$ 6
Deductions	0
<i>Change in Net Position</i>	6
<i>Net Position Beginning of Year</i>	6,435
<i>Net Position End of Year</i>	\$ 6,441

See accompanying notes to the basic financial statements.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 1 – Description of the City and Reporting Entity

The City of Medina (the City) was organized in 1952 as a political body and corporation established for the purpose of exercising the rights and privileges conveyed to it by the constitution of the State of Ohio. The City operates under a charter as a home-rule municipal corporation under the laws of the State of Ohio. The City provides police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, water distribution, refuse collection and general administrative services to the citizens of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, and sanitation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has no component units.

The City participates in the Medina-Lorain Water Consortium, a joint venture and the Joint Economic Development District, a jointly governed organization. (See Note 16 and 17.)

Management believes the financial statements included in this report represent all of the funds of the City over which the City has the ability to exercise direct operating control.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The most significant of the City's accounting policies are described below.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

City of Medina
Medina County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Police Special Fund – The police special special revenue fund accounts for financial resources whose use is committed to police department expenses. These resources are primarily generated through income tax.

Stormwater/Street Fund – The stormwater/street special revenue fund accounts for financial resources whose use is restricted to street projects. These resources are primarily generated through income tax.

Grants Fund – The grants special revenue fund accounts for financial resources whose use is restricted to the purpose of the various grants. These resources are primarily generated through county, state and federal grants.

General Purpose Capital Fund – The general capital improvement fund accounts for a percentage of tax money received to defray the cost of general purpose capital expenditures.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund – The water fund accounts for financial resources whose use is restricted to providing water service. These resources are primarily generated through charges for water service.

Sanitation Fund – The sanitation fund accounts for financial resources whose use is restricted to providing refuse collection. These resources are primarily generated through charges for sanitation services.

Recreation Center Fund – The recreation center fund accounts for financial resources whose use is restricted to providing recreation service through the Medina Community Recreation Center. These resources are primarily generated through charges for Medina Community Recreation Center use and income tax.

The other proprietary fund of the City accounts for the stormwater utility.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for deposits held for contractors, developers and rentals. The private purpose trust fund accounts for money held in trust for the tricentennial.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Private purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end. Non-exchange 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 8). 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the 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), fines and forfeitures, interest, grants, fees and rent.

Deferred/Unearned Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue on modified accrual only. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Operating lease revenue received in advance is reported on the governmental fund financial statements as unearned revenue (See Note 9 and 14 for further details).

Expenses/Expenditures

On the accrual basis 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.

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated, however, only governmental funds are required to be reported. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

City of Medina
Medina County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level (personal services and other) within each department in the general fund and at the object level (personal services and other) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2012.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, except an amount in the special assessment bond retirement fund are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

The City has a sinking fund account for special assessment bonds. The balance in this account is presented on the financial statements as "cash and investments with fiscal agents".

During 2012, investments included a repurchase agreement, Federated Money Market, Federal Home Loan Mortgage and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price investments could be sold for on December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2012 amounted to \$32,588, which includes \$26,886, assigned from other City funds.

**City of Medina
Medina County, Ohio**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as “Equity in Pooled Cash and Investments.” Investments with an original maturity of more than three months that are not made from the pool are reported as “Investments.”

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of ten thousand dollars. The City’s infrastructure consists of bridges, culverts, storm sewers, streets, traffic signals and water lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. It is the policy of the City to not capitalize interest costs incurred as part of construction for enterprise funds.

All reported capital assets are required to be depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City Engineer’s interpretation of historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land	N/A	N/A
Construction in Progress	N/A	N/A
Intangible	N/A	N/A
Improvements	10 - 25 Years	10 - 20 Years
Buildings	10 - 100 Years	10 - 75 Years
Vehicles, Furniture and Equipment	3 - 25 Years	5 - 15 Years
Infrastructure	10 - 50 Years	10 - 75 Years

Interfund Balances

On fund financial statements, long-term interfund loans are classified as “advances to/from other funds”. On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as “internal balances.”

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council. The City Council has, by resolution, authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

Net Position

Net position represents the difference between assets and liabilities. 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. Net position is reported as restricted when there are limitations 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. Net position restricted for other purposes primarily include amounts to operate special programs including community development and drug and alcohol education. The City did not report any balances restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted balances are available.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water services, refuse collection, use of the recreation center, and storm water. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2012.

Estimates

The preparation of the financial statements in conformity 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.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Changes in Accounting Principles

For the year ended December 31, 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements”, GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”, GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”, and GASB Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an Amendment of GASB Statement No. 53.”

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It also amends the net asset reporting requirements of GASB Statement No. 34 by incorporating deferred outflows and inflows into the definitions and renaming the residual measure as net position, rather than net position.

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the City.

Note 3 – Accountability and Compliance

Fund balances at December 31, 2012 included the following individual fund deficits:

	Deficit Fund Balance
Grants Fund	\$ 37,916
Nonmajor Governmental Funds:	
ARRA Grant Fund	1,270
CDBG Fund	225,921
Federal Airport Grant Fund	3,688
Issue 2 Projects Fund	53,049
Special Assessments Project Fund	16,257
Municipal Airport Fund	268,533

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The deficits in these nonmajor governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Note 4 – Fund Balance

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The City has established a policy for the maintenance and use of unencumbered cash reserves in the City's general fund for the purpose of financial stability and to back-up future repayment of debt.

- a) The Administration and Council shall attempt to maintain an unencumbered cash reserve of at least twenty-five percent (25%) of each respective year's revenues for that fund.
- b) If the cash reserves are near or at this threshold, the Administration and Council shall review austerity measures and revenue enhancements.
- c) Cash reserves below the threshold may be used primarily for emergencies as the Administration and Council designate.
- d) Cash reserves above the threshold may be used for any legitimate governmental purpose to protect the health, safety and welfare of the City of Medina, including the early retirement of debt for capital items or projects with a useful life of more than five years and any other purpose that will not cause an annual reduction below the twenty-five percent (25%) threshold.

City of Medina
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General Fund	Police Special Fund	Stormwater/ Street Fund	Grants Fund	General Purpose Capital Projects Fund	Other Governmental Funds	Total
Nonspendable for:							
Unclaimed Monies	\$ 20,178	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,178
Perpetual Care	0	0	0	0	0	288,489	288,489
Total Nonspendable	<u>20,178</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>288,489</u>	<u>308,667</u>
Restricted for:							
Security Operations and Programs	0	0	0	0	0	1,725,466	1,725,466
Emergency Medical Services	0	0	0	0	0	1,824,635	1,824,635
Drug and Alcohol Programs	0	0	0	0	0	362,986	362,986
Court Operations and Capital Outlay	0	0	0	0	0	4,011,327	4,011,327
Cemetery Operations and Improvement	0	0	0	0	0	298,001	298,001
Community Improvement	0	0	0	0	5,563,745	1,158,336	6,722,081
Stormwater/Street Improvement	0	0	10,720,580	0	0	0	10,720,580
Street Repair and Improvement	0	0	0	0	0	2,315,722	2,315,722
Total Restricted	<u>0</u>	<u>0</u>	<u>10,720,580</u>	<u>0</u>	<u>5,563,745</u>	<u>11,696,473</u>	<u>27,980,798</u>
Committed to:							
Recreation Activities and Improvement	0	0	0	0	0	1,642,300	1,642,300
Community Improvement	0	0	0	0	0	27,753	27,753
Security Operations and Programs	0	4,425,539	0	0	0	1,029,710	5,455,249
Technology Capital Improvement	0	0	0	0	0	536,220	536,220
Total Committed	<u>0</u>	<u>4,425,539</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,235,983</u>	<u>7,661,522</u>
Assigned for:							
Recreation Activities and Improvement	0	0	0	0	0	355	355
Street Repair and Improvement	0	0	0	0	0	476,062	476,062
Community Improvement	98,421	0	0	0	0	252,363	350,784
Other Capital Projects	0	0	0	0	0	991,598	991,598
Cable Television	501,073	0	0	0	0	0	501,073
Encumbrances:							
General Government	196,971	0	0	0	0	0	196,971
Security of Persons and Property	25,859	0	0	0	0	0	25,859
Public Health	22,095	0	0	0	0	0	22,095
Community Development	52,986	0	0	0	0	0	52,986
Transportation	1,395	0	0	0	0	0	1,395
Subsequent Year Appropriations	1,084,049	0	0	0	0	0	1,084,049
Other Purposes	27,923	0	0	0	0	0	27,923
Total Assigned	<u>2,010,772</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,720,378</u>	<u>3,731,150</u>
Unassigned (Deficit)	<u>9,300,255</u>	<u>0</u>	<u>0</u>	<u>(37,916)</u>	<u>0</u>	<u>(568,718)</u>	<u>8,693,621</u>
Total Fund Balance (Deficit)	<u>\$ 11,331,205</u>	<u>\$ 4,425,539</u>	<u>\$ 10,720,580</u>	<u>\$ (37,916)</u>	<u>\$ 5,563,745</u>	<u>\$ 16,372,605</u>	<u>\$ 48,375,758</u>

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Note 5 – Deposits and Investments

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds with the City Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and political subdivisions;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and

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6. The State Treasurer's investment pool (STAROhio)
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Effective September 27, 1996, investments in stripped principal or interest obligations are no longer allowed to be purchased. Reverse repurchase agreements and derivatives are also prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Deposits - The carrying value of the City's deposits totaled \$22,071,991 and the bank balances of the deposits totaled \$23,836,403. Of the bank balance \$2,363,435 was covered by depository insurance; and \$21,472,968 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Deposits in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000 per financial institution through December 31, 2012. Insurance on deposits in noninterest-bearing accounts is unlimited through December 31, 2012. The City has both interest-bearing and noninterest-bearing accounts.

Beginning January 1, 2013, noninterest-bearing accounts will no longer be insured separately from the City's other accounts at the same financial institution. Instead, noninterest-bearing and interest-bearing accounts will collectively be insured up to a coverage limit of \$250,000, at each separate financial institution.

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Investments - Investments are reported at fair value. As of December 31, 2012, the City had the following investments:

Standard and Pools	Investment	Fair Value	Investment Maturity Less than One Year	% Total Investments
AAAm	STAROhio	\$ 4,214,228	\$ 4,214,228	13.7%
AAA	Federated Money Market	3,108,071	3,108,071	10.1%
AAA	Federal Home Loan Mortgage Corporation	2,575,845	2,575,845	8.4%
N/A	Repurchase Agreement	20,820,000	20,820,000	67.8%
		<u>\$30,718,144</u>	<u>\$30,718,144</u>	<u>100.0%</u>

N/A - Underlying securities are exempt

Interest Rate Risk - The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the City.

STAROhio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of June 30, 2012, is 53 days and carries a rating of AAAm by Standard and Poor's.

Credit Risk - The credit risk of the City's investments is in the table above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - No more than 50 percent of the City's total investment portfolio will be invested in a single financial institution with the exception of U.S. Treasury securities and authorized pools. The investment percentages are listed above.

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Note 6 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund, police special fund, stormwater/street fund and grants fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, police special fund and stormwater/street fund.

	Net Change in Fund Balance			
	General Fund **	Police Special Fund	Stormwater/ Street Fund	Grants Fund
GAAP Basis	\$ (13,503)	\$ 689,659	\$ (3,540,565)	\$ (130,755)
Adjustments:				
Net adjustment for revenue accruals	48,493	10,680	436,307	(1,771)
Advances in	207,459	0	240,000	1,116,764
Net adjustment for expenditure accruals	60,887	102,338	(5,314)	83,056
Advances out	(1,908,070)	0	(75,695)	(116,764)
Funds budgeted elsewhere	(64,717)	0	0	0
Encumbrances	<u>(302,876)</u>	<u>(126,619)</u>	<u>(1,459,642)</u>	<u>(1,063,023)</u>
Budget basis	<u>\$ (1,972,327)</u>	<u>\$ 676,058</u>	<u>\$ (4,404,909)</u>	<u>\$ (112,493)</u>

** As part of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, certain funds that are legally budgeted in separate special revenue

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funds are considered part of the general fund on a GAAP basis. This includes the open space #1, open space #2, open space #3, open space #4, parking, cable TV and shade tree trust funds.

Note 7 – Interfund Balances and Transfers

Interfund Receivables/Payables

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

Interfund obligations for the year ended December 31, 2012, consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,911,758	\$ 0
Stormwater/Street Fund	0	240,000
Grants Fund	0	1,116,764
Other Governmental Funds	0	554,994
Total	\$ 1,911,758	\$ 1,911,758

Advances were made to cover expenditures until expected revenues were received. All interfund loans will be repaid in fiscal year 2013 with monies to be received from reimbursable expenditures incurred during fiscal year 2012.

Advances To/From Other Funds

Advances to/from other funds for the year ended December 31, 2012, consisted of the following:

Advances To Other Funds	Advances From Other Funds	Amount
General Fund	Stormwater/Street Fund	\$ 385,000
General Fund	Grants Fund	589,138
General Fund	Other Governmental Fund	1,264,270
General Purpose Capital Fund	Water Fund	872,952
		\$ 3,111,360

In 2010, the general fund advanced monies to the special assessment project fund and the CDBG fund to cover expenditures until revenue was received. In 2011, general fund advanced monies to the railroad improvement, grants, CHIP and Issue 2 funds and additional monies to the special assessment project and CDBG funds to cover expenditures. It is the intention of the City to repay these advances, however, it is not known at this time when repayment will take place.

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In 2006, the general purpose capital fund advanced to the water fund for a water project. As of December 31, 2012, outstanding advances are anticipated to be repaid at some point in the future.

Transfers

During 2012, the fire bond retirement fund was closed out and transferred its remaining cash of \$22,114 to the fire capital fund.

Note 8 – Receivables

Receivables at December 31, 2012, consisted of taxes, interest, interfund, special assessments, accounts (billings for user charged services) and intergovernmental receivables.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of the 2011 taxes.

2012 real property taxes were levied after October 1, 2012 on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The full tax rate for all City operations for the year ended December 31, 2012, was \$5.40 per \$1,000 of assessed valuation. The assessed values of real property upon which 2012 property tax receipts were based are as follows:

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For the Year Ended December 31, 2012

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 556,913,920
Public Utilities - Real	7,590
Public Utilities - Personal	<u>17,952,940</u>
 Total Assessed Value	 <u>\$ 574,874,450</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Medina. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility real and tangible personal property taxes, and outstanding delinquencies which became measurable as of December 31, 2012, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies a municipal income tax on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. Effective January 1, 2005, the income tax rate was 1.25%. The Central Collection Agency (CCA) is the City's agent for administering income tax collecting and accounting.

Employers within the City are required to withhold income tax on work done or services performed in the City by both residents and non-residents of the City. All individuals who work or conduct business in the City and do not have income tax withheld must file estimated tax returns using the 1.25% rate for 2012 and remit the tax to the City either monthly or quarterly, as required. All businesses located in or doing business in the City must file a net profit estimate for 2012 using the 1.25% rate.

All residents, 16 years of age and over, working outside the City are subject to the 1.25% tax less the credit allowed for taxes paid to another taxing community. Maximum credit allowed residents for taxes paid to another community is .19%.

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Income tax revenues are allocated based on City ordinance with the exception of the stormwater/street fund portion which is decided by vote. In 2012, all costs of collecting the taxes and administering and enforcing the provisions was paid from the general fund. The remaining balance was allocated among general fund, street maintenance and repair, parks and recreation, police special, fire special, stormwater/streets, general purpose capital, fire capital replacement, computer/electronic technology and recreation center.

Taxes Receivables

A summary of taxes receivables follows:

	Amount
Governmental Activities:	
Real Estate Tax	\$ 2,573,025
Municipal Income Tax	3,279,978
Total	\$ 5,853,003
 Business-Type Activities	
Municipal Income Tax	\$ 214,719

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Homestead/Rollback	\$ 148,518
Estate Tax	37,417
Auto Registration	96,030
Gasoline Tax	396,369
Permissive Tax	20,956
Local Government	177,796
Services	69,458
Grants	415,948
Total	\$ 1,362,492

Note 9 – Operating Leases – Lessor Disclosure

The City leases spaces in a parking facility under a non-cancelable lease with the Medina County Library. The full amount of the lease payments of \$400,000 has been received by the City and is reported as “unearned revenue” on the fund financial statements. Revenue will be recognized over the term of the 30 year lease.

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The parking spaces are being depreciated over 50 years as follows:

<u>Leased Asset</u>	<u>Asset Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Parking Spaces	\$ 411,514	\$ 28,805	\$ 382,709

Note 10 – Capital Assets

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

	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 3,529,235	\$ 48,759	\$ 0	\$ 3,577,994
Intangible	0	42,322	0	42,322
Construction in Progress	781,078	7,149,629	(4,326,211)	3,604,496
Total Capital Assets, not being depreciated	4,310,313	7,240,710	(4,326,211)	7,224,812
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	8,402,845	170,449	0	8,573,294
Furniture and Equipment	1,360,309	132,851	0	1,493,160
Vehicles	5,368,089	257,356	0	5,625,445
Infrastructure				
Roads	38,812,191	4,870,599	0	43,682,790
Storm Sewers	20,408,460	0	0	20,408,460
Traffic Signals	3,790,324	57,882	0	3,848,206
Total Capital Assets, being depreciated	78,142,218	5,489,137	0	83,631,355
Less Accumulated Depreciation:				
Buildings and Improvements	(1,140,915)	(145,173)	0	(1,286,088)
Furniture and Equipment	(934,217)	(103,416)	0	(1,037,633)
Vehicles	(3,824,103)	(301,404)	0	(4,125,507)
Infrastructure				
Roads	(18,306,958)	(1,377,807)	0	(19,684,765)
Storm Sewers	(10,577,280)	(671,237)	0	(11,248,517)
Traffic Signals	(861,021)	(255,580)	0	(1,116,601)
Total Accumulated Depreciation	(35,644,494)	(2,854,617)	0	(38,499,111)
Total Capital Assets being depreciated, net	42,497,724	2,634,520	0	45,132,244
Governmental Activities Capital Assets, Net	\$ 46,808,037	\$ 9,875,230	\$ (4,326,211)	\$ 52,357,056

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	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 167,384	\$ 0	\$ 0	\$ 167,384
Construction in Progress	12,040	337,022	(349,062)	0
Total Capital Assets, not being depreciated	179,424	337,022	(349,062)	167,384
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	12,033,648	16,330	0	12,049,978
Furniture and Equipment	3,400,062	0	0	3,400,062
Vehicles	2,117,356	17,767	0	2,135,123
Water Lines	25,463,758	349,062	0	25,812,820
Total Capital Assets, being depreciated	43,014,824	383,159	0	43,397,983
Less Accumulated Depreciation:				
Buildings and Improvements	(1,917,703)	(213,986)	0	(2,131,689)
Furniture and Equipment	(3,372,756)	(10,922)	0	(3,383,678)
Vehicles	(1,623,235)	(116,678)	0	(1,739,913)
Water Lines	(5,066,627)	(341,842)	0	(5,408,469)
Total Accumulated Depreciation	(11,980,321)	(683,428)	0	(12,663,749)
Total Capital Assets being depreciated, net	31,034,503	(300,269)	0	30,734,234
Business-Type Activities Capital Assets, Net	<u>\$ 31,213,927</u>	<u>\$ 36,753</u>	<u>\$ (349,062)</u>	<u>\$ 30,901,618</u>

Depreciation expense was charged to programs as follows:

	<u>Depreciation</u>
<i>Governmental Activities:</i>	
General Government	\$ 740,563
Transportation	1,795,546
Security of Persons and Property	278,182
Leisure Time	40,326
	<u>\$ 2,854,617</u>

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	<u>Depreciation</u>
<i>Business-Type Activities:</i>	
Water Fund	\$ 424,664
Sanitation Fund	96,327
Recreation Center Fund	162,437
	<u>\$ 683,428</u>

Note 11 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by 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 to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For the year ended December 31, 2012, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively.

The City’s 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012.

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The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010, were \$1,162,799, \$1,068,165, and \$834,993, respectively. For 2012, 89.1 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions made to the Member-Directed Plan for 2012 were \$20,405 made by the City and \$14,575 made by the plan members.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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.

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$312,626 and \$24,133 for the year ended December 31, 2012, \$413,993 and \$34,725 for the year ended December 31, 2011, and \$324,372 and \$34,272 for the year ended December 31, 2010, respectively. 88.2 percent for police and 88.7 percent for firefighters has been contributed for 2012. The full amount has been contributed for 2011 and 2010.

Social Security System

As of December 31, 2012, none of the Council members have elected to be covered by Social Security rather than OPERS.

Note 12 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (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 health care plan, which includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

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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 Postemployment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care 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 to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

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 OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Postemployment 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 postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012.

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 coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$338,058, \$427,266 and \$473,983, respectively. For 2012, 89.1 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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.

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Ohio Police and Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement 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 Postemployment 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 healthcare 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. That report is also available on OP&F's 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 Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire 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 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of 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.

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For the Year Ended December 31, 2012

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$165,507 and \$9,444 for the year ended December 31, 2012, \$219,173 and \$13,588 for the year ended December 31, 2011, and \$171,727 and \$13,411 for the year ended December 31, 2010. 88.2 percent has been contributed for police and 88.7 percent has been contributed for firefighters for 2012. The full amount has been contributed for 2011 and 2010.

Note 13 – Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated contracts, City ordinances and State laws. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of December 31 and unused vacation may be carried over for one year.

Employees that have used three weeks vacation, and can not take off the remaining, may receive payment for vacation that would have otherwise been lost. When an employee terminates employment with two weeks notice, they will receive a pro-ration of vacation time that they would receive the next year. When there is not two weeks notice, the employee will not receive any vacation balance currently accrued.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 37.5% of their sick leave balance not to exceed 360 hours.

Employees may elect to receive compensatory time off in lieu of overtime. Currently the maximum balance is 160 hours for police communication employees and 120 hours for other employees.

Compensated absences will be paid from the fund from which the employee is paid. This is generally from the general, street maintenance and repair, fire special, cable TV, water, sanitation and recreation center funds.

Note 14 – Long Term Obligations

General Obligation Bonds

Outstanding general obligation bonds consist of utility system and building construction issues. General obligation bonds have been issued for governmental and business-type activities.

General obligation bonds are direct obligations of the City for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the City.

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The original issue amount for general obligation bonds currently outstanding are as follows:

Purpose	Original Issue Date	Maturity Date	Interest Rates	Original Issue Amount
<i>Governmental Activities</i>				
Street Improvement	2010	2031	3.59%	\$ 10,810,000
General Purpose	2010	2031	3.59%	3,035,000
General Purpose	2012	2032	1.25% - 3.00%	1,190,000
Total				<u>\$ 15,035,000</u>
<i>Business-Type Activities</i>				
Water Improvements	1995	2015	5.20% to 5.85%	1,000,000
Recreation Center	2002	2024	3.00% to 5.00%	2,035,000
Water Improvements	2002	2022	2.40% to 5.00%	6,080,000
Water Improvement Refunding	2010	2026	3.81%	5,235,000
Water Improvements	2010	2031	5.59%	1,210,000
Recreation Center Refunding	2010	2021	3.61%	2,985,000
Water Improvement Refunding	2012	2022	1.25% to 2.00%	3,575,000
Recreation Center Refunding	2012	2022	1.25% to 2.00%	1,695,000
Total				<u>\$ 23,815,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 590,000	\$ 710,475	\$ 1,300,475	\$ 1,085,000	\$ 435,028	\$ 1,520,028
2014	595,000	699,269	1,294,269	1,110,000	410,701	1,520,701
2015	605,000	684,098	1,289,098	1,130,000	386,275	1,516,275
2016	620,000	666,448	1,286,448	1,115,000	355,551	1,470,551
2017	635,000	645,590	1,280,590	1,140,000	330,225	1,470,225
2018 - 2022	3,455,000	2,805,902	6,260,902	6,270,000	1,098,399	7,368,399
2023 - 2027	4,080,000	1,852,713	5,932,713	2,000,000	328,911	2,328,911
2028 - 2032	3,920,000	588,994	4,508,994	315,000	49,306	364,306
Total	<u>\$ 14,500,000</u>	<u>\$ 8,653,489</u>	<u>\$ 23,153,489</u>	<u>\$ 14,165,000</u>	<u>\$ 3,394,396</u>	<u>\$ 17,559,396</u>

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Special Assessment Bonds

Outstanding special assessment bonds consist of street and utility improvements which are payable from the proceeds of tax assessments against individual property owners. In the event the property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31,	Special Assessment Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 151,008	\$ 19,737	\$ 170,745	\$ 2,992	\$ 159	\$ 3,151
2014	145,000	11,413	156,413	0	0	0
2015	60,000	3,300	63,300	0	0	0
Total	\$ 356,008	\$ 34,450	\$ 390,458	\$ 2,992	\$ 159	\$ 3,151

Loans Payable

Water Tank

The City and the County joined to construct a water tank at the end of Avon Lake Municipal Utilities Eastern Transmission Line #2. This tank provides water for pumping facilities of the City and the County. OWDA funds were used to construct this tank. The City's portion of the loan with OWDA, issued in 2003, amounted to \$1,583,180 at an interest rate of 4.65%. Semi-annual payments are made to the County with the final payment due January 1, 2023.

Annual debt service requirements to maturity for the loan are as follows:

Year Ending December 31,	Loan Payable		
	Business-Type Activities		
	Principal	Interest	Total
2013	\$ 78,223	\$ 44,225	\$ 122,448
2014	81,902	40,545	122,447
2015	85,755	36,692	122,447
2016	89,789	32,658	122,447
2017	94,012	28,434	122,446
2018 - 2022	540,710	71,526	612,236
Total	\$ 970,391	\$ 254,080	\$ 1,224,471

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Renovations

In 2002, the City received an interest free twenty year loan from the Ohio Public Works Commission in the amount of \$164,644 for renovations to the East Reagan/North Jefferson intersection. Semi-annual payments are made to OPWC with the final payment due July 1, 2026.

Annual debt service requirements to maturity for the loan are as follows:

Year Ending December 31,	Governmental Activities Principal
2013	8,232
2014	8,232
2015	8,232
2016	8,232
2017	8,232
2018 - 2022	41,160
2023 - 2026	32,932
Total	<u>\$ 115,252</u>

Unearned Revenue

In 2009, the City entered into an operating lease to lease out thirty-seven parking spaces with the Medina County District Library (“Library”). As part of the 30-year lease agreement, the Library was required to pay the total 30-year lease payment during 2009 in the amount of \$400,000. This revenue has been reported as “unearned revenue” on the balance sheet and “long-term liabilities” on the statement of net position. Revenue will be recognized as earned over the 30-year lease period.

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Changes in Long Term Liabilities

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

	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2010 Street Improvements, 3.59% final payment 2031	\$ 10,810,000	\$ 0	\$ 420,000	\$ 10,390,000	\$ 420,000
2010 General Purpose, 3.59% final payment 2031	3,035,000	0	115,000	2,920,000	120,000
2012 General Purpose, 1.25%-3.00% final payment 2032	0	1,190,000	0	1,190,000	50,000
<i>Total General Obligation Bonds</i>	<u>13,845,000</u>	<u>1,190,000</u>	<u>535,000</u>	<u>14,500,000</u>	<u>590,000</u>
<i>Special Assessment Bonds</i>					
1993 Water Line, 5.39% final payment 2013	12,016	0	6,008	6,008	6,008
1995 Street Improvements, 4.75% final payment 2015	225,000	0	50,000	175,000	55,000
1992 Street Improvements, 4.41% final payment 2012	65,000	0	65,000	0	0
1994 Street Improvements, 5.45% final payment due 2014	240,000	0	75,000	165,000	80,000
1998 Street Improvements, 4.50% final payment 2013	20,000	0	10,000	10,000	10,000
<i>Total Special Assessment Bonds</i>	<u>562,016</u>	<u>0</u>	<u>206,008</u>	<u>356,008</u>	<u>151,008</u>
Loan Payable	123,484	0	8,232	115,252	8,232
Compensated Absences	532,649	336,511	317,479	551,681	284,436
Unearned Revenue	373,334	0	13,333	360,001	13,333
Total Governmental Long Term Liabilities	<u><u>\$ 15,436,483</u></u>	<u><u>\$ 1,526,511</u></u>	<u><u>\$ 1,080,052</u></u>	<u><u>\$ 15,882,942</u></u>	<u><u>\$ 1,047,009</u></u>

City of Medina
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

2010 General Obligation Bonds

In December 2010, the City issued general obligation bonds in the amount of \$10.8 million for street improvements and \$3.0 million for general purposes. The issuance costs of \$110,000 and \$35,000 for the street improvements bonds and general purpose bonds, respectively, have been reported as deferred charges and will be amortized to interest expense over the life of the bonds using the straight-line method. Amortization of \$6,905 has been recorded for 2012. The bond issues consist of serial bonds which are not subject to early redemption.

2012 General Obligation Bonds

In November 2012, the City issued general obligation bonds in the amount of \$1.2 million for various improvements. The bond issues consist of serial bonds which are not subject to early redemption and term bonds which may be subject to mandatory sinking fund redemption.

Special assessment bonds are paid from the special assessment bond fund and the general obligation bond for the fire department is paid from the fire bond retirement fund, the street improvements bond is paid from the stormwater/street fund and the general purpose bond is paid from the general purpose capital projects fund. Compensated absences will be paid from the fund from which the person is paid. This is generally from the general fund, police special fund or fire special fund.

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For the Year Ended December 31, 2012

	Balance 12/31/2011	Additions	Reductions	Refunding	Balance 12/31/2012	Due Within One Year
Business-Type Activities						
<i>General Obligation Bonds</i>						
1995 Water Improvements						
5.2%-5.85%, final payment 2015	\$ 200,000	\$ 0	\$ 50,000	\$ 0	\$ 150,000	\$ 50,000
2010 Water Improvements Refunding						
3.81%, final payment 2026	5,160,000	0	275,000	0	4,885,000	280,000
Refunding Premium	123,212	0	8,214	0	114,998	0
Refunding Loss	(216,377)	0	(21,638)	0	(194,739)	0
2002 Water Improvements						
2.4%-5.0%, final payment 2022	3,920,000	0	280,000	3,640,000	0	0
2010 Water Improvements						
5.59%, final payment 2031	1,210,000	0	45,000	0	1,165,000	45,000
2012 Water Improvement Refunding						
1.25% - 2.0%, final payment 2022	0	3,575,000	0	0	3,575,000	325,000
2002 Recreation Center						
3.0%-5.0% final payment 2024	1,830,000	0	105,000	1,725,000	0	0
2010 Recreation Center Refunding						
3.61%, final payment 2021	2,955,000	0	260,000	0	2,695,000	265,000
Refunding Premium	122,603	0	8,174	0	114,429	0
Refunding Loss	(118,845)	0	(11,885)	0	(106,960)	0
2012 Recreation Center Refunding						
1.25% - 2.0%, final payment 2022	0	1,695,000	0	0	1,695,000	120,000
Total General Obligation Bonds	15,185,593	5,270,000	997,865	5,365,000	14,092,728	1,085,000
<i>Special Assessment Bonds</i>						
1993 Water Line, 5.39%						
final payment 2013	5,984	0	2,992	0	2,992	2,992
Total Special Assessment Bonds	5,984	0	2,992	0	2,992	2,992
Loan Payable	1,045,099	0	74,708	0	970,391	78,223
Compensated Absences	125,182	112,783	68,817	0	169,148	82,943
Total Business-Type Activities						
Long Term Liabilities	\$ 16,361,858	\$ 5,382,783	\$ 1,144,382	\$ 5,365,000	\$ 15,235,259	\$ 1,249,158

2010 Water Improvements Refunding Bonds

In December, 2010, the City issued \$5,235,000 refunded general obligation bonds. The proceeds of the bonds were used to refund \$5,070,000 of the City's outstanding water improvement bonds, Series 2001. The bonds were issued for a 16 year period with final maturity at December 1, 2026. At the date of the refunding, \$5,308,015 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of December 31, 2012, \$4,665,000 of these bonds are considered defeased.

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These refunding bonds were issued with a premium of \$131,426, which is reported as an increase to bonds payable. The amounts are being amortized to interest expenses over the life of the bonds using the straight-line method. There was amortization of \$8,214 recorded in 2012. The issuance costs of \$68,411 have been reported as deferred charges and will be amortized to interest expense over the life of the bonds using the straight-line method. There was amortization of \$4,276 recorded in 2012. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$238,015. The issuance resulted in an economic gain of \$159,457.

2012 Water Improvements Refunding Bonds

In November, 2012, the City issued \$3,575,000 refunded general obligation bonds. The proceeds of the bonds were used to refund \$3,640,000 of the City's outstanding water improvement bonds, Series 2002. The bonds were issued for a 10 year period with final maturity at December 1, 2022. At the date of the refunding, \$3,652,922 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of December 31, 2012, \$3,640,000 of these bonds are considered defeased.

The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$775,040. The issuance resulted in an economic gain of \$722,796.

The bond issue consists of serial bonds which are not subject to early redemption.

2010 Recreation Center Refunding Bonds

On December 21, 2010, the City issued \$2,985,000 refunded general obligation bonds. The proceeds of the bonds were used to refund \$2,955,000 of the City's outstanding recreation center bonds, Series 2001. The bonds were issued for a 11 year period with final maturity at December 1, 2021. At the date of the refunding, \$3,085,730 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of December 31, 2012, \$2,715,000 of these bonds are considered defeased.

These refunding bonds were issued with a premium of \$130,777, which is reported as an increase to bonds payable. The amounts are being amortized to interest expenses over the life of the bonds using the straight-line method. There was amortization of \$8,174 recorded in 2012. The issuance costs of \$30,047 have been reported as deferred charges and will be amortized to interest expense over the life of the bonds using the straight-line method. There was amortization of \$2,732 recorded in 2012. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$130,730. The issuance resulted in an economic gain of \$187,485.

The bond issue consists of serial bonds which are not subject to early redemption.

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2012 Recreation Center Refunding Bonds

In November, 2012, the City issued \$1,695,000 refunded general obligation bonds. The proceeds of the bonds were used to refund \$1,725,000 of the City's outstanding recreation center facility bonds, Series 2002. The bonds were issued for a 10 year period with final maturity at December 1, 2022. At the date of the refunding, \$1,731,124 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of December 31, 2012, \$1,725,000 of these bonds are considered defeased.

The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$367,293. The issuance resulted in an economic gain of \$342,534.

The bond issue consists of serial bonds which are not subject to early redemption.

Special assessment bonds, the loan payable and water general obligation bond are paid from the water fund, the recreation center general obligation bonds are paid from the recreation center fund.

Compensated absences will be paid from the fund from which the person is paid. This is generally from the water fund, sanitation fund or recreation fund.

Note 15 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. The City has policies for commercial property coverage, boiler and machinery coverage, police liability and an umbrella policy.

The City bonds the Finance Director, Clerk of Courts, and bailiffs.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been significant reduction in coverage from the prior year.

Medical

The City provides health and dental benefits and life insurance to full time employees. Most employees are required to pay 8% of the medical insurance premium. Coverage is provided by a commercial insurance carrier and the City is not exposed to any risks related to health claims.

Note 16 - Investment in Joint Venture

The City is a member of the Medina-Lorain Water Consortium (the Consortium), which is a joint venture between the City of Avon Lake, the Rural Lorain County Water Authority, Medina County, and the City of Medina. The Consortium was created in 1999 for the purpose of construction, operation and maintenance of a water transmission line to serve the members of the Consortium, and for the purpose of bulk water delivery from the City of Avon Lake. There is an ongoing financial responsibility for all parties for the maintenance and repair of the project. The Consortium is governed by representatives of

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the member parties. The City of Avon Lake serves as the fiscal agent for the Consortium. As of December 31, 2012, the City's equity interest in the Consortium was \$8,498,815. Financial information can be obtained from Joe Newlin, City of Avon Lake Finance Director, 150 Avon Beldon Road, Avon Lake, Ohio 44012.

Note 17 – Jointly Governed Organization

The Joint Economic Development District (JEDD) is a not for profit Community Improvement Corporation formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. The JEDD was formed in 2009 and was designated as the economic development agent for the City of Medina and Montville Township. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the Township, the City and the District served. The JEDD is administered by a Board of locally appointed officials and local business leaders. The JEDD is not dependent upon the City of Medina for its existence.

Note 18 – Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

The City is defendant in several lawsuits. The outcome of these suits is not presently determinable and council believes that the resolution of these matters will not materially affect the City's financial condition.

Note 19 – Recreation Center Joint Operating Agreement

On July 9, 2001, the City entered into a joint operating agreement and lease agreement with the Board of Education of the Medina City School District (the School Board) for the Medina Recreation Center (the Recreation Center).

City has been granted a leasehold interest in the Recreation Center for a term commencing on January 4, 2003 and expiring on June 30, 2052, with an option to renew for an indefinite number of additional five year terms. The lease required the City to prepay rent in the amount of \$7,500,000, which was fully paid in 2004. These payments have been treated by the City as a capital lease in accordance with accounting standards generally accepted in the United States of America.

In addition to the initial rent payment, the City is also required to pay annual rent of \$1 each year, and 47.5% of the Recreation Center's custodian, maintenance, and utility expenses which will be initially paid by the School Board and invoiced to the City on a monthly basis. The City and the School Board will also each be required to contribute \$100,000 a year, for the term of the lease, to separate Capital Improvement Funds which may be spent for upkeep of the facilities through mutual agreement of both parties upon the recommendation of an Advisory Committee.

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The Recreation Center’s Advisory Committee will consist of eight members, in which two each will be appointed by the School Board and City and four by election. The Advisory Committee members may serve for an unlimited number of three year terms, and will be responsible for advising the City and School Board regarding scheduling, operating expenses and day-to-day operations of the Recreation Center, as well as, use of the Capital Improvement Funds.

Note 20 – Commitments

Contractual Commitments

As of December 31, 2012, the City had contractual commitments for the following:

	Contractual Commitment	Expended	Remaining Balance
Road Projects	\$ 2,476,264	\$ 2,215,157	\$ 261,107
Park Multi-Purpose Trail	444,059	378,415	65,644
Airport Project	1,104,103	929,128	174,975
	\$ 4,024,426	\$ 3,522,700	\$ 501,726

Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 299,306
Police Special Fund	92,638
Stormwater Streets Fund	1,459,340
Grants Fund	1,021,371
Nonmajor Governmental Funds	1,849,013
	\$ 4,721,668

The City assigned fund balance to cover the gap between general fund estimated revenue and appropriations in the subsequent year’s appropriated budget in the amount of \$1,084,049.

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Note 21 – Restatement of Fund Balance

In the prior year, a transfer was recorded in error. In addition, a contract payable was recorded in the wrong fund.

The following is the effect of the corrections in fund balances on the modified accrual basis:

	General Fund	Grants Fund
	<u> </u>	<u> </u>
Fund Balance, December 31, 2011	\$ 11,038,558	\$ 398,989
Adjustment	<u>306,150</u>	<u>(306,150)</u>
Restated Fund Balance, January 1, 2012	<u>\$ 11,344,708</u>	<u>\$ 92,839</u>

The following are the changes to the beginning fund balances of the statement of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and actual:

	General Fund	Grants Fund
	<u> </u>	<u> </u>
Fund Balance December 31, 2011	\$ 7,386,251	\$ 565,949
Adjustment	<u>306,150</u>	<u>(306,150)</u>
Restated Fund Balance January 1, 2012	<u>\$ 7,692,401</u>	<u>\$ 259,799</u>

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**COMBINING STATEMENTS FOR
NONMAJOR GOVERNMENTAL FUNDS
AND
INDIVIDUAL FUND SCHEDULES FOR
GOVERNMENTAL FUNDS**

City of Medina
Medina County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes. With the implementation of GASB No. 54, the open space #1, open space #2, open space #3, open space #4, parking, cable tv and shade tree trust funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, an Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual has been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Street Maintenance and Repair Fund

To account for a percentage of the monies received from municipal income tax, State gasoline tax and motor vehicle registration designated for street maintenance and repair.

State Highway Fund

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Parks and Recreation Fund

To account for a percentage of municipal tax money and recreational fees collected and expenditures incurred in operating the parks and recreation department.

Local License Fund

To account for motor vehicle tax designated to construct and maintain roadways.

Fire Special Fund

To account for a percentage of municipal tax money and grant funds to defray fire department expenditures.

County Local License Fund

To account for motor vehicle tax designated to construct and maintain roadways.

DARE Grant Fund

To account for revenues received from the State Attorney General's Office and expenditures incurred as prescribed under the DARE Grant Program.

ARRA Grant Fund

To account for revenues received and expenditures incurred as prescribed under the FEMA Grant Program.

Community Development Block Grant Fund

To account for revenues received from the federal government and expenditures incurred as prescribed under the Community Development Block Grant Program.

City of Medina
Medina County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

Police and Fire Disability Fund

To account for property tax levied for payment of current employer contributions for the police and fire disability and pension benefits and accrued liability.

CHIP Grant Fund

To account for revenue received from the federal government and expenditures incurred as prescribed under the Community Development Block Grant Program.

Open Space #1 Fund

To account for fund received from developers in lieu of green space as designated by City Wards.

Open Space #2 Fund

To account for fund received from developers in lieu of green space as designated by City Wards.

Open Space #3 Fund

To account for fund received from developers in lieu of green space as designated by City Wards.

Open Space #4 Fund

To account for fund received from developers in lieu of green space as designated by City Wards.

Emergency Medical Services Fund

To account for special tax levied to contribute to Emergency Medical Service Response.

Parking Fund

To account for City funds and parking fines collected to maintain city parking lots.

Economic Development Income Tax Fund

To account for receipts from the Joint Economic Development District to support economic development.

Cable TV Fund

To account for franchise fees received to defray cable tv expenditures.

Railroad Renovation Fund

To account for financial resources whose use is restricted railroad maintenance and improvement. These resources are primarily generated through rail user fees and grants.

Federal Airport Grant Fund

To account for Federal Aviation Grant funds received to assist with airport maintenance.

Drug Enforcement Trust Fund

To account for fines and forfeitures collected in the course of drug offenses per state statute which will assist in the prosecution of drug cases per ORC.

City of Medina
Medina County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

Law Enforcement Trust Fund

To account for monies seized from criminals by law enforcement in the course of their work restricted by State statute and the incurred expenditures to assist police in their duties.

Computer Legal Research Fund

To account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Judge's Office.

Municipal Court Probation

To account for court fees restricted for the operation of the Probation program.

DUI Enforcement Fund

To account for court fees obtained from DUI cases and restricted by State statute, for expenditures that would enhance DUI education.

Indigent Driver Fund

To account for resources obtained from DUI fines and designated by State statute for state approved alcohol treatment programs and fines obtained to defer costs for installation of ignition interlock devices or alcohol monitoring devices for indigent defendants.

Court Clerk Computer Fund

To account for a portion of court fees restricted for the use and maintenance of computers within the Municipal Court Clerk's office.

Case Management System Fund

To account for court fees, restricted for special projects within the office of the Clerk of Court.

Court Special Projects Fund

To account for court fees, restricted for the use of special projects within the Municipal Court.

Municipal Airport Fund

To account for the operation of the municipal airport.

Shade Tree Trust Fund

To account for monies collected to plant trees in the community.

Cemetery Fund

To account for fees collected and expenditures incurred to maintain the cemetery.

City of Medina
Medina County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Debt Service Funds

Debt Service funds are established to account for financial resources to be used for the payment of debt obligations.

Fire Bond Retirement Fund

To account for taxes levied on fire bond debt.

Special Assessment Bond Retirement Fund

To account for special assessments collected to retire special assessment bond debt.

Nonmajor Capital Projects Funds

Capital Projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds).

Parks/Recreation Capital Improvement Fund

To account for monies earmarked for capital improvements for recreational purposes.

Fire Capital Replacement Fund

To account for a percentage of municipal income tax monies to defray major capital fire department expenditures.

Capital Projects Fund

To account for monies earmarked for capital improvements.

Issue 2 Projects Fund

To account for monies earmarked for Issue 2 project expenditures.

Street Resurfacing Fund

To account for tax money to defray costs of street resurfacing projects.

Storm Sewer Capital Fund

To account for monies earmarked for storm sewer maintenance expenditures.

Street Reconstruction Fund

To account for monies earmarked for street reconstruction expenditures.

Blacktop Resurfacing Fund

To account for monies earmarked for blacktop resurfacing expenditures.

Curbs and Alleys Capital Fund

To account for monies earmarked for curbs and alleys maintenance expenditures.

City of Medina
Medina County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Capital Projects Funds (continued)

Computer/Electronic Capital Fund

To account for a percentage of municipal income tax money used to defray the cost of technology upgrades and replacement.

Unanticipated Capital Projects Fund

To account for a percentage of municipal income tax money used to defray the costs related to unanticipated capital expenditures.

Special Assessments Projects Fund

To account for monies received in payment of special assessments.

Permanent Fund

Permanent funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City programs.

Cemetery Endowment Fund

To account for monies used for perpetual care for the cemetery mausoleum and cemetery improvements.

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Cemetery Endowment Fund	Total Nonmajor Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 14,798,580	\$ 649,000	\$ 2,571,563	\$ 31,132	\$ 18,050,275
Cash and Investments with Fiscal Agents	0	11,962	0	0	11,962
Accounts Receivable	46,975	0	0	0	46,975
Accrued Interest Receivable	1,941	0	0	528	2,469
Intergovernmental Receivable	583,031	0	227,000	0	810,031
Taxes Receivable	1,725,030	0	67,100	0	1,792,130
Special Assessments Receivable	0	522,527	0	0	522,527
<i>Total Assets</i>	<u>\$ 17,155,557</u>	<u>\$ 1,183,489</u>	<u>\$ 2,865,663</u>	<u>\$ 31,660</u>	<u>\$ 21,236,369</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 277,009	\$ 0	\$ 1,164	\$ 0	278,173
Accrued Wages	77,729	0	0	0	77,729
Intergovernmental Payable	136,447	0	0	0	136,447
Matured Interest Payable	0	11,962	0	0	11,962
Interfund Payable	554,994	0	0	0	554,994
Advances from Other Funds	1,017,270	0	247,000	0	1,264,270
Deferred Revenue	1,768,302	522,527	249,360	0	2,540,189
<i>Total Liabilities</i>	<u>3,831,751</u>	<u>534,489</u>	<u>497,524</u>	<u>0</u>	<u>4,863,764</u>
Fund Balances					
Nonspendable	271,583	0	0	16,906	288,489
Restricted	11,032,719	649,000	0	14,754	11,696,473
Committed	2,518,916	0	717,067	0	3,235,983
Assigned	0	0	1,720,378	0	1,720,378
Unassigned	(499,412)	0	(69,306)	0	(568,718)
<i>Total Fund Balances</i>	<u>13,323,806</u>	<u>649,000</u>	<u>2,368,139</u>	<u>31,660</u>	<u>16,372,605</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 17,155,557</u>	<u>\$ 1,183,489</u>	<u>\$ 2,865,663</u>	<u>\$ 31,660</u>	<u>\$ 21,236,369</u>

**City of Medina
Medina County, Ohio**

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Cemetery Endowment Fund	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	\$ 1,192,202	\$ 0	\$ 0	\$ 0	\$ 1,192,202
Income Taxes	2,083,296	0	251,727	0	2,335,023
Payment in Lieu of Taxes	31,218	0	358	0	31,576
Special Assessments	0	261,747	0	0	261,747
Charges for Services	310,320	0	230	50	310,600
Licenses and Permits	11,454	0	0	0	11,454
Fines and Forfeitures	674,257	0	0	0	674,257
Intergovernmental	3,076,815	0	0	0	3,076,815
Interest	10,536	0	0	539	11,075
Rent	8,906	0	0	0	8,906
Contributions and Donations	18,876	0	0	0	18,876
Other	34,193	15	0	0	34,208
<i>Total Revenues</i>	<u>7,452,073</u>	<u>261,762</u>	<u>252,315</u>	<u>589</u>	<u>7,966,739</u>
Expenditures					
Current:					
General Government	479,690	0	145,296	0	624,986
Security of Persons and Property	2,542,209	0	0	0	2,542,209
Public Health	0	0	0	1,013	1,013
Leisure Time Services	946,358	0	0	0	946,358
Community Development	54,942	0	0	0	54,942
Basic Utility Service	75,853	0	0	0	75,853
Transportation	2,487,132	0	227,000	0	2,714,132
Capital Outlay	0	0	6,275	0	6,275
Debt Service:					
Principal Retirement	0	206,008	0	0	206,008
Interest and Fiscal Charges	729	34,916	0	0	35,645
<i>Total Expenditures</i>	<u>6,586,913</u>	<u>240,924</u>	<u>378,571</u>	<u>1,013</u>	<u>7,207,421</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>865,160</u>	<u>20,838</u>	<u>(126,256)</u>	<u>(424)</u>	<u>759,318</u>
Other Financing Sources (Uses)					
Transfers In	0	0	22,114	0	22,114
Transfers Out	0	(22,114)	0	0	(22,114)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(22,114)</u>	<u>22,114</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	865,160	(1,276)	(104,142)	(424)	759,318
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>	<u>12,458,646</u>	<u>650,276</u>	<u>2,472,281</u>	<u>32,084</u>	<u>15,613,287</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,323,806</u>	<u>\$ 649,000</u>	<u>\$ 2,368,139</u>	<u>\$ 31,660</u>	<u>\$ 16,372,605</u>

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Street Maintenance and Repair Fund	State Highway Fund	Parks and Recreation Fund	Local License Fund	Fire Special Fund
Assets					
Equity in Pooled Cash and Investments	\$ 1,070,827	\$ 114,287	\$ 1,499,020	\$ 938,077	\$ 776,235
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	955	101	0	836	0
Intergovernmental Receivable	455,472	36,927	0	16,765	0
Taxes Receivable	80,520	0	268,399	0	187,879
<i>Total Assets</i>	<u>\$ 1,607,774</u>	<u>\$ 151,315</u>	<u>\$ 1,767,419</u>	<u>\$ 955,678</u>	<u>\$ 964,114</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 35,168	\$ 0	\$ 3,867	\$ 0	\$ 9,066
Accrued Wages	31,571	1,159	13,716	0	22,287
Intergovernmental Payable	28,739	707	18,096	0	21,291
Interfund Payable	0	0	0	0	0
Advances from Other Funds	0	0	0	0	0
Deferred Revenue	333,486	24,861	89,440	0	62,607
<i>Total Liabilities</i>	<u>428,964</u>	<u>26,727</u>	<u>125,119</u>	<u>0</u>	<u>115,251</u>
Fund Balance					
Nonspendable	0	0	0	0	0
Restricted	1,178,810	124,588	0	955,678	0
Committed	0	0	1,642,300	0	848,863
Unassigned	0	0	0	0	0
<i>Total Fund Balance</i>	<u>1,178,810</u>	<u>124,588</u>	<u>1,642,300</u>	<u>955,678</u>	<u>848,863</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,607,774</u>	<u>\$ 151,315</u>	<u>\$ 1,767,419</u>	<u>\$ 955,678</u>	<u>\$ 964,114</u>

(continued)

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	County Local License Fund	DARE Grant Fund	ARRA Grant Fund	Community Development Block Grant Fund	Police and Fire Disability Fund
Assets					
Equity in Pooled Cash and Investments	\$ 54,646	\$ 5,101	\$ 0	\$ 365,272	\$ 1,758,671
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	49	0	0	0	0
Intergovernmental Receivable	4,191	0	0	0	14,602
Taxes Receivable	0	0	0	0	255,934
<i>Total Assets</i>	<u>\$ 58,886</u>	<u>\$ 5,101</u>	<u>\$ 0</u>	<u>\$ 365,272</u>	<u>\$ 2,029,207</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 2,240	\$ 0	\$ 0	\$ 700	\$ 0
Accrued Wages	0	0	0	837	0
Intergovernmental Payable	0	0	0	656	57,734
Interfund Payable	0	0	0	73,000	0
Advances from Other Funds	0	0	1,270	516,000	0
Deferred Revenue	0	0	0	0	270,536
<i>Total Liabilities</i>	<u>2,240</u>	<u>0</u>	<u>1,270</u>	<u>591,193</u>	<u>328,270</u>
Fund Balance					
Nonspendable	0	0	0	0	0
Restricted	56,646	5,101	0	0	1,700,937
Committed	0	0	0	0	0
Unassigned	0	0	(1,270)	(225,921)	0
<i>Total Fund Balance</i>	<u>56,646</u>	<u>5,101</u>	<u>(1,270)</u>	<u>(225,921)</u>	<u>1,700,937</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 58,886</u>	<u>\$ 5,101</u>	<u>\$ 0</u>	<u>\$ 365,272</u>	<u>\$ 2,029,207</u>

(continued)

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	CHIP Grant Fund	Emergency Medical Services Fund	Economic Development Income Tax Fund	Railroad Renovation Fund	Federal Airport Grant Fund
Assets					
Equity in Pooled Cash and Investments	\$ 653,710	\$ 2,032,695	\$ 27,753	\$ 365,393	\$ 0
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Intergovernmental Receivable	0	55,074	0	0	0
Taxes Receivable	0	932,298	0	0	0
<i>Total Assets</i>	<u>\$ 653,710</u>	<u>\$ 3,020,067</u>	<u>\$ 27,753</u>	<u>\$ 365,393</u>	<u>\$ 0</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 9,661	\$ 208,060	\$ 0	\$ 40	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	66	0
Interfund Payable	0	0	0	0	3,688
Advances from Other Funds	500,000	0	0	0	0
Deferred Revenue	0	987,372	0	0	0
<i>Total Liabilities</i>	<u>509,661</u>	<u>1,195,432</u>	<u>0</u>	<u>106</u>	<u>3,688</u>
Fund Balance					
Nonspendable	0	0	0	0	0
Restricted	144,049	1,824,635	0	365,287	0
Committed	0	0	27,753	0	0
Unassigned	0	0	0	0	(3,688)
<i>Total Fund Balance</i>	<u>144,049</u>	<u>1,824,635</u>	<u>27,753</u>	<u>365,287</u>	<u>(3,688)</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 653,710</u>	<u>\$ 3,020,067</u>	<u>\$ 27,753</u>	<u>\$ 365,393</u>	<u>\$ 0</u>

(continued)

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Drug Enforcement Trust Fund	Law Enforcement Trust Fund	Computer Legal Research Fund	Municipal Court Probation Fund	DUI Enforcement Fund	Indigent Driver Fund
Assets						
Equity in Pooled Cash and Investments	\$ 22,662	\$ 24,529	\$ 39,446	\$ 308,932	\$ 21,270	\$ 310,895
Accounts Receivable	0	0	2,587	8,365	219	6,006
Accrued Interest Receivable	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	0
Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 22,662</u>	<u>\$ 24,529</u>	<u>\$ 42,033</u>	<u>\$ 317,297</u>	<u>\$ 21,489</u>	<u>\$ 316,901</u>
Liabilities and Fund Balance						
Liabilities						
Accounts and Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 1,332	\$ 0	\$ 3,167
Accrued Wages	0	0	0	4,656	0	0
Intergovernmental Payable	0	0	0	5,391	0	0
Interfund Payable	0	0	0	0	0	0
Advances from Other Funds	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,379</u>	<u>0</u>	<u>3,167</u>
Fund Balance						
Nonspendable	0	0	0	0	0	0
Restricted	22,662	24,529	42,033	305,918	21,489	313,734
Committed	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balance</i>	<u>22,662</u>	<u>24,529</u>	<u>42,033</u>	<u>305,918</u>	<u>21,489</u>	<u>313,734</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 22,662</u>	<u>\$ 24,529</u>	<u>\$ 42,033</u>	<u>\$ 317,297</u>	<u>\$ 21,489</u>	<u>\$ 316,901</u>

(continued)

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Court Clerk Computer Fund	Case Management System Fund	Court Special Projects Fund	Municipal Airport Fund	Cemetery Fund	Totals
Assets						
Equity in Pooled Cash and Investments	\$ 189,827	\$ 6,165	\$ 3,447,779	\$ 210,558	\$ 554,830	\$ 14,798,580
Accounts Receivable	8,615	2,184	18,999	0	0	46,975
Accrued Interest Receivable	0	0	0	0	0	1,941
Intergovernmental Receivable	0	0	0	0	0	583,031
Taxes Receivable	0	0	0	0	0	1,725,030
<i>Total Assets</i>	<u>\$ 198,442</u>	<u>\$ 8,349</u>	<u>\$ 3,466,778</u>	<u>\$ 210,558</u>	<u>\$ 554,830</u>	<u>\$ 17,155,557</u>
Liabilities and Fund Balance						
Liabilities						
Accounts and Contracts Payable	\$ 3,000	\$ 0	\$ 0	\$ 708		\$ 277,009
Accrued Wages	3,455	0	0	48	0	77,729
Intergovernmental Payable	3,738	0	0	29	0	136,447
Interfund Payable	0	0	0	478,306	0	554,994
Advances from Other Funds	0	0	0	0	0	1,017,270
Deferred Revenue	0	0	0	0	0	1,768,302
<i>Total Liabilities</i>	<u>10,193</u>	<u>0</u>	<u>0</u>	<u>479,091</u>	<u>0</u>	<u>3,831,751</u>
Fund Balance						
Nonspendable	0	0	0	0	271,583	271,583
Restricted	188,249	8,349	3,466,778	0	283,247	11,032,719
Committed	0	0	0	0	0	2,518,916
Unassigned	0	0	0	(268,533)	0	(499,412)
<i>Total Fund Balance</i>	<u>188,249</u>	<u>8,349</u>	<u>3,466,778</u>	<u>(268,533)</u>	<u>554,830</u>	<u>13,323,806</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 198,442</u>	<u>\$ 8,349</u>	<u>\$ 3,466,778</u>	<u>\$ 210,558</u>	<u>\$ 554,830</u>	<u>\$ 17,155,557</u>

**City of Medina
Medina County, Ohio**

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

	Street Maintenance and Repair Fund	State Highway Fund	Parks and Recreation Fund	Local License Fund	Fire Special Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	311,336	0	1,045,508	0	726,452
Payment in Lieu of Taxes	429	0	1,431	0	1,002
Charges for Services	180	0	56,130	0	168,379
Licenses and Permits	3,550	0	0	0	7,904
Fines and Forfeitures	209	0	0	0	0
Intergovernmental	1,009,413	81,159	0	225,080	0
Interest	4,783	397	0	5,005	0
Rent	0	0	2,615	0	0
Contributions and Donations	0	0	17,976	0	900
Other	23,294	0	1,300	60	3,137
<i>Total Revenues</i>	<u>1,353,194</u>	<u>81,556</u>	<u>1,124,960</u>	<u>230,145</u>	<u>907,774</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	87,821	0	0	0	800,903
Leisure Time Services	0	0	946,358	0	0
Community Development	0	0	0	0	0
Basic Utility Service	75,853	0	0	0	0
Transportation	1,081,496	49,907	44,427	218,495	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	729
<i>Total Expenditures</i>	<u>1,245,170</u>	<u>49,907</u>	<u>990,785</u>	<u>218,495</u>	<u>801,632</u>
<i>Net Change in Fund Balance</i>	108,024	31,649	134,175	11,650	106,142
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>					
	<u>1,070,786</u>	<u>92,939</u>	<u>1,508,125</u>	<u>944,028</u>	<u>742,721</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,178,810</u>	<u>\$ 124,588</u>	<u>\$ 1,642,300</u>	<u>\$ 955,678</u>	<u>\$ 848,863</u>

(continued)

**City of Medina
Medina County, Ohio**

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

	County Local License Fund	DARE Grant Fund	ARRA Grant Fund	Community Development Block Grant Fund	Police and Fire Disability Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 256,846
Income Taxes	0	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	141
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	56,269	0	873,656	51,556	48,378
Interest	255	0	0	0	0
Rent	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	1,322	0
<i>Total Revenues</i>	<u>56,524</u>	<u>0</u>	<u>873,656</u>	<u>52,878</u>	<u>305,365</u>
Expenditures					
Current:					
General Government	0	0	0	77,143	0
Security of Persons and Property	0	0	0	0	467,084
Leisure Time Services	0	0	0	0	0
Community Development	0	0	0	0	0
Basic Utility Service	0	0	0	0	0
Transportation	52,394	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>52,394</u>	<u>0</u>	<u>0</u>	<u>77,143</u>	<u>467,084</u>
<i>Net Change in Fund Balance</i>	4,130	0	873,656	(24,265)	(161,719)
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>	<u>52,516</u>	<u>5,101</u>	<u>(874,926)</u>	<u>(201,656)</u>	<u>1,862,656</u>
<i>Fund Balance End of Year</i>	<u>\$ 56,646</u>	<u>\$ 5,101</u>	<u>\$ (1,270)</u>	<u>\$ (225,921)</u>	<u>\$ 1,700,937</u>

(continued)

**City of Medina
Medina County, Ohio**

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

	CHIP Grant Fund	Emergency Medical Services Fund	Economic Development Income Tax Fund	Railroad Renovation Fund	Federal Airport Grant Fund
Revenues					
Property Taxes	\$ 0	\$ 935,356	\$ 0	\$ 0	\$ 0
Income Taxes	0	0	0	0	0
Payment in Lieu of Taxes	0	462	27,753	0	0
Charges for Services	0	0	0	39,200	0
Licenses and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	9,795	111,050	0	0	610,459
Interest	0	0	0	0	0
Rent	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	5,080	0	0	0	0
<i>Total Revenues</i>	<u>14,875</u>	<u>1,046,868</u>	<u>27,753</u>	<u>39,200</u>	<u>610,459</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	1,186,401	0	0	0
Leisure Time Services	0	0	0	0	0
Community Development	54,942	0	0	0	0
Basic Utility Service	0	0	0	0	0
Transportation	0	0	0	42,035	616,205
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>54,942</u>	<u>1,186,401</u>	<u>0</u>	<u>42,035</u>	<u>616,205</u>
<i>Net Change in Fund Balance</i>	(40,067)	(139,533)	27,753	(2,835)	(5,746)
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>	<u>184,116</u>	<u>1,964,168</u>	<u>0</u>	<u>368,122</u>	<u>2,058</u>
<i>Fund Balance End of Year</i>	<u>\$ 144,049</u>	<u>\$ 1,824,635</u>	<u>\$ 27,753</u>	<u>\$ 365,287</u>	<u>\$ (3,688)</u>

(continued)

**City of Medina
Medina County, Ohio**

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

	Drug Enforcement Trust Fund	Law Enforcement Trust Fund	Computer Legal Research Fund	Municipal Court Probation Fund	DUI Enforcement Fund	Indigent Driver Fund
Revenues						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	0	0	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Fines and Forfeitures	100	144	34,563	145,158	3,586	112,006
Intergovernmental	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Rent	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Total Revenues</i>	<u>100</u>	<u>144</u>	<u>34,563</u>	<u>145,158</u>	<u>3,586</u>	<u>112,006</u>
Expenditures						
Current:						
General Government	0	0	12,973	201,693	0	78,048
Security of Persons and Property	0	0	0	0	0	0
Leisure Time Services	0	0	0	0	0	0
Community Development	0	0	0	0	0	0
Basic Utility Service	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Debt Service:						
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>12,973</u>	<u>201,693</u>	<u>0</u>	<u>78,048</u>
<i>Net Change in Fund Balance</i>	100	144	21,590	(56,535)	3,586	33,958
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>	<u>22,562</u>	<u>24,385</u>	<u>20,443</u>	<u>362,453</u>	<u>17,903</u>	<u>279,776</u>
<i>Fund Balance End of Year</i>	<u>\$ 22,662</u>	<u>\$ 24,529</u>	<u>\$ 42,033</u>	<u>\$ 305,918</u>	<u>\$ 21,489</u>	<u>\$ 313,734</u>

(continued)

**City of Medina
Medina County, Ohio**

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

	Court Clerk Computer Fund	Case Management System Fund	Court Special Projects Fund	Municipal Airport Fund	Cemetery Fund	Totals
Revenues						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,192,202
Income Taxes	0	0	0	0	0	2,083,296
Payment in Lieu of Taxes	0	0	0	0	0	31,218
Charges for Services	0	0	0	330	46,101	310,320
Licenses and Permits	0	0	0	0	0	11,454
Fines and Forfeitures	115,172	8,349	254,970	0	0	674,257
Intergovernmental	0	0	0	0	0	3,076,815
Interest	0	0	0	0	96	10,536
Rent	0	0	0	6,291	0	8,906
Contributions and Donations	0	0	0	0	0	18,876
Other	0	0	0	0	0	34,193
<i>Total Revenues</i>	<u>115,172</u>	<u>8,349</u>	<u>254,970</u>	<u>6,621</u>	<u>46,197</u>	<u>7,452,073</u>
Expenditures						
Current:						
General Government	109,125	0	0	708	0	479,690
Security of Persons and Property	0	0	0	0	0	2,542,209
Leisure Time Services	0	0	0	0	0	946,358
Community Development	0	0	0	0	0	54,942
Basic Utility Service	0	0	0	0	0	75,853
Transportation	0	0	0	382,173	0	2,487,132
Debt Service:						
Interest and Fiscal Charges	0	0	0	0	0	729
<i>Total Expenditures</i>	<u>109,125</u>	<u>0</u>	<u>0</u>	<u>382,881</u>	<u>0</u>	<u>6,586,913</u>
<i>Net Change in Fund Balance</i>	6,047	8,349	254,970	(376,260)	46,197	865,160
<i>Fund Balance Beginning of Year (Restated, See Note 21)</i>	<u>182,202</u>	<u>0</u>	<u>3,211,808</u>	<u>107,727</u>	<u>508,633</u>	<u>12,458,646</u>
<i>Fund Balance End of Year</i>	<u>\$ 188,249</u>	<u>\$ 8,349</u>	<u>\$ 3,466,778</u>	<u>\$ (268,533)</u>	<u>\$ 554,830</u>	<u>\$ 13,323,806</u>

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

	Fire Bond Retirement Fund	Special Assessment Bond Retirement Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 0	\$ 649,000	\$ 649,000
Cash and Investments with Fiscal Agents	0	11,962	11,962
Special Assessments Receivable	0	522,527	522,527
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 1,183,489</u>	<u>\$ 1,183,489</u>
Liabilities and Fund Balance			
Liabilities			
Matured Interest Payable	\$ 0	\$ 11,962	\$ 11,962
Deferred Revenue	0	522,527	522,527
<i>Total Liabilities</i>	<u>0</u>	<u>534,489</u>	<u>534,489</u>
Fund Balance			
Restricted	0	649,000	649,000
<i>Total Fund Balance</i>	<u>0</u>	<u>649,000</u>	<u>649,000</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 0</u>	<u>\$ 1,183,489</u>	<u>\$ 1,183,489</u>

City of Medina
Medina County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2012

	Fire Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total
Revenues			
Special Assessments	\$ 0	\$ 261,747	\$ 261,747
Other	15	0	15
<i>Total Revenues</i>	<u>15</u>	<u>261,747</u>	<u>261,762</u>
Expenditures			
Debt Service:			
Principal Retirement		206,008	206,008
Interest and Fiscal Charges	0	34,916	34,916
<i>Total Expenditures</i>	<u>0</u>	<u>240,924</u>	<u>240,924</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	15	20,823	20,838
Other Financing Sources (Uses)			
Transfers Out	(22,114)	0	(22,114)
<i>Net Change in Fund Balance</i>	(22,099)	20,823	(1,276)
<i>Fund Balance Beginning of Year</i>	<u>22,099</u>	<u>628,177</u>	<u>650,276</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 649,000</u>	<u>\$ 649,000</u>

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Parks/Recreation Capital Improvement Fund	Fire Capital Replacement Fund	Capital Projects Fund	Issue 2 Projects Fund	Street Resurfacing Fund
Assets					
Equity in Pooled Cash and Investments	\$ 355	\$ 162,951	\$ 191,402	\$ 173,951	\$ 195,464
Intergovernmental Receivable	0	0	0	227,000	0
Taxes Receivable	0	26,840	0	0	0
<i>Total Assets</i>	<u>\$ 355</u>	<u>\$ 189,791</u>	<u>\$ 191,402</u>	<u>\$ 400,951</u>	<u>\$ 195,464</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Advances from Other Funds	0	0	0	227,000	0
Deferred Revenue	0	8,944	0	227,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>8,944</u>	<u>0</u>	<u>454,000</u>	<u>0</u>
Fund Balance					
Committed	0	180,847	0	0	0
Assigned	355	0	191,402	0	195,464
Unassigned	0	0	0	(53,049)	0
<i>Total Fund Balance</i>	<u>355</u>	<u>180,847</u>	<u>191,402</u>	<u>(53,049)</u>	<u>195,464</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 355</u>	<u>\$ 189,791</u>	<u>\$ 191,402</u>	<u>\$ 400,951</u>	<u>\$ 195,464</u>

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Storm Sewer Capital Fund	Street Reconstruction Fund	Blacktop Resurfacing Fund	Curbs and Alleys Capital Fund	Computer/ Electronic Capital Fund
Assets					
Equity in Pooled Cash and Investments	\$ 60,961	\$ 73,590	\$ 68,772	\$ 138,236	\$ 510,540
Intergovernmental Receivable	0	0	0	0	0
Taxes Receivable	0	0	0	0	40,260
<i>Total Assets</i>	<u>\$ 60,961</u>	<u>\$ 73,590</u>	<u>\$ 68,772</u>	<u>\$ 138,236</u>	<u>\$ 550,800</u>
Liabilities and Fund Balance					
Liabilities					
Accounts and Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,164
Advances from Other Funds	0	0	0	0	0
Deferred Revenue	0	0	0	0	13,416
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,580</u>
Fund Balance					
Committed	0	0	0	0	536,220
Assigned	60,961	73,590	68,772	138,236	0
Unassigned	0	0	0	0	0
<i>Total Fund Balance</i>	<u>60,961</u>	<u>73,590</u>	<u>68,772</u>	<u>138,236</u>	<u>536,220</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 60,961</u>	<u>\$ 73,590</u>	<u>\$ 68,772</u>	<u>\$ 138,236</u>	<u>\$ 550,800</u>

City of Medina
Medina County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Unanticipated Capital Projects Fund	Special Assessments Projects Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 991,598	\$ 3,743	\$ 2,571,563
Intergovernmental Receivable	0	0	227,000
Taxes Receivable	0	0	67,100
<i>Total Assets</i>	<u>\$ 991,598</u>	<u>\$ 3,743</u>	<u>\$ 2,865,663</u>
Liabilities and Fund Balance			
Liabilities			
Accounts and Contracts Payable	\$ 0	\$ 0	\$ 1,164
Advances from Other Funds	0	20,000	247,000
Deferred Revenue	0	0	249,360
<i>Total Liabilities</i>	<u>0</u>	<u>20,000</u>	<u>497,524</u>
Fund Balance			
Committed	0	0	717,067
Assigned	991,598	0	1,720,378
Unassigned	0	(16,257)	(69,306)
<i>Total Fund Balance</i>	<u>991,598</u>	<u>(16,257)</u>	<u>2,368,139</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 991,598</u>	<u>\$ 3,743</u>	<u>\$ 2,865,663</u>

City of Medina
Medina County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2012

	Parks/Recreation Capital Improvement Fund	Fire Capital Replacement Fund	Capital Projects Fund	Issue 2 Projects Fund	Street Resurfacing Fund
Revenues					
Income Taxes	\$ 0	\$ 96,059	\$ 0	\$ 0	\$ 0
Payment in Lieu of Taxes	0	143	0	0	0
Charges for Services	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>96,202</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Transportation	0	0	0	227,000	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>227,000</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	96,202	0	(227,000)	0
Other Financing Sources (Uses)					
Transfers In	0	22,114	0	0	0
<i>Net Change in Fund Balance</i>	0	118,316	0	(227,000)	0
<i>Fund Balance Beginning of Year</i>	<u>355</u>	<u>62,531</u>	<u>191,402</u>	<u>173,951</u>	<u>195,464</u>
<i>Fund Balance End of Year</i>	<u>\$ 355</u>	<u>\$ 180,847</u>	<u>\$ 191,402</u>	<u>\$ (53,049)</u>	<u>\$ 195,464</u>

(continued)

City of Medina
Medina County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2012

	Storm Sewer Capital Fund	Street Reconstruction Fund	Blacktop Resurfacing Fund	Curbs & Alleys Capital Fund	Computer/ Electronic Capital Fund
Revenues					
Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 155,668
Payment in Lieu of Taxes	0	0	0	0	215
Charges for Services	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,883</u>
Expenditures					
Current:					
General Government	0	0	0	0	145,296
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,296</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0	10,587
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0	10,587
<i>Fund Balance Beginning of Year</i>	<u>60,961</u>	<u>73,590</u>	<u>68,772</u>	<u>138,236</u>	<u>525,633</u>
<i>Fund Balance End of Year</i>	<u>\$ 60,961</u>	<u>\$ 73,590</u>	<u>\$ 68,772</u>	<u>\$ 138,236</u>	<u>\$ 536,220</u>

(continued)

City of Medina
Medina County, Ohio

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

	Unanticipated Capital Projects Fund	Special Assessments Projects Fund	Total
Revenues			
Income Taxes	\$ 0	\$ 0	\$ 251,727
Payment in Lieu of Taxes	0	0	358
Charges for Services	0	230	230
<i>Total Revenues</i>	<u>0</u>	<u>230</u>	<u>252,315</u>
Expenditures			
Current:			
General Government	0	0	145,296
Transportation	0	0	227,000
Capital Outlay	0	6,275	6,275
<i>Total Expenditures</i>	<u>0</u>	<u>6,275</u>	<u>378,571</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(6,045)	(126,256)
Other Financing Sources (Uses)			
Transfers In	0	0	22,114
<i>Net Change in Fund Balance</i>	0	(6,045)	(104,142)
<i>Fund Balance Beginning of Year</i>	<u>991,598</u>	<u>(10,212)</u>	<u>2,472,281</u>
<i>Fund Balance End of Year</i>	<u>\$ 991,598</u>	<u>\$ (16,257)</u>	<u>\$ 2,368,139</u>

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

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,315,634	\$ 1,386,778	\$ 71,144
Income Taxes	2,465,567	2,541,677	76,110
Other Local Taxes	850	1,104	254
Payment in Lieu of Taxes	2,433	3,193	760
Charges for Services	54,500	141,242	86,742
Licenses and Permits	98,925	154,149	55,224
Fines and Forfeitures	925,899	921,432	(4,467)
Intergovernmental	1,161,782	1,404,307	242,525
Interest	147,651	119,444	(28,207)
Rent	15,000	16,358	1,358
Contributions and Donations	13,556	13,756	200
Other	4,429	8,639	4,210
<i>Total Revenues</i>	<u>6,206,226</u>	<u>6,712,079</u>	<u>505,853</u>
Expenditures			
Current:			
General Government			
City Council			
Salaries and Benefits	221,397	123,059	98,338
Contractual Services	27,654	11,600	16,054
Materials and Supplies	10,868	4,096	6,772
Total City Council	<u>259,919</u>	<u>138,755</u>	<u>121,164</u>
Mayor			
Salaries and Benefits	167,010	162,988	4,022
Contractual Services	10,641	4,012	6,629
Materials and Supplies	4,748	2,533	2,215
Total Mayor	<u>182,399</u>	<u>169,533</u>	<u>12,866</u>
Finance Department			
Salaries and Benefits	376,755	323,209	53,546
Contractual Services	43,687	33,421	10,266
Materials and Supplies	41,940	20,515	21,425
Total Finance Department	<u>462,382</u>	<u>377,145</u>	<u>85,237</u>
Law Department			
Salaries and Benefits	365,653	352,039	13,614
Contractual Services	70,079	65,520	4,559
Materials and Supplies	11,625	6,144	5,481
Total Law Department	<u>447,357</u>	<u>423,703</u>	<u>23,654</u>
Municipal Court Clerk			
Salaries and Benefits	1,575,948	1,266,734	309,214
Contractual Services	164,323	100,394	63,929
Materials and Supplies	65,791	57,152	8,639
Capital Outlay	42,509	13,415	29,094
Total Municipal Court Clerk	<u>1,848,571</u>	<u>1,437,695</u>	<u>410,876</u>

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
General Administration			
Salaries and Benefits	6,304	3,097	3,207
Contractual Services	434,237	334,316	99,921
Materials and Supplies	93,770	20,106	73,664
Capital Outlay	133,820	89,420	44,400
Other	2,300	864	1,436
Total Administration	670,431	447,803	222,628
Cash Control			
Salaries and Benefits	25,586	16,510	9,076
Contractual Services	1,810	629	1,181
Materials and Supplies	7,054	6,917	137
Capital Outlay	920	78	842
Total Cash Control	35,370	24,134	11,236
Clerk Municipal Court			
Salaries and Benefits	823,143	667,577	155,566
Contractual Services	58,489	36,410	22,079
Materials and Supplies	130,184	77,417	52,767
Capital Outlay	4,600	0	4,600
Other	1,600	0	1,600
Total Clerk Municipal Court	1,018,016	781,404	236,612
Income Tax			
Contractual Services	532,519	485,870	46,649
Materials and Supplies	1,420	0	1,420
Refunds	455,380	330,132	125,248
Total Income Tax	989,319	816,002	173,317
Civil Service			
Salaries and Benefits	82,398	73,270	9,128
Contractual Services	48,728	17,730	30,998
Materials and Supplies	8,732	5,054	3,678
Total Civil Service	139,858	96,054	43,804
Service Director			
Salaries and Benefits	159,260	143,747	15,513
Contractual Services	25,116	6,908	18,208
Materials and Supplies	17,495	7,087	10,408
Other	40,686	37,466	3,220
Total Service Director	242,557	195,208	47,349
Engineering			
Salaries and Benefits	565,549	482,331	83,218
Contractual Services	24,410	23,732	678
Materials and Supplies	27,762	21,294	6,468
Capital Outlay	65,500	0	65,500
Total Engineering	683,221	527,357	155,864

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Public Building Maintenance			
Salaries and Benefits	281,066	77,813	203,253
Contractual Services	352,303	131,619	220,684
Materials and Supplies	85,614	35,891	49,723
Capital Outlay	35,000	0	35,000
Total Public Building Maintenance	<u>753,983</u>	<u>245,323</u>	<u>508,660</u>
Economic Development			
Salaries and Benefits	198,933	148,890	50,043
Contractual Services	59,921	14,355	45,566
Materials and Supplies	6,277	2,208	4,069
Total Economic Development	<u>265,131</u>	<u>165,453</u>	<u>99,678</u>
Total General Government	<u>7,998,514</u>	<u>5,845,569</u>	<u>2,152,945</u>
Security of Persons and Property			
Police Department			
Contractual Services	15,000	0	15,000
Street Lighting			
Contractual Services	174,215	169,687	4,528
Materials and Supplies	51,205	13,523	37,682
Capital Outlay	24,480	24,080	400
Total Street Lighting	<u>249,900</u>	<u>207,290</u>	<u>42,610</u>
Total Security of Persons and Property	<u>264,900</u>	<u>207,290</u>	<u>57,610</u>
Public Health			
Cemetery			
Salaries and Benefits	135,744	114,871	20,873
Contractual Services	43,115	15,799	27,316
Materials and Supplies	82,251	72,640	9,611
Capital Outlay	58,803	23,376	35,427
Other	1,150	1,150	0
Total Cemetery	<u>321,063</u>	<u>227,836</u>	<u>93,227</u>
Total Public Health	<u>321,063</u>	<u>227,836</u>	<u>93,227</u>
Community Development			
Planning and Zoning			
Salaries and Benefits	146,876	142,342	4,534
Contractual Services	67,022	34,350	32,672
Materials and Supplies	4,932	2,905	2,027
Total Planning and Zoning	<u>218,830</u>	<u>179,597</u>	<u>39,233</u>
Board of Zoning Appeals			
Salaries and Benefits	1,422	468	954

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Shade Tree			
Salaries and Benefits	112,420	98,227	14,193
Contractual Services	66,733	30,683	36,050
Materials and Supplies	67,321	58,153	9,168
Capital Outlay	20,094	19,649	445
Total Shade Tree	<u>266,568</u>	<u>206,712</u>	<u>59,856</u>
Building Inspection			
Salaries and Benefits	324,743	272,077	52,666
Contractual Services	71,260	37,804	33,456
Materials and Supplies	35,657	6,442	29,215
Other	2,205	0	2,205
Total Building	<u>433,865</u>	<u>316,323</u>	<u>117,542</u>
Total Community Development	<u>920,685</u>	<u>703,100</u>	<u>217,585</u>
Basic Utility			
Utility Rate Review Commission			
Salaries and Benefits	1,185	0	1,185
Total Basic Utility	<u>1,185</u>	<u>0</u>	<u>1,185</u>
<i>Total Expenditures</i>	<u>9,506,347</u>	<u>6,983,795</u>	<u>2,522,552</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,300,121)</u>	<u>(271,716)</u>	<u>3,028,405</u>
Other Financing Sources (Uses)			
Advances In	900,000	207,459	(692,541)
Advances Out	(1,729,631)	(1,908,070)	(178,439)
Transfers Out	(127,553)	0	127,553
<i>Total Other Financing Sources (Uses)</i>	<u>(957,184)</u>	<u>(1,700,611)</u>	<u>(743,427)</u>
<i>Net Change in Fund Balance</i>	<u>(4,257,305)</u>	<u>(1,972,327)</u>	<u>2,284,978</u>
<i>Fund Balance (Deficit) Beginning of Year</i> <i>(Restated, See Note 21)</i>	7,692,401	7,692,401	0
Prior Year Encumbrances Appropriated	<u>400,346</u>	<u>400,346</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,835,442</u>	<u>\$ 6,120,420</u>	<u>\$ 2,284,978</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Special Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 4,615,560	\$ 4,654,466	\$ 38,906
Payment in Lieu of Taxes	6,440	6,440	0
Charges for Services	363,000	416,959	53,959
Intergovernmental	26,800	62,551	35,751
Contributions and Donations	3,000	450	(2,550)
Other	15,000	4,322	(10,678)
<i>Total Revenues</i>	<u>5,029,800</u>	<u>5,145,188</u>	<u>115,388</u>
Expenditures			
Current:			
Security of Persons and Property			
Police Special			
Salaries and Benefits	3,338,506	3,116,284	222,222
Contractual Services	121,159	85,424	35,735
Materials and Supplies	293,594	271,596	21,998
Capital Outlay	78,800	77,922	878
Other	5,000	4,176	824
Total Police Special	<u>3,837,059</u>	<u>3,555,402</u>	<u>281,657</u>
Police Communications			
Salaries and Benefits	929,762	792,808	136,954
Contractual Services	135,675	73,182	62,493
Materials and Supplies	79,228	23,738	55,490
Total Police Communications	<u>1,144,665</u>	<u>889,728</u>	<u>254,937</u>
Police Special Unit			
Salaries and Benefits	25,000	24,000	1,000
Contractual Services	1,980	0	1,980
Total Police Special Unit	<u>26,980</u>	<u>24,000</u>	<u>2,980</u>
<i>Total Expenditures</i>	<u>5,008,704</u>	<u>4,469,130</u>	<u>539,574</u>
<i>Net Change in Fund Balance</i>	21,096	676,058	654,962
<i>Fund Balance (Deficit) Beginning of Year</i>	3,039,046	3,039,046	0
Prior Year Encumbrances Appropriated	<u>33,748</u>	<u>33,748</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,093,890</u>	<u>\$ 3,748,852</u>	<u>\$ 654,962</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stormwater/Street Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 2,557,484	\$ 2,585,815	\$ 28,331
Payment in Lieu of Taxes	10,516	10,516	0
Intergovernmental	800,857	959,336	158,479
Other	21,000	0	(21,000)
<i>Total Revenues</i>	<u>3,389,857</u>	<u>3,555,667</u>	<u>165,810</u>
Expenditures			
Current:			
Transportation			
Street Maintenance and Repair			
Salaries and Benefits	49,393	24,764	24,629
Contractual Services	196,804	196,410	394
Materials and Supplies	4,683	4,477	206
Capital Outlay	9,250,426	6,931,404	2,319,022
<i>Total Transportation</i>	<u>9,501,306</u>	<u>7,157,055</u>	<u>2,344,251</u>
Debt Service			
Principal Retirement	428,232	428,232	0
Interest and Fiscal Charges	539,594	539,594	0
<i>Total Debt Service</i>	<u>967,826</u>	<u>967,826</u>	<u>0</u>
<i>Total Expenditures</i>	<u>10,469,132</u>	<u>8,124,881</u>	<u>2,344,251</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,079,275)</u>	<u>(4,569,214)</u>	<u>2,510,061</u>
Other Financing Sources (Uses)			
Advances In	240,000	240,000	0
Advances Out	(80,000)	(75,695)	4,305
<i>Total Other Financing Sources (Uses)</i>	<u>160,000</u>	<u>164,305</u>	<u>4,305</u>
<i>Net Change in Fund Balance</i>	<u>(6,919,275)</u>	<u>(4,404,909)</u>	<u>2,514,366</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	10,239,044	10,239,044	0
Prior Year Encumbrances Appropriated	3,614,448	3,614,448	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,934,217</u>	<u>\$ 9,448,583</u>	<u>\$ 2,514,366</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 85,000	\$ 405,889	\$ 320,889
Other	0	20,000	20,000
<i>Total Revenues</i>	<u>85,000</u>	<u>425,889</u>	<u>340,889</u>
Expenditures			
Current:			
General Government			
Municipal Court			
Salaries and Benefits	71,778	73,535	(1,757)
<i>Total General Government</i>	<u>71,778</u>	<u>73,535</u>	<u>(1,757)</u>
Security of Persons and Property			
Gang Resistance			
Contractual Services	1,406	88	1,318
Materials and Supplies	7,433	0	7,433
<i>Total Security of Persons and Property</i>	<u>8,839</u>	<u>88</u>	<u>8,751</u>
Leisure Time Services			
Park Improvements			
Contractual Services	48,013	15,604	32,409
Materials and Supplies	0	373	(373)
Capital Outlay	490,796	487,571	3,225
<i>Total Leisure Time Services</i>	<u>538,809</u>	<u>503,548</u>	<u>35,261</u>
Community Development			
Neighborhood Stabilization			
Contractual Services	14,313	14,313	0
Housing Rehab			
Contractual Services	1,000,000	946,898	53,102
<i>Total Community Development</i>	<u>1,014,313</u>	<u>961,211</u>	<u>53,102</u>
Transportation			
Street Improvement			
Contractual Services	550	0	550
<i>Total Transportation</i>	<u>550</u>	<u>0</u>	<u>550</u>
<i>Total Expenditures</i>	<u>1,634,289</u>	<u>1,538,382</u>	<u>95,907</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,549,289)</u>	<u>(1,112,493)</u>	<u>436,796</u>

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)			
Advances In	1,750,000	1,116,764	(633,236)
Advances Out	(116,764)	(116,764)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,633,236</u>	<u>1,000,000</u>	<u>(633,236)</u>
<i>Net Change in Fund Balance</i>	83,947	(112,493)	(196,440)
<i>Fund Balance (Deficit) Beginning of Year</i> <i>(Restated, See Note 21)</i>	259,799	259,799	0
Prior Year Encumbrances Appropriated	<u>523,960</u>	<u>523,960</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 867,706</u>	<u>\$ 671,266</u>	<u>\$ (196,440)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Purpose Capital Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 768,927	\$ 775,745	\$ 6,818
Payment in Lieu of Taxes	1,073	1,073	0
Intergovernmental	53,059	53,059	0
Interest	52,349	52,349	0
<i>Total Revenues</i>	<u>875,408</u>	<u>882,226</u>	<u>6,818</u>
Expenditures			
Capital Outlay			
Contractual Services	63,031	19,705	43,326
Capital Outlay	327,467	272,532	54,935
<i>Total Capital Outlay</i>	<u>390,498</u>	<u>292,237</u>	<u>98,261</u>
Debt Service			
Principal Retirement	115,000	115,000	0
Interest and Fiscal Charges	216,518	154,446	62,072
Bond Issuance Costs	14,682	14,682	0
<i>Total Debt Service</i>	<u>346,200</u>	<u>284,128</u>	<u>62,072</u>
<i>Total Expenditures</i>	<u>736,698</u>	<u>576,365</u>	<u>160,333</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>138,710</u>	<u>305,861</u>	<u>167,151</u>
Other Financing Sources (Uses)			
General Obligation Bonds Issued	1,190,000	1,190,000	0
Premium on Debt Issuance	24,682	24,682	0
Advances In	1,163,937	1,163,937	0
Advances Out	(872,952)	(872,952)	0
<i>Net Change in Fund Balance</i>	1,644,377	1,811,528	167,151
<i>Fund Balance (Deficit) Beginning of Year</i>	2,483,272	2,483,272	0
Prior Year Encumbrances Appropriated	575,343	575,343	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,702,992</u>	<u>\$ 4,870,143</u>	<u>\$ 167,151</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 307,571	\$ 310,298	\$ 2,727
Payment in Lieu of Taxes	429	429	0
Charges for Services	500	180	(320)
Fees, Licenses and Permits	4,530	3,550	(980)
Fines and Forfeitures	1,500	209	(1,291)
Intergovernmental	965,000	1,011,544	46,544
Investment Income	15,000	4,364	(10,636)
Other	1,500	23,294	21,794
<i>Total Revenues</i>	<u>1,296,030</u>	<u>1,353,868</u>	<u>57,838</u>
Expenditures			
Current:			
Security of Persons and Property			
Traffic Control			
Salaries and Benefits	45,619	38,521	7,098
Contractual Services	48,322	16,983	31,339
Materials and Supplies	44,610	35,405	9,205
Total Traffic Control	<u>138,551</u>	<u>90,909</u>	<u>47,642</u>
Weigh Station			
Contractual Services	10,634	3,670	6,964
Materials and Supplies	1,240	767	473
Total Weigh Station	<u>11,874</u>	<u>4,437</u>	<u>7,437</u>
Total Security of Persons and Property	<u>150,425</u>	<u>95,346</u>	<u>55,079</u>
Transportation			
Street Maintenance and Repair			
Salaries and Benefits	471,369	441,571	29,798
Contractual Services	60,294	10,312	49,982
Materials and Supplies	150,180	106,685	43,495
Capital Outlay	8,569	1,025	7,544
Total Street Maintenance and Repair	<u>690,412</u>	<u>559,593</u>	<u>130,819</u>
Street Cleaning			
Salaries and Benefits	133,033	61,096	71,937
Contractual Services	1,000	926	74
Materials and Supplies	269,905	234,975	34,930
Total Street Cleaning	<u>403,938</u>	<u>296,997</u>	<u>106,941</u>

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Storm Sewer Maintenance			
Salaries and Benefits	246,107	169,245	76,862
Contractual Services	12,281	2,705	9,576
Materials and Supplies	73,912	59,634	14,278
Total Storm Sewer Maintenance	<u>332,300</u>	<u>231,584</u>	<u>100,716</u>
 Total Transportation	 <u>1,426,650</u>	 <u>1,088,174</u>	 <u>338,476</u>
Basic Utility			
Leaf Program			
Salaries and Benefits	92,674	63,000	29,674
Contractual Services	3,069	701	2,368
Materials and Supplies	16,313	13,255	3,058
Capital Outlay	130,000	0	130,000
Total Basic Utility	<u>242,056</u>	<u>76,956</u>	<u>165,100</u>
 <i>Total Expenditures</i>	 <u>1,819,131</u>	 <u>1,260,476</u>	 <u>558,655</u>
 <i>Net Change in Fund Balance</i>	 (523,101)	 93,392	 616,493
 <i>Fund Balance (Deficit) Beginning of Year</i>	 865,787	 865,787	 0
 Prior Year Encumbrances Appropriated	 <u>48,651</u>	 <u>48,651</u>	 <u>0</u>
 <i>Fund Balance (Deficit) End of Year</i>	 <u>\$ 391,337</u>	 <u>\$ 1,007,830</u>	 <u>\$ 616,493</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 80,000	\$ 81,332	\$ 1,332
Investment Income	300	352	52
<i>Total Revenues</i>	<u>80,300</u>	<u>81,684</u>	<u>1,384</u>
Expenditures			
Current:			
Transportation			
Salaries and Benefits	42,155	22,523	19,632
Contractual Services	500	0	500
Materials and Supplies	40,749	39,663	1,086
Capital Outlay	24,650	24,650	0
<i>Total Expenditures</i>	<u>108,054</u>	<u>86,836</u>	<u>21,218</u>
<i>Net Change in Fund Balance</i>	(27,754)	(5,152)	22,602
<i>Fund Balance (Deficit) Beginning of Year</i>	70,138	70,138	0
Prior Year Encumbrances Appropriated	<u>24,650</u>	<u>24,650</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 67,034</u>	<u>\$ 89,636</u>	<u>\$ 22,602</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 1,025,569	\$ 1,042,047	\$ 16,478
Payment in Lieu of Taxes	1,431	1,431	0
Charges for Services	49,500	56,130	6,630
Rentals	3,000	2,615	(385)
Gifts and Donations	15,500	17,976	2,476
Other	1,500	1,300	(200)
<i>Total Revenues</i>	<u>1,096,500</u>	<u>1,121,499</u>	<u>24,999</u>
Expenditures			
Current:			
Leisure Time Services			
Park Maintenance			
Salaries and Benefits	635,217	485,628	149,589
Contractual Services	220,831	99,553	121,278
Materials and Supplies	260,825	132,854	127,971
Capital Outlay	222,414	134,407	88,007
Other	1,420	125	1,295
Total Park Maintenance	<u>1,340,707</u>	<u>852,567</u>	<u>488,140</u>
Municipal Pool			
Salaries and Benefits	50,136	41,254	8,882
Contractual Services	9,914	7,170	2,744
Materials and Supplies	34,343	19,709	14,634
Capital Outlay	276,875	25,000	251,875
Total Municipal Pool	<u>371,268</u>	<u>93,133</u>	<u>278,135</u>
Uptown Park Maintenance			
Salaries and Benefits	45,112	16,499	28,613
Contractual Services	32,259	11,620	20,639
Materials and Supplies	40,031	20,448	19,583
Total Uptown Park Maintenance	<u>117,402</u>	<u>48,567</u>	<u>68,835</u>
Sports Field Maintenance			
Salaries and Benefits	41,922	40,198	1,724
Contractual Services	45,499	23,192	22,307
Materials and Supplies	60,328	51,613	8,715
Capital Outlay	53,809	25,632	28,177
Other	185	0	185
Total Sports Field Maintenance	<u>201,743</u>	<u>140,635</u>	<u>61,108</u>
<i>Total Leisure Time Services</i>	<u>2,031,120</u>	<u>1,134,902</u>	<u>896,218</u>

(continued)

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Transportation			
Railroad Renovation			
Salaries and Benefits	77,584	14,111	63,473
Contractual Services	13,151	0	13,151
Materials and Supplies	3,122	40	3,082
Capital Outlay	40,116	37,926	2,190
<i>Total Transportation</i>	<u>133,973</u>	<u>52,077</u>	<u>81,896</u>
<i>Total Expenditures</i>	<u>2,165,093</u>	<u>1,186,979</u>	<u>978,114</u>
<i>Net Change in Fund Balance</i>	(1,068,593)	(65,480)	1,003,113
<i>Fund Balance (Deficit) Beginning of Year</i>	1,270,276	1,270,276	0
Prior Year Encumbrances Appropriated	<u>112,333</u>	<u>112,333</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 314,016</u>	<u>\$ 1,317,129</u>	<u>\$ 1,003,113</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local License Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 257,500	\$ 225,657	\$ (31,843)
Investment Income	1,500	4,711	3,211
Other	0	60	60
<i>Total Revenues</i>	<u>259,000</u>	<u>230,428</u>	<u>(28,572)</u>
Expenditures			
Current:			
Transportation			
Contractual Services	1,000	0	1,000
Capital Outlay	953,865	218,495	735,370
<i>Total Expenditures</i>	<u>954,865</u>	<u>218,495</u>	<u>736,370</u>
<i>Net Change in Fund Balance</i>	(695,865)	11,933	707,798
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>926,144</u>	<u>926,144</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 230,279</u>	<u>\$ 938,077</u>	<u>\$ 707,798</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Special Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 717,998	\$ 724,028	\$ 6,030
Payment in Lieu of Taxes	1,002	1,002	0
Other Local Taxes	177,979	177,630	(349)
Fees, Licenses and Permits	5,000	7,904	2,904
Gifts and Donations	5,000	900	(4,100)
Other	1,500	3,137	1,637
<i>Total Revenues</i>	<u>908,479</u>	<u>914,601</u>	<u>6,122</u>
Expenditures			
Current:			
Security of Persons and Property			
Salaries and Benefits	872,712	571,015	301,697
Contractual Services	222,391	105,051	117,340
Materials and Supplies	145,408	111,387	34,021
Capital Outlay	26,687	22,727	3,960
<i>Total Security of Persons and Property</i>	<u>1,267,198</u>	<u>810,180</u>	<u>457,018</u>
Debt Service			
Interest and Fiscal Charges	729	729	0
<i>Total Expenditures</i>	<u>1,267,927</u>	<u>810,909</u>	<u>457,018</u>
<i>Net Change in Fund Balance</i>	(359,448)	103,692	463,140
<i>Fund Balance (Deficit) Beginning of Year</i>	611,866	611,866	0
Prior Year Encumbrances Appropriated	34,774	34,774	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 287,192</u>	<u>\$ 750,332</u>	<u>\$ 463,140</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
County Local License Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 52,020	\$ 56,414	\$ 4,394
Investment Income	1,000	236	(764)
<i>Total Revenues</i>	<u>53,020</u>	<u>56,650</u>	<u>3,630</u>
Expenditures			
Current:			
Transportation			
Street Maintenance and Repair			
Capital Outlay	74,626	60,284	14,342
<i>Total Expenditures</i>	<u>74,626</u>	<u>60,284</u>	<u>14,342</u>
<i>Net Change in Fund Balance</i>	(21,606)	(3,634)	17,972
<i>Fund Balance (Deficit) Beginning of Year</i>	43,355	43,355	0
Prior Year Encumbrances Appropriated	6,801	6,801	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28,550</u>	<u>\$ 46,522</u>	<u>\$ 17,972</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	5,101	5,101	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 5,101	\$ 5,101	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
ARRA Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 950,000	\$ 873,656	\$ (76,344)
<i>Total Revenues</i>	<u>950,000</u>	<u>873,656</u>	<u>\$ (76,344)</u>
Expenditures			
Current:			
General Government			
Railway Improvements			
Capital Outlay	950,000	873,656	76,344
<i>Total Expenditures</i>	<u>950,000</u>	<u>873,656</u>	<u>76,344</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 535,000	\$ 51,556	\$ (483,444)
Other	0	1,322	1,322
<i>Total Revenues</i>	<u>535,000</u>	<u>52,878</u>	<u>(482,122)</u>
Expenditures			
Current:			
General Government			
Salaries and Benefits	18,641	11,527	7,114
Contractual Services	939,690	504,151	435,539
Materials and Supplies	1,500	1,381	119
<i>Total Expenditures</i>	<u>959,831</u>	<u>517,059</u>	<u>442,772</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(424,831)</u>	<u>(464,181)</u>	<u>(39,350)</u>
Other Financing Sources (Uses)			
Advances In	185,000	73,000	(112,000)
Advances Out	(133,422)	(15,000)	118,422
<i>Total Other Financing Sources (Uses)</i>	<u>51,578</u>	<u>58,000</u>	<u>6,422</u>
<i>Net Change in Fund Balance</i>	(373,253)	(406,181)	(32,928)
<i>Fund Balance (Deficit) Beginning of Year</i>	314,763	314,763	0
Prior Year Encumbrances Appropriated	15,772	15,772	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (42,718)</u>	<u>\$ (75,646)</u>	<u>\$ (32,928)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Disability Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 240,315	\$ 256,846	\$ 16,531
Payment in Lieu of Taxes	0	141	141
Intergovernmental	56,085	48,378	(7,707)
<i>Total Revenues</i>	<u>296,400</u>	<u>305,365</u>	<u>8,965</u>
Expenditures			
Current:			
Security of Persons and Property			
Salaries and Benefits	550,884	458,573	92,311
Contractual Services	16,428	5,231	11,197
<i>Total Expenditures</i>	<u>567,312</u>	<u>463,804</u>	<u>103,508</u>
<i>Net Change in Fund Balance</i>	(270,912)	(158,439)	112,473
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,917,110</u>	<u>1,917,110</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,646,198</u>	<u>\$ 1,758,671</u>	<u>\$ 112,473</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CHIP Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 325,000	\$ 9,795	\$ (315,205)
Other	0	5,080	5,080
<i>Total Revenues</i>	<u>325,000</u>	<u>14,875</u>	<u>(310,125)</u>
Expenditures			
Current:			
Community Development			
Salaries and Benefits	159	20	139
Contractual Services	504,021	171,944	332,077
<i>Total Expenditures</i>	<u>504,180</u>	<u>171,964</u>	<u>332,216</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(179,180)</u>	<u>(157,089)</u>	<u>22,091</u>
Other Financing Sources (Uses)			
Advances In	325,000	0	(325,000)
<i>Net Change in Fund Balance</i>	145,820	(157,089)	(302,909)
<i>Fund Balance (Deficit) Beginning of Year</i>	658,084	658,084	0
Prior Year Encumbrances Appropriated	26,032	26,032	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 829,936</u>	<u>\$ 527,027</u>	<u>\$ (302,909)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Open Space #1 Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
Community Development			
Contractual Services	3,000	3,000	0
Materials and Supplies	25,000	25,000	0
<i>Total Expenditures</i>	28,000	28,000	0
<i>Net Change in Fund Balance</i>	(28,000)	(28,000)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	81,771	81,771	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 56,771</u>	<u>\$ 56,771</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Open Space #2 Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	1,595	1,595	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 1,595	\$ 1,595	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Open Space #3 Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
Community Development			
Capital Outlay	988	0	988
<i>Total Expenditures</i>	988	0	988
<i>Net Change in Fund Balance</i>	(988)	0	988
<i>Fund Balance (Deficit) Beginning of Year</i>	3,086	3,086	0
Prior Year Encumbrances Appropriated	988	988	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 3,086	\$ 4,074	\$ 988

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Open Space #4 Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	7,979	7,979	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 7,979	\$ 7,979	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Services Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 886,525	\$ 935,356	\$ 48,831
Payment in Lieu of Taxes	0	462	462
Intergovernmental	130,475	111,050	(19,425)
<i>Total Revenues</i>	<u>1,017,000</u>	<u>1,046,868</u>	<u>29,868</u>
Expenditures			
Current:			
Security of Persons and Property			
Contractual Services	1,976,632	1,536,360	440,272
<i>Total Expenditures</i>	<u>1,976,632</u>	<u>1,536,360</u>	<u>440,272</u>
<i>Net Change in Fund Balance</i>	(959,632)	(489,492)	470,140
<i>Fund Balance (Deficit) Beginning of Year</i>	1,668,511	1,668,511	0
Prior Year Encumbrances Appropriated	506,757	506,757	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,215,636</u>	<u>\$ 1,685,776</u>	<u>\$ 470,140</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fees, Licenses and Permits	\$ 60,000	\$ 62,549	\$ 2,549
<i>Total Revenues</i>	<u>60,000</u>	<u>62,549</u>	<u>2,549</u>
Expenditures			
Current:			
Transportation			
Parking Meters			
Salaries and Benefits	6,492	6,209	283
Parking Lots			
Salaries and Benefits	28,266	24,833	3,433
Contractual Services	38,752	30,963	7,789
Materials and Supplies	2,450	0	2,450
Total Parking Lots	<u>69,468</u>	<u>55,796</u>	<u>13,672</u>
<i>Total Expenditures</i>	<u>75,960</u>	<u>62,005</u>	<u>13,955</u>
<i>Net Change in Fund Balance</i>	(15,960)	544	16,504
<i>Fund Balance (Deficit) Beginning of Year</i>	16,767	16,767	0
Prior Year Encumbrances Appropriated	952	952	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,759</u>	<u>\$ 18,263</u>	<u>\$ 16,504</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Income Tax Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Payment in Lieu of Taxes	\$ 25,000	\$ 27,753	\$ 2,753
<i>Total Revenues</i>	<u>25,000</u>	<u>27,753</u>	<u>2,753</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	25,000	27,753	2,753
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 25,000</u>	<u>\$ 27,753</u>	<u>\$ 2,753</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cable TV Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Budget
Revenues			
Charges for Services	\$ 36,000	\$ 36,703	\$ 703
Fees, Licenses and Permits	308,000	314,042	6,042
<i>Total Revenues</i>	<u>344,000</u>	<u>350,745</u>	<u>6,745</u>
Expenditures			
Current:			
General Government			
Salaries and Benefits	323,403	224,706	98,697
Contractual Services	29,905	6,818	23,087
Materials and Supplies	68,881	69,512	(631)
Capital Outlay	33,948	25,450	8,498
<i>Total Expenditures</i>	<u>456,137</u>	<u>326,486</u>	<u>129,651</u>
<i>Net Change in Fund Balance</i>	(112,137)	24,259	136,396
<i>Fund Balance (Deficit) Beginning of Year</i>	367,820	367,820	0
Prior Year Encumbrances Appropriated	<u>32,507</u>	<u>32,507</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 288,190</u>	<u>\$ 424,586</u>	<u>\$ 136,396</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Railroad Renovation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 60,000	\$ 39,200	\$ (20,800)
<i>Total Revenues</i>	<u>60,000</u>	<u>39,200</u>	<u>(20,800)</u>
Expenditures			
Current:			
Transportation			
Salaries and Benefits	5,519	4,197	1,322
Contractual Services	46,025	42,089	3,936
Materials and Supplies	301	0	301
Capital Outlay	70,861	6,596	64,265
<i>Total Expenditures</i>	<u>122,706</u>	<u>52,882</u>	<u>69,824</u>
<i>Net Change in Fund Balance</i>	(62,706)	(13,682)	49,024
<i>Fund Balance (Deficit) Beginning of Year</i>	337,383	337,383	0
Prior Year Encumbrances Appropriated	<u>38,219</u>	<u>38,219</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 312,896</u>	<u>\$ 361,920</u>	<u>\$ 49,024</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Airport Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 150,000	\$ 610,459	\$ 460,459
<i>Total Revenues</i>	<u>150,000</u>	<u>610,459</u>	<u>460,459</u>
Expenditures			
Current:			
Transportation			
Capital Outlay	870,000	777,454	92,546
<i>Total Expenditures</i>	<u>870,000</u>	<u>777,454</u>	<u>92,546</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(720,000)</u>	<u>(166,995)</u>	<u>553,005</u>
Other Financing Sources (Uses)			
Advances In	720,000	0	(720,000)
<i>Net Change in Fund Balance</i>	0	(166,995)	(166,995)
<i>Fund Balance (Deficit) Beginning of Year</i>	2,058	2,058	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,058</u>	<u>\$ (164,937)</u>	<u>\$ (166,995)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Enforcement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 3,500	\$ 100	\$ (3,400)
<i>Total Revenues</i>	<u>3,500</u>	<u>100</u>	<u>(3,400)</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,500	100	(3,400)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>22,561</u>	<u>22,561</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 26,061</u>	<u>\$ 22,661</u>	<u>\$ (3,400)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 5,000	\$ 144	\$ (4,856)
<i>Total Revenues</i>	<u>5,000</u>	<u>144</u>	<u>(4,856)</u>
Expenditures			
Current:			
Security of Persons and Property			
Other	936	0	936
<i>Total Expenditures</i>	<u>936</u>	<u>0</u>	<u>936</u>
<i>Net Change in Fund Balance</i>	4,064	144	(3,920)
<i>Fund Balance (Deficit) Beginning of Year</i>	23,449	23,449	0
Prior Year Encumbrances Appropriated	936	936	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28,449</u>	<u>\$ 24,529</u>	<u>\$ (3,920)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Computer Legal Research Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 39,300	\$ 34,511	\$ (4,789)
<i>Total Revenues</i>	<u>39,300</u>	<u>34,511</u>	<u>(4,789)</u>
Expenditures			
Current:			
General Government			
Contractual Services	10,000	0	10,000
Materials and Supplies	57,212	36,844	20,368
<i>Total Expenditures</i>	<u>67,212</u>	<u>36,844</u>	<u>30,368</u>
<i>Net Change in Fund Balance</i>	(27,912)	(2,333)	25,579
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>39,283</u>	<u>39,283</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,371</u>	<u>\$ 36,950</u>	<u>\$ 25,579</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Probation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 140,000	\$ 144,247	\$ 4,247
<i>Total Revenues</i>	<u>140,000</u>	<u>144,247</u>	<u>4,247</u>
Expenditures			
Current:			
General Government			
Salaries and Benefits	203,085	164,307	38,778
Contractual Services	70,893	28,339	42,554
Materials and Supplies	13,003	5,994	7,009
Capital Outlay	12,500	0	12,500
<i>Total Expenditures</i>	<u>299,481</u>	<u>198,640</u>	<u>100,841</u>
<i>Net Change in Fund Balance</i>	(159,481)	(54,393)	105,088
<i>Fund Balance (Deficit) Beginning of Year</i>	359,956	359,956	0
Prior Year Encumbrances Appropriated	<u>2,715</u>	<u>2,715</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 203,190</u>	<u>\$ 308,278</u>	<u>\$ 105,088</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUI Enforcement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 3,000	\$ 3,632	\$ 632
<i>Total Revenues</i>	<u>3,000</u>	<u>3,632</u>	<u>632</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,000	3,632	632
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>17,638</u>	<u>17,638</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 20,638</u>	<u>\$ 21,270</u>	<u>\$ 632</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 77,500	\$ 120,737	\$ 43,237
<i>Total Revenues</i>	<u>77,500</u>	<u>120,737</u>	<u>43,237</u>
Expenditures			
Current:			
General Government			
Contractual Services	<u>160,000</u>	<u>81,713</u>	<u>78,287</u>
<i>Total Expenditures</i>	<u>160,000</u>	<u>81,713</u>	<u>78,287</u>
<i>Net Change in Fund Balance</i>	(82,500)	39,024	121,524
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>268,704</u>	<u>268,704</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 186,204</u>	<u>\$ 307,728</u>	<u>\$ 121,524</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Clerk Computer Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 120,000	\$ 114,997	\$ (5,003)
<i>Total Revenues</i>	<u>120,000</u>	<u>114,997</u>	<u>(5,003)</u>
Expenditures			
Current:			
General Government			
Salaries and Benefits	125,465	104,666	20,799
Contractual Services	11,005	10,524	481
Materials and Supplies	9,000	0	9,000
Capital Outlay	36,419	36,419	0
<i>Total Expenditures</i>	<u>181,889</u>	<u>151,609</u>	<u>30,280</u>
<i>Net Change in Fund Balance</i>	(61,889)	(36,612)	25,277
<i>Fund Balance (Deficit) Beginning of Year</i>	158,707	158,707	0
Prior Year Encumbrances Appropriated	<u>36,424</u>	<u>36,424</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 133,242</u>	<u>\$ 158,519</u>	<u>\$ 25,277</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Case Management System Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 0	\$ 6,165	\$ 6,165
<i>Total Revenues</i>	<u>0</u>	<u>6,165</u>	<u>6,165</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	6,165	6,165
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 6,165</u>	<u>\$ 6,165</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 265,000	\$ 253,799	\$ (11,201)
<i>Total Revenues</i>	<u>265,000</u>	<u>253,799</u>	<u>(11,201)</u>
Expenditures			
Current:			
General Government			
Contractual Services	5,000	0	5,000
Materials and Supplies	10,500	0	10,500
<i>Total Expenditures</i>	<u>15,500</u>	<u>0</u>	<u>15,500</u>
<i>Net Change in Fund Balance</i>	249,500	253,799	4,299
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>3,193,980</u>	<u>3,193,980</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,443,480</u>	<u>\$ 3,447,779</u>	<u>\$ 4,299</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Airport Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 0	\$ 330	\$ 330
Rentals	3,500	6,291	2,791
<i>Total Revenues</i>	<u>3,500</u>	<u>6,621</u>	<u>3,121</u>
Expenditures			
Current:			
Transportation			
Salaries and Benefits	95	87	8
Contractual Services	48,617	46,875	1,742
Materials and Supplies	586	552	34
Capital Outlay	531,154	525,276	5,878
<i>Total Expenditures</i>	<u>580,452</u>	<u>572,790</u>	<u>7,662</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(576,952)</u>	<u>(566,169)</u>	<u>10,783</u>
Other Financing Sources (Uses)			
Advances In	498,000	478,306	(19,694)
Advances Out	(47,300)	0	47,300
<i>Total Other Financing Sources (Uses)</i>	<u>450,700</u>	<u>478,306</u>	<u>27,606</u>
<i>Net Change in Fund Balance</i>	(126,252)	(87,863)	38,389
<i>Fund Balance (Deficit) Beginning of Year</i>	105,286	105,286	0
Prior Year Encumbrances Appropriated	1,208	1,208	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (19,758)</u>	<u>\$ 18,631</u>	<u>\$ 38,389</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shade Tree Trust Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 250	\$ 0	\$ (250)
<i>Total Revenues</i>	<u>250</u>	<u>0</u>	<u>(250)</u>
Expenditures			
Current:			
Community Development			
Other	9,726	9,726	0
<i>Total Expenditures</i>	<u>9,726</u>	<u>9,726</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9,476)	(9,726)	(250)
<i>Fund Balance (Deficit) Beginning of Year</i>	756	756	0
Prior Year Encumbrances Appropriated	<u>9,726</u>	<u>9,726</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,006</u>	<u>\$ 756</u>	<u>\$ (250)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 36,500	\$ 46,101	\$ 9,601
Investment Income	5,000	96	(4,904)
<i>Total Revenues</i>	<u>41,500</u>	<u>46,197</u>	<u>4,697</u>
Expenditures			
Current:			
Public Health			
Contractual Services	<u>279,572</u>	<u>279,072</u>	<u>500</u>
<i>Total Expenditures</i>	<u>279,572</u>	<u>279,072</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	(238,072)	(232,875)	5,197
<i>Fund Balance (Deficit) Beginning of Year</i>	229,561	229,561	0
Prior Year Encumbrances Appropriated	<u>279,072</u>	<u>279,072</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 270,561</u>	<u>\$ 275,758</u>	<u>\$ 5,197</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Bond Retirement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Other	\$ 10	\$ 10	\$ 0
<i>Total Revenues</i>	<u>10</u>	<u>10</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>10</u>	<u>10</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers Out	(22,114)	(22,114)	0
<i>Net Change in Fund Balance</i>	(22,104)	(22,104)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>22,104</u>	<u>22,104</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$ 245,000	\$ 261,747	\$ 16,747
<i>Total Revenues</i>	<u>245,000</u>	<u>261,747</u>	<u>16,747</u>
Expenditures			
Debt Service			
Principal Retirement	206,008	206,008	0
Interest and Fiscal Charges	37,177	34,916	2,261
Total Debt Service	<u>243,185</u>	<u>240,924</u>	<u>2,261</u>
<i>Total Expenditures</i>	<u>243,185</u>	<u>240,924</u>	<u>2,261</u>
<i>Net Change in Fund Balance</i>	1,815	20,823	19,008
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>628,177</u>	<u>628,177</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 629,992</u>	<u>\$ 649,000</u>	<u>\$ 19,008</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park/Recreation Capital Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay			
Contractual Services	161	0	161
<i>Total Expenditures</i>	161	0	161
<i>Net Change in Fund Balance</i>	(161)	0	161
<i>Fund Balance (Deficit) Beginning of Year</i>	353	353	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 192	\$ 353	\$ 161

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Capital Replacement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 102,857	\$ 95,712	\$ (7,145)
Payment in Lieu of Taxes	143	143	0
<i>Total Revenues</i>	<u>103,000</u>	<u>95,855</u>	<u>(7,145)</u>
Expenditures			
Capital Outlay	96,000	0	96,000
<i>Total Expenditures</i>	<u>96,000</u>	<u>0</u>	<u>96,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,000</u>	<u>95,855</u>	<u>88,855</u>
Other Financing Sources (Uses)			
Transfers In	0	22,114	22,114
<i>Net Change in Fund Balance</i>	7,000	117,969	110,969
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>44,982</u>	<u>44,982</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 51,982</u>	<u>\$ 162,951</u>	<u>\$ 110,969</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	191,400	191,400	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 191,400</u>	<u>\$ 191,400</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 2 Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay			
Contractual Services	227,000	227,000	0
<i>Total Expenditures</i>	227,000	227,000	0
<i>Net Change in Fund Balance</i>	(227,000)	(227,000)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	173,949	173,949	0
Prior Year Encumbrances Appropriated	227,000	227,000	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 173,949	\$ 173,949	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Resurfacing Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	195,465	195,465	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 195,465</u>	<u>\$ 195,465</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewer Capital Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay			
Contractual Services	34,450	34,450	0
<i>Total Expenditures</i>	34,450	34,450	0
<i>Net Change in Fund Balance</i>	(34,450)	(34,450)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	26,511	26,511	0
Prior Year Encumbrances Appropriated	34,450	34,450	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 26,511	\$ 26,511	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Reconstruction Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	73,591	73,591	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 73,591</u>	<u>\$ 73,591</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Blacktop Resurfacing Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	68,772	68,772	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 68,772</u>	<u>\$ 68,772</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Curbs and Alleys Capital Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	138,236	138,236	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 138,236</u>	<u>\$ 138,236</u>	<u>\$ 0</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Computer/Electronic Capital Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 153,785	\$ 155,149	\$ 1,364
Payment in Lieu of Taxes	215	215	0
<i>Total Revenues</i>	<u>154,000</u>	<u>155,364</u>	<u>1,364</u>
Expenditures			
Capital Outlay			
Materials and Supplies	43,591	42,110	1,481
Capital Outlay	350,880	238,014	112,866
<i>Total Expenditures</i>	<u>394,471</u>	<u>280,124</u>	<u>114,347</u>
<i>Net Change in Fund Balance</i>	(240,471)	(124,760)	115,711
<i>Fund Balance (Deficit) Beginning of Year</i>	484,662	484,662	0
Prior Year Encumbrances Appropriated	25,814	25,814	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 270,005</u>	<u>\$ 385,716</u>	<u>\$ 115,711</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Unanticipated Capital Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	991,598	991,598	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 991,598	\$ 991,598	\$ 0

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessments Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 5,000	\$ 230	\$ (4,770)
<i>Total Revenues</i>	<u>5,000</u>	<u>230</u>	<u>(4,770)</u>
Expenditures			
Capital Outlay			
Contractual Services	7,150	6,275	875
<i>Total Expenditures</i>	<u>7,150</u>	<u>6,275</u>	<u>875</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,150)</u>	<u>(6,045)</u>	<u>(3,895)</u>
Other Financing Sources (Uses)			
Advances In	12,500	0	(12,500)
<i>Net Change in Fund Balance</i>	10,350	(6,045)	(16,395)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>9,790</u>	<u>9,790</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 20,140</u>	<u>\$ 3,745</u>	<u>\$ (16,395)</u>

City of Medina
Medina County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 4,500	\$ 50	\$ (4,450)
Investment Income	425	11	(414)
<i>Total Revenues</i>	<u>4,925</u>	<u>61</u>	<u>(4,864)</u>
Expenditures			
Current:			
Public Health			
Contractual Services	16,906	16,906	0
Materials and Supplies	1,013	1,013	0
<i>Total Expenditures</i>	<u>17,919</u>	<u>17,919</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,994)	(17,858)	(4,864)
<i>Fund Balance (Deficit) Beginning of Year</i>	15,179	15,179	0
Prior Year Encumbrances Appropriated	16,906	16,906	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 19,091</u>	<u>\$ 14,227</u>	<u>\$ (4,864)</u>

City of Medina
Medina County, Ohio
Combining Statements – Agency Funds

Fiduciary Funds

To account for assets held by the City as an agency for individuals, private organizations, other governmental units, and other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Section 125 Fund

To account for Section 125 Employee deductions and Section 125 insurance.

Payroll Fund

To account for payroll expense.

Law Library Fund

To account for a percentage of the ORC fines received through Ohio State Highway Patrol.

Agency Revolving Fund

To account for goods or services provided by a department or agency to other departments or agencies on a cost reimbursement basis.

Ohio Board of Building Standards Fund

To account for state building fees collected from builders and disbursed to the State Board of Building Standards.

Friends of the Cemetery Fund

To account for donations received for the maintenance and improvement of the cemetery.

Municipal Court Fund

To account for the collection and distribution of revenue associated with the operations of the Medina Municipal Court.

The following funds collect deposits then return them when the obligation has been met.

Bid and Performance Bonds Fund

Water Meter Deposits Fund

Developer Deposits Fund

Utility Deposits Fund

Planning and Zoning Deposits Fund

City of Medina
Medina County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

	Section 125 Fund	Payroll Fund	Law Library Fund	Agency Revolving Fund	Bid and Performance Bonds Fund
Assets					
Equity in Pooled Cash and Investments	\$ 10,507	\$ 151,043	\$ 1,630	\$ 20,248	\$ 58,976
Cash in Segregated Accounts	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 10,507</u>	<u>\$ 151,043</u>	<u>\$ 1,630</u>	<u>\$ 20,248</u>	<u>\$ 58,976</u>
Liabilities					
Undistributed Monies	<u>\$ 10,507</u>	<u>\$ 151,043</u>	<u>\$ 1,630</u>	<u>\$ 20,248</u>	<u>\$ 58,976</u>
<i>Total Liabilities</i>	<u>\$ 10,507</u>	<u>\$ 151,043</u>	<u>\$ 1,630</u>	<u>\$ 20,248</u>	<u>\$ 58,976</u>

(continued)

City of Medina
Medina County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

	Ohio Board of Building Standards Fund	Water Meter Deposits Fund	Developer Deposits Fund	Friends of the Cemetery Fund	Utility Deposits Fund
Assets					
Equity in Pooled Cash and Investments	\$ 847	\$ 2,981	\$ 141,793	\$ 4,125	\$ 137,708
Cash in Segregated Accounts	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 847</u>	<u>\$ 2,981</u>	<u>\$ 141,793</u>	<u>\$ 4,125</u>	<u>\$ 137,708</u>
Liabilities					
Undistributed Monies	\$ 847	\$ 2,981	\$ 141,793	\$ 4,125	\$ 137,708
<i>Total Liabilities</i>	<u>\$ 847</u>	<u>\$ 2,981</u>	<u>\$ 141,793</u>	<u>\$ 4,125</u>	<u>\$ 137,708</u>

(continued)

City of Medina
Medina County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

	Planning and Zoning Deposits Fund	Municipal Court Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 313	\$ 0	\$ 530,171
Cash in Segregated Accounts	0	315,240	315,240
<i>Total Assets</i>	<u>\$ 313</u>	<u>\$ 315,240</u>	<u>\$ 845,411</u>
Liabilities			
Undistributed Monies	\$ 313	\$ 315,240	\$ 845,411
<i>Total Liabilities</i>	<u>\$ 313</u>	<u>\$ 315,240</u>	<u>\$ 845,411</u>

City of Medina
Medina County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Section 125 Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 8,867	\$ 23,555	\$ 21,915	\$ 10,507
<i>Total Assets</i>	<u>\$ 8,867</u>	<u>\$ 23,555</u>	<u>\$ 21,915</u>	<u>\$ 10,507</u>
Liabilities				
Undistributed Monies	\$ 8,867	\$ 23,555	\$ 21,915	\$ 10,507
<i>Total Liabilities</i>	<u>\$ 8,867</u>	<u>\$ 23,555</u>	<u>\$ 21,915</u>	<u>\$ 10,507</u>
Payroll Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 112,318	\$ 11,632,494	\$ 11,593,769	\$ 151,043
<i>Total Assets</i>	<u>\$ 112,318</u>	<u>\$ 11,632,494</u>	<u>\$ 11,593,769</u>	<u>\$ 151,043</u>
Liabilities				
Undistributed Monies	\$ 112,318	\$ 11,632,494	\$ 11,593,769	\$ 151,043
<i>Total Liabilities</i>	<u>\$ 112,318</u>	<u>\$ 11,632,494</u>	<u>\$ 11,593,769</u>	<u>\$ 151,043</u>
Law Library Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 1,629	\$ 47,465	\$ 47,464	\$ 1,630
<i>Total Assets</i>	<u>\$ 1,629</u>	<u>\$ 47,465</u>	<u>\$ 47,464</u>	<u>\$ 1,630</u>
Liabilities				
Undistributed Monies	\$ 1,629	\$ 47,465	\$ 47,464	\$ 1,630
<i>Total Liabilities</i>	<u>\$ 1,629</u>	<u>\$ 47,465</u>	<u>\$ 47,464</u>	<u>\$ 1,630</u>
Agency Revolving Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 18,176	\$ 179,274	\$ 177,202	\$ 20,248
<i>Total Assets</i>	<u>\$ 18,176</u>	<u>\$ 179,274</u>	<u>\$ 177,202</u>	<u>\$ 20,248</u>
Liabilities				
Undistributed Monies	\$ 18,176	\$ 179,274	\$ 177,202	\$ 20,248
<i>Total Liabilities</i>	<u>\$ 18,176</u>	<u>\$ 179,274</u>	<u>\$ 177,202</u>	<u>\$ 20,248</u>
Bid and Performance Bonds Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 18,481	\$ 89,042	\$ 48,547	\$ 58,976
<i>Total Assets</i>	<u>\$ 18,481</u>	<u>\$ 89,042</u>	<u>\$ 48,547</u>	<u>\$ 58,976</u>
Liabilities				
Undistributed Monies	\$ 18,481	\$ 89,042	\$ 48,547	\$ 58,976
<i>Total Liabilities</i>	<u>\$ 18,481</u>	<u>\$ 89,042</u>	<u>\$ 48,547</u>	<u>\$ 58,976</u>

(continued)

City of Medina
Medina County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Ohio Board and Building Standards Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 1,671	\$ 2,582	\$ 3,406	\$ 847
<i>Total Assets</i>	<u>\$ 1,671</u>	<u>\$ 2,582</u>	<u>\$ 3,406</u>	<u>\$ 847</u>
Liabilities				
Undistributed Monies	\$ 1,671	\$ 2,582	\$ 3,406	\$ 847
<i>Total Liabilities</i>	<u>\$ 1,671</u>	<u>\$ 2,582</u>	<u>\$ 3,406</u>	<u>\$ 847</u>
Water Meter Deposits Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 2,981	\$ 0	\$ 0	\$ 2,981
<i>Total Assets</i>	<u>\$ 2,981</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,981</u>
Liabilities				
Undistributed Monies	\$ 2,981	\$ 0	\$ 0	\$ 2,981
<i>Total Liabilities</i>	<u>\$ 2,981</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,981</u>
Developer Deposits Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 141,643	\$ 5,950	\$ 5,800	\$ 141,793
<i>Total Assets</i>	<u>\$ 141,643</u>	<u>\$ 5,950</u>	<u>\$ 5,800</u>	<u>\$ 141,793</u>
Liabilities				
Undistributed Monies	\$ 141,643	\$ 5,950	\$ 5,800	\$ 141,793
<i>Total Liabilities</i>	<u>\$ 141,643</u>	<u>\$ 5,950</u>	<u>\$ 5,800</u>	<u>\$ 141,793</u>
Friends of the Cemetery Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 4,125	\$ 0	\$ 0	\$ 4,125
<i>Total Assets</i>	<u>\$ 4,125</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,125</u>
Liabilities				
Undistributed Monies	\$ 4,125	\$ 0	\$ 0	\$ 4,125
<i>Total Liabilities</i>	<u>\$ 4,125</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,125</u>
Utility Deposits Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 134,796	\$ 18,894	\$ 15,982	\$ 137,708
<i>Total Assets</i>	<u>\$ 134,796</u>	<u>\$ 18,894</u>	<u>\$ 15,982</u>	<u>\$ 137,708</u>
Liabilities				
Undistributed Monies	\$ 134,796	\$ 18,894	\$ 15,982	\$ 137,708
<i>Total Liabilities</i>	<u>\$ 134,796</u>	<u>\$ 18,894</u>	<u>\$ 15,982</u>	<u>\$ 137,708</u>

(continued)

City of Medina
Medina County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Planning and Zoning Deposits Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 313	\$ 0	\$ 0	\$ 313
<i>Total Assets</i>	<u>\$ 313</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 313</u>
Liabilities				
Undistributed Monies	\$ 313	\$ 0	\$ 0	\$ 313
<i>Total Liabilities</i>	<u>\$ 313</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 313</u>
Municipal Court Fund				
Assets				
Cash in Segregated Accounts	\$ 328,304	\$ 315,240	\$ 328,304	\$ 315,240
<i>Total Assets</i>	<u>\$ 328,304</u>	<u>\$ 315,240</u>	<u>\$ 328,304</u>	<u>\$ 315,240</u>
Liabilities				
Undistributed Monies	\$ 328,304	\$ 315,240	\$ 328,304	\$ 315,240
<i>Total Liabilities</i>	<u>\$ 328,304</u>	<u>\$ 315,240</u>	<u>\$ 328,304</u>	<u>\$ 315,240</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 445,000	\$ 11,999,256	\$ 11,914,085	\$ 530,171
Cash in Segregated Accounts	328,304	315,240	328,304	315,240
<i>Total Assets</i>	<u>\$ 773,304</u>	<u>\$ 12,314,496</u>	<u>\$ 12,242,389</u>	<u>\$ 845,411</u>
Liabilities				
Undistributed Monies	\$ 773,304	\$ 12,314,496	\$ 12,242,389	\$ 845,411
<i>Total Liabilities</i>	<u>\$ 773,304</u>	<u>\$ 12,314,496</u>	<u>\$ 12,242,389</u>	<u>\$ 845,411</u>

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STATISTICAL SECTION

Statistical Section

This part of the City of Medina, Medina County'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 City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-2 - S-11
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	S-12 - S-15
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-16 - S-21
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S-22 - S-25
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.	S-26 - S-31

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

NOTE: With the implementation of GASB No. 54 for 2011, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

City of Medina
Medina County, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2012	2011	Restated 2010	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 44,603,341	\$ 43,188,085	\$ 45,000,217	\$ 43,724,071
Restricted:				
Capital Outlay	2,233,011	1,635,034	888,397	2,747,457
Debt Service	1,171,527	1,430,191	1,751,621	2,571,154
Safety Services	3,629,200	3,966,084	4,125,463	7,730,123
Recreation	0	0	0	1,336,863
Stormwater and Street Repair and Improvement	9,889,907	8,475,441	5,398,047	4,835,551
Court Operations and Capital Outlay	4,011,327	3,776,906	0	0
Perpetual Care:				
Expendable	14,754	15,178	16,291	0
Nonexpendable	288,489	288,489	288,489	0
Other Purposes	1,180,098	1,647,789	5,279,599	868,092
Unrestricted	20,863,305	19,924,242	19,402,594	15,634,313
Total Governmental Activities Net Position	\$ 87,884,959	\$ 84,347,439	\$ 82,150,718	\$ 79,447,624
Business Type - Activities				
Net Investment in Capital Assets	\$ 16,421,940	\$ 15,917,114	\$ 15,507,033	\$ 15,131,307
Restricted:				
Capital Outlay	501,989	0	0	0
Unrestricted	13,317,430	13,166,985	13,471,412	13,925,001
Total Business-Type Activities Net Position	\$ 30,241,359	\$ 29,084,099	\$ 28,978,445	\$ 29,056,308
Primary Government				
Net Investment in Capital Assets	\$ 61,025,281	\$ 59,105,199	\$ 60,507,250	\$ 58,855,378
Restricted	22,920,302	21,235,112	17,747,907	20,089,240
Unrestricted	34,180,735	33,091,227	32,874,006	29,559,314
Total Primary Government Net Position	\$ 118,126,318	\$ 113,431,538	\$ 111,129,163	\$ 108,503,932

Note: Restricted for safety services, recreation and street/stormwater maintenance and repair have been separately displayed starting in 2009 and court operations and capital outlay was separated in 2012. These were previously included in restricted for other purposes.

2008	2007	2006	2005	2004	2003
\$ 38,997,425	\$ 37,949,043	\$ 13,123,299	\$ 10,833,627	\$ 8,649,148	\$ 8,064,099
3,032,386	3,312,742	3,601,193	3,778,807	4,038,359	4,313,914
6,302,093	5,761,287	4,771,363	3,831,872	3,554,914	3,158,137
7,613,380	0	0	0	0	0
1,490,456	0	0	0	0	0
4,485,894	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
758,664	12,413,804	9,326,866	8,282,501	6,725,941	4,857,645
13,482,499	11,459,167	9,747,909	6,866,556	5,387,886	5,110,927
<u>\$ 76,162,797</u>	<u>\$ 70,896,043</u>	<u>\$ 40,570,630</u>	<u>\$ 33,593,363</u>	<u>\$ 28,356,248</u>	<u>\$ 25,504,722</u>
\$ 13,697,382	\$ 11,412,508	\$ 7,613,210	\$ 8,153,764	\$ 8,664,976	\$ 8,167,692
0	0	0	0	0	1,305,000
14,537,170	16,277,402	15,589,837	15,870,832	7,209,517	6,706,035
<u>\$ 28,234,552</u>	<u>\$ 27,689,910</u>	<u>\$ 23,203,047</u>	<u>\$ 24,024,596</u>	<u>\$ 15,874,493</u>	<u>\$ 16,178,727</u>
\$ 52,694,807	\$ 49,361,551	\$ 20,736,509	\$ 18,987,391	\$ 17,314,124	\$ 16,231,791
23,682,873	21,487,833	17,699,422	15,893,180	14,319,214	13,634,696
28,019,669	27,736,569	25,337,746	22,737,388	12,597,403	11,816,962
<u>\$ 104,397,349</u>	<u>\$ 98,585,953</u>	<u>\$ 63,773,677</u>	<u>\$ 57,617,959</u>	<u>\$ 44,230,741</u>	<u>\$ 41,683,449</u>

City of Medina
Medina County, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2012	2011	Restated 2010	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 1,824,050	\$ 2,004,408	\$ 1,703,782	\$ 1,482,133
Security of Persons and Property	1,171,727	1,280,703	1,219,205	1,798,121
Public Health	84,011	72,736	76,117	37,851
Leisure Time Services	58,745	55,659	77,752	47,498
Community Development	0	0		
Basic Utility Service	0	0	0	538
Transportation	65,702	150,021	159,822	127,959
Interest and Fiscal Charges	0	0	0	0
Charges for Services	<u>3,204,235</u>	<u>3,563,527</u>	<u>3,236,678</u>	<u>3,494,100</u>
Operating Grants and Contributions:				
General Government	88,864	72,824	183,989	161,536
Security of Persons and Property	102,909	163,799	792,997	212,869
Public Health	635	106	972	569
Leisure Time Services	17,976	6,140	8,650	0
Community Development	9,795	0	392,864	287,903
Basic Utility Service	0	0	0	53,628
Transportation	1,686,674	1,438,160	1,424,444	1,161,588
Interest and Fiscal Charges	294,265	223,100	0	0
Operating Grants and Contributions	<u>2,201,118</u>	<u>1,904,129</u>	<u>2,803,916</u>	<u>1,878,093</u>
Capital Grants and Contributions:				
General Government	51,556	36,112	130,474	0
Transportation	1,162,979	1,770,061	185,991	2,234,402
Capital Grants and Contributions	<u>1,214,535</u>	<u>1,806,173</u>	<u>316,465</u>	<u>2,234,402</u>
<i>Total Governmental Activities Program Revenues</i>	<u>6,619,888</u>	<u>7,273,829</u>	<u>6,357,059</u>	<u>7,606,595</u>
Business-Type Activities:				
Charges for Services:				
Water	4,780,159	4,020,103	4,090,972	4,075,207
Sanitation	3,304,992	2,947,080	2,996,332	2,978,750
Recreation Center	1,897,208	1,930,078	2,028,806	1,896,151
Airport	0	0	0	0
Storwater Utility	430	0	0	0
Charges for Services	<u>9,982,789</u>	<u>8,897,261</u>	<u>9,116,110</u>	<u>8,950,108</u>
Operating Grants and Contributions				
Airport	0	0	0	18,950
Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,950</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>9,982,789</u>	<u>8,897,261</u>	<u>9,116,110</u>	<u>8,969,058</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 16,602,677</u>	<u>\$ 16,171,090</u>	<u>\$ 15,473,169</u>	<u>\$ 16,575,653</u>
Expenses				
Governmental Activities:				
General Government	\$ 7,533,534	\$ 7,567,023	\$ 7,687,096	\$ 7,297,693
Security of Persons and Property	7,291,839	6,944,210	7,573,059	7,493,234
Public Health	196,660	214,477	197,159	204,925
Leisure Time Services	951,747	937,537	859,950	1,045,423
Community Development	831,549	663,584	987,010	844,939
Basic Utility Service	66,833	62,981	61,132	76,538
Transportation	2,739,376	3,723,619	3,581,886	4,649,475
Interest and Fiscal Charges	677,322	783,905	85,664	97,841
<i>Total Governmental Activities Expenses</i>	<u>20,288,860</u>	<u>20,897,336</u>	<u>21,032,956</u>	<u>21,710,068</u>

	2008	2007	2006	2005	2004	2003
\$	1,639,054	\$ 1,361,865	\$ 1,571,996	\$ 1,496,405	\$ 1,124,742	\$ 989,546
	2,020,581	1,554,606	1,528,459	1,565,815	1,505,457	1,527,561
	11,696	5,030	5,416	2,702	3,322	0
	72,809	67,067	65,001	68,092	60,652	2,386
		0	0	0	0	0
	2,094	627	176	132	66	28
	116,810	141,554	5,020	2,263	10,747	50,100
	0	0	0	0	512	520
	<u>3,863,044</u>	<u>3,130,749</u>	<u>3,176,068</u>	<u>3,135,409</u>	<u>2,705,498</u>	<u>2,570,141</u>
	133,047	130,036	236,817	115,081	63,700	417,647
	223,328	135,970	160,276	249,007	214,141	236,889
	0	0	0	0	0	1,271
	0	0	0	14,810	0	828,202
	395,948	96,368	336,232	637,084	0	829,035
	72,813	55,178	64,042	48,534	40,738	7,860
	2,049,470	1,510,546	1,388,682	1,557,198	1,337,083	0
	0	0	0	0	240,989	50,293
	<u>2,874,606</u>	<u>1,928,098</u>	<u>2,186,049</u>	<u>2,621,714</u>	<u>1,896,651</u>	<u>2,371,197</u>
	0	0	0	0	0	0
	46,226	156,727	67,744	15,424	183,633	0
	<u>46,226</u>	<u>156,727</u>	<u>67,744</u>	<u>15,424</u>	<u>183,633</u>	<u>0</u>
	<u>6,783,876</u>	<u>5,215,574</u>	<u>5,429,861</u>	<u>5,772,547</u>	<u>4,785,782</u>	<u>4,941,338</u>
	4,167,809	4,112,321	3,833,633	3,949,132	4,004,730	4,031,937
	3,012,894	3,217,932	3,100,613	2,882,751	2,701,633	2,661,076
	1,937,712	1,898,710	1,833,055	1,746,043	1,612,507	1,224,577
	0	0	0	16,375	0	0
	0	0	6,676	0	173	418,001
	<u>9,118,415</u>	<u>9,228,963</u>	<u>8,773,977</u>	<u>8,594,301</u>	<u>8,319,043</u>	<u>8,335,591</u>
	0	0	0	0	0	61,393
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,393</u>
	<u>9,118,415</u>	<u>9,228,963</u>	<u>8,773,977</u>	<u>8,594,301</u>	<u>8,319,043</u>	<u>8,396,984</u>
\$	<u>15,902,291</u>	<u>\$ 14,444,537</u>	<u>\$ 14,203,838</u>	<u>\$ 14,366,848</u>	<u>\$ 13,104,825</u>	<u>\$ 13,338,322</u>
\$	7,131,337	\$ 5,995,288	\$ 5,707,409	\$ 6,447,117	\$ 5,968,618	\$ 4,594,638
	7,515,511	6,883,360	6,507,538	6,382,098	5,945,476	5,829,459
	173,118	148,402	135,463	121,847	104,149	75,290
	1,004,870	697,722	1,022,909	583,807	695,904	736,993
	993,783	888,567	927,116	1,452,486	1,201,624	1,154,547
	100,886	62,520	60,014	59,244	35,587	7,577
	1,519,590	3,161,731	1,933,168	2,033,268	1,394,659	467,404
	110,437	129,566	148,565	172,542	199,750	227,829
	<u>18,549,532</u>	<u>17,967,156</u>	<u>16,442,182</u>	<u>17,252,409</u>	<u>15,545,767</u>	<u>13,093,737</u>

(continued)

City of Medina
Medina County, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2012	2011	Restated 2010	2009
Business-Type Activities				
Water	4,109,356	4,002,719	3,797,561	3,377,831
Sanitation	3,285,618	3,258,046	2,998,195	2,898,630
Recreation Center	2,321,373	2,381,252	2,433,821	2,612,772
Airport	N/A	N/A	N/A	5,785
Stormwater Utility	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>9,716,347</u>	<u>9,642,017</u>	<u>9,229,577</u>	<u>8,895,018</u>
<i>Total Primary Government Program Expenses</i>	<u>30,005,207</u>	<u>30,539,353</u>	<u>30,262,533</u>	<u>30,605,086</u>
Net (Expense)/Revenue				
Governmental Activities	(13,668,972)	(13,623,507)	(14,675,897)	(14,103,473)
Business-Type Activities	<u>266,442</u>	<u>(744,756)</u>	<u>(113,467)</u>	<u>74,040</u>
<i>Total Primary Government Net Expense</i>	<u>(13,402,530)</u>	<u>(14,368,263)</u>	<u>(14,789,364)</u>	<u>(14,029,433)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,386,778	\$ 1,395,407	\$ 1,380,490	\$ 1,316,586
Other Purposes	1,184,221	1,166,126	1,353,582	1,454,802
Debt Service	0	0	27,259	28,493
Municipal Income Taxes Levied for:				
General Purposes	2,582,384	2,330,911	2,311,602	2,291,235
Other Purposes	9,495,732	8,636,549	8,198,469	8,192,865
Capital Outlay	1,046,504	959,615	911,130	909,966
Payment in Lieu of Taxes	52,798	35,938	12,411	0
Grants and Entitlements not Restricted to				
Specific Programs	1,348,331	1,183,788	1,966,495	2,494,320
Investment Earnings	32,588	94,902	419,153	342,474
Miscellaneous	77,156	16,992	117,764	357,559
Transfers	0	0	(352,537)	0
<i>Total Governmental Activities</i>	<u>17,206,492</u>	<u>15,820,228</u>	<u>16,345,818</u>	<u>17,388,300</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Recreation Center	843,379	767,693	728,632	728,392
Grants and Entitlements not Restricted to				
Specific Programs	21,172	19,526	0	0
Investment Income	23,310	58,847	9,922	13,388
Payment in Lieu of Taxes	1,165	0	0	0
Miscellaneous	1,792	4,344	5,731	5,936
Transfers	0	0	352,537	0
<i>Total Business-Type Activities</i>	<u>890,818</u>	<u>850,410</u>	<u>1,096,822</u>	<u>747,716</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>18,097,310</u>	<u>16,670,638</u>	<u>17,442,640</u>	<u>18,136,016</u>
Change in Net Position				
Governmental Activities	3,537,520	2,196,721	1,669,921	3,284,827
Business-Type Activities	<u>1,157,260</u>	<u>105,654</u>	<u>983,355</u>	<u>821,756</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$ 4,694,780</u>	<u>\$ 2,302,375</u>	<u>\$ 2,653,276</u>	<u>\$ 4,106,583</u>

	2008	2007	2006	2005	2004	2003
	4,001,736	4,969,289	4,833,245	5,162,825	4,708,586	4,465,471
	3,099,603	2,970,121	2,942,849	2,974,708	2,298,431	2,989,511
	2,530,050	2,375,293	2,667,810	2,020,704	2,578,689	1,525,773
	15,372	66,576	65,153	110,105	72,879	166,359
	0	34,513	27,837	34,973	39,004	38,829
	<u>9,646,761</u>	<u>10,415,792</u>	<u>10,536,894</u>	<u>10,303,315</u>	<u>9,697,589</u>	<u>9,185,943</u>
	<u>28,196,293</u>	<u>28,382,948</u>	<u>26,979,076</u>	<u>27,555,724</u>	<u>25,243,356</u>	<u>22,279,680</u>
	(11,765,656)	(12,751,582)	(11,012,321)	(11,479,862)	(10,759,985)	(8,152,399)
	<u>(528,346)</u>	<u>(1,186,829)</u>	<u>(1,762,917)</u>	<u>(1,709,014)</u>	<u>(1,378,546)</u>	<u>(788,959)</u>
	<u>(12,294,002)</u>	<u>(13,938,411)</u>	<u>(12,775,238)</u>	<u>(13,188,876)</u>	<u>(12,138,531)</u>	<u>(8,941,358)</u>
\$	1,369,911	\$ 856,272	\$ 1,204,986	\$ 1,256,098	\$ 1,327,509	\$ 1,463,693
	1,812,492	1,797,795	1,821,827	1,625,451	1,515,141	1,646,710
	29,484	28,318	113,436	171,206	166,317	163,660
	2,463,350	2,380,844	2,234,293	1,701,787	2,750,967	1,888,364
	8,901,542	9,090,010	8,551,989	8,404,709	5,117,407	1,736,200
	995,224	955,979	1,166,182	868,452	1,146,468	328,895
	0	0	0	0	0	0
	1,408,929	1,917,496	1,780,267	1,684,318	1,499,204	2,063,007
	660,204	1,499,030	935,437	845,354	463,101	128,624
	238,831	49,067	181,171	139,393	98,913	240,654
	0	0	0	20,209	(145,005)	0
	<u>17,879,967</u>	<u>18,574,811</u>	<u>17,989,588</u>	<u>16,716,977</u>	<u>13,940,022</u>	<u>9,659,807</u>
	796,032	783,667	777,454	1,198,643	762,042	435,012
	0	0	0	0	0	6,904
	264,056	255,983	139,939	102,951	66,177	9,342
	0	0	0	0	0	0
	12,900	8,669	23,975	78,917	43,819	24,551
	0	0	0	(20,209)	145,005	0
	<u>1,072,988</u>	<u>1,048,319</u>	<u>941,368</u>	<u>1,360,302</u>	<u>1,017,043</u>	<u>475,809</u>
	<u>18,952,955</u>	<u>19,623,130</u>	<u>18,930,956</u>	<u>18,077,279</u>	<u>14,957,065</u>	<u>10,135,616</u>
	6,114,311	5,823,229	6,977,267	5,237,115	3,180,037	1,507,408
	544,642	(138,510)	(821,549)	(348,712)	(361,503)	(313,150)
\$	<u>6,658,953</u>	<u>\$ 5,684,719</u>	<u>\$ 6,155,718</u>	<u>\$ 4,888,403</u>	<u>\$ 2,818,534</u>	<u>\$ 1,194,258</u>

City of Medina
Medina County, Ohio
Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2012	Restated 2011	Restated 2010	2009
General Fund				
Reserved	\$ 0	\$ 0	\$ 0	\$ 428,072
Unreserved	0	0	0	9,420,561
Nonspendable	20,178	75,623	80,189	0
Assigned	2,010,772	903,440	899,840	0
Unassigned	9,300,255	10,365,645	10,438,218	0
Total General Fund	11,331,205	11,344,708	11,418,247	9,848,633
All Other Governmental Funds				
Reserved	0	0	0	5,317,418
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	14,830,254
Debt Service funds	0	0	0	1,377,818
Capital Projects funds		0	0	368,300
Nonspendable	288,489	365,494	320,366	0
Restricted	27,980,798	29,749,651	29,529,725	0
Committed	7,661,522	6,518,820	5,486,673	0
Assigned	1,720,378	1,720,378	1,720,378	0
Unassigned	(606,634)	(719,762)	(184,616)	0
Total All Other Governmental Funds	37,044,553	37,634,581	36,872,526	21,893,790
Total Governmental Funds	\$ 48,375,758	\$ 48,979,289	\$ 48,290,773	\$ 31,742,423

2008	2007	2006	2005	2004	2003
\$ 114,454	\$ 197,480	\$ 262,773	\$ 427,463	\$ 253,352	\$ 361,483
8,879,100	7,114,082	5,180,449	3,202,340	2,108,984	2,096,544
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,993,554	7,311,562	5,443,222	3,629,803	2,362,336	2,458,027
4,473,405	3,109,910	2,812,499	2,602,573	2,595,391	2,242,826
15,238,580	12,306,050	10,467,476	8,886,117	7,283,240	4,573,272
1,389,504	1,405,671	1,420,924	1,317,055	1,309,971	1,328,073
3,665,395	3,917,381	4,316,954	3,222,210	2,942,391	2,316,744
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
24,766,884	20,739,012	19,017,853	16,027,955	14,130,993	10,460,915
\$ 33,760,438	\$ 28,050,574	\$ 24,461,075	\$ 19,657,758	\$ 16,493,329	\$ 12,918,942

City of Medina
Medina County, Ohio
Changes in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2012	2011	Restated 2010	2009
Revenues				
Property and Other Taxes	\$ 2,579,791	\$ 2,590,402	\$ 2,797,615	\$ 2,793,481
Municipal Income Taxes	12,943,449	12,050,459	11,557,603	11,527,831
Payment in Lieu of Taxes	52,798	35,938	12,411	0
Special Assessments	261,747	272,615	300,741	277,788
Charges for Services	1,272,235	1,247,987	987,314	1,105,178
Fees, Licenses and Permits	482,993	533,077	471,110	459,038
Fines and Forfeitures	1,599,511	1,628,032	1,701,778	1,915,300
Intergovernmental Revenue	5,540,906	4,210,726	5,985,469	5,606,136
Interest Income	96,012	209,179	424,657	352,613
Rentals	38,597	31,217	28,194	14,584
Gifts and Donations	33,082	8,115	10,325	15,320
Developer Deposits	0	0	0	0
Miscellaneous	73,841	75,854	177,700	342,239
<i>Total Revenues</i>	<u>24,974,962</u>	<u>22,893,601</u>	<u>24,454,917</u>	<u>24,409,508</u>
Expenditures				
Current:				
General Government	7,064,353	7,018,436	6,975,053	6,449,867
Security of Persons and Property	7,133,728	6,844,586	7,301,385	7,906,877
Public Health	196,462	213,528	194,841	193,600
Leisure Time Services	1,332,619	962,310	940,836	1,115,953
Community Development	827,037	682,376	991,046	839,121
Basic Utility Service	75,853	70,516	70,207	76,538
Transportation	8,466,847	3,936,520	4,253,419	3,543,451
Capital Outlay	202,669	1,565,253	19,400	6,006,076
Debt Service:				
Principal Retirement	749,240	247,314	967,832	232,573
Interest and Fiscal Charges	729,685	686,818	230,664	97,841
Bond Issuance Costs	14,682	0	0	0
<i>Total Expenditures</i>	<u>26,793,175</u>	<u>22,227,657</u>	<u>21,944,683</u>	<u>26,461,897</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,818,213)</u>	<u>665,944</u>	<u>2,510,234</u>	<u>(2,052,389)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	22,572	24,170	34,374
General Obligation Bonds Issued	1,190,000	0	13,845,000	0
Premium on Debt Issuance	24,682	0	0	0
Other Financing Sources	0	0	39,205	0
Transfers In	22,114	113,517	0	17,500
Transfers Out	(22,114)	(113,517)	0	(17,500)
<i>Total Other Financing Sources (Uses)</i>	<u>1,214,682</u>	<u>22,572</u>	<u>13,908,375</u>	<u>34,374</u>
<i>Net Change in Fund Balances</i>	<u>\$ (603,531)</u>	<u>\$ 688,516</u>	<u>\$ 16,418,609</u>	<u>\$ (2,018,015)</u>
Debt Service as a Percentage of Noncapital Expenditures	8%	5%	6%	2%

2008	2007	2006	2005	2004	2003
\$ 3,197,831	\$ 3,026,675	\$ 3,133,928	\$ 3,085,145	\$ 3,017,664	\$ 3,243,080
13,291,604	12,018,009	11,952,164	10,974,948	9,014,842	4,067,945
0	0	0	0	0	0
279,685	304,276	324,669	321,798	316,702	348,723
980,127	808,657	836,823	720,106	262,916	195,344
863,863	2,301,975	2,305,902	2,414,548	2,433,178	2,361,759
2,004,503	0	0	0	0	0
4,380,839	3,939,680	4,299,680	3,966,532	4,075,863	3,283,083
829,753	1,499,030	935,437	845,354	463,101	128,624
14,551	20,117	33,343	755	9,404	13,038
7,742	20,660	27,784	11,620	63,415	70,545
13,200	0	0	0	0	0
217,889	28,407	153,387	127,773	35,498	170,109
<u>26,081,587</u>	<u>23,967,486</u>	<u>24,003,117</u>	<u>22,468,579</u>	<u>19,692,583</u>	<u>13,882,250</u>
6,414,941	5,988,389	5,132,932	4,984,671	4,810,603	4,043,788
7,325,187	6,616,207	6,556,772	6,433,097	5,826,710	5,565,385
166,441	146,207	134,669	121,317	103,792	74,192
1,005,208	849,041	869,682	776,847	630,490	465,275
991,664	762,423	947,377	1,143,948	1,003,270	705,404
84,288	62,520	60,014	59,244	35,587	7,577
3,428,909	1,334,283	1,114,559	1,295,237	975,780	985,952
617,743	4,699,966	3,894,100	3,858,233	2,008,977	834,240
226,905	331,905	341,430	479,223	467,762	453,000
110,437	129,566	148,565	172,542	199,750	227,829
0	0	0	0	0	0
<u>20,371,723</u>	<u>20,920,507</u>	<u>19,200,100</u>	<u>19,324,359</u>	<u>16,062,721</u>	<u>13,362,642</u>
<u>5,709,864</u>	<u>3,046,979</u>	<u>4,803,017</u>	<u>3,144,220</u>	<u>3,629,862</u>	<u>519,608</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
30,000	35,000	74,201	370,205	155,732	40,438
(30,000)	(35,000)	(74,201)	(349,996)	(300,737)	(40,438)
<u>0</u>	<u>0</u>	<u>0</u>	<u>20,209</u>	<u>(145,005)</u>	<u>0</u>
<u>\$ 5,709,864</u>	<u>\$ 3,046,979</u>	<u>\$ 4,803,017</u>	<u>\$ 3,164,429</u>	<u>\$ 3,484,857</u>	<u>\$ 519,608</u>
2%	3%	3%	4%	5%	5%

City of Medina
Medina County, Ohio
Principal Taxpayers - Municipal Income Tax
2012 and 2005

2012		
Taxpayer	Tax	Percentage of Tax Collected
Medina General Hospital, Inc.	\$ 447,346	3.24%
Medina City School District	416,820	3.02%
County of Medina	349,871	2.54%
Sandridge Food Corp.	240,146	1.74%
Plastipak Packaging, Inc.	212,573	1.54%
Friction Products Co.	207,000	1.50%
Discount Drug Mart	189,018	1.37%
Owens Corning Roofing and Asphalt LLC	150,638	1.09%
City of Medina	141,474	1.03%
Jacobson Mfg, LLC.	128,876	0.93%
Total	\$ 2,483,762	18.02%
Total Tax Collected	\$ 13,786,965	
2005 (1)		
Taxpayer	Tax	Percentage of Tax Collected
Medina City School District	\$ 427,082	3.51%
Medina General Hospital, Inc.	385,134	3.17%
County of Medina	285,468	2.35%
Plastipak Packaging, Inc.	169,993	1.40%
Discount Drug Mart, Inc.	140,351	1.16%
Friction Products Co.	133,446	1.10%
Sandridge Foods Corp	117,049	0.96%
Owens-Corning Sales, Inc.	109,996	0.91%
City of Medina	108,870	0.90%
American Color Graphics, Inc.	103,078	0.85%
Valspar Corporation		0.00%
Total	\$ 1,980,467	16.30%
Total Tax Collected	\$ 12,151,241	

Source: Central Collection Agency

(1) 2004 Information not readily available

City of Medina
Medina County, Ohio
Principal Employers
2012 and 2005

2012		
Employer	Employees	Percentage of Total City Employment
Medina City School District	1,153	2.92%
Medina General Hospital	984	2.49%
County of Medina	723	1.83%
Sandridge Food Corp.	714	1.81%
Friction Products Co.	404	1.02%
Discount Drug Mart, Inc.	402	1.02%
Cleveland Clinic Foundation	308	0.78%
Medina County Joint Vocational School	306	0.78%
Target Corp.	278	0.70%
Medina Services	263	0.67%
Total	5,535	14.02%
Total Employment within the City	39,449	
2005 (1)		
Employer	Employees	Percentage of Total City Employment
Westfield Companies	1,755	3.23%
County of Medina	1,340	2.47%
Schneider National Trucking	850	1.56%
Shiloh Industries	803	1.48%
Brunswick City School District	795	1.46%
Medina City Board of Education	783	1.44%
Medina General Hospital, Inc.	776	1.43%
Wadsworth City Schools	470	0.86%
Cloverleaf Local Schools	413	0.76%
Discount Drug Mart, Inc.	375	0.69%
Total	8,360	15.38%
Total Employment within the City	54,340	

Source: Central Collection Agency

(1) 2004 Information not readily available

City of Medina
Medina County, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2012	1.25%	\$ 13,786,965	\$ 7,926,709	57.49%	\$ 1,368,678	9.93%
2011	1.25%	12,751,628	7,594,364	59.56%	923,868	7.25%
2010	1.25%	12,089,535	7,331,866	60.65%	754,691	6.24%
2009	1.25%	12,276,213	7,249,931	59.06%	767,694	6.25%
2008	1.25%	12,857,183	7,484,324	58.21%	1,016,642	7.91%
2007	1.25%	13,045,634	7,532,125	57.74%	1,108,130	8.49%
2006	1.25%	12,444,595	7,282,703	58.52%	892,533	7.17%
2005	1.25%	12,151,241	7,043,435	57.96%	809,729	6.67%
2004	1.25%	9,672,413	6,272,470	64.85%	391,552	4.05%
2003	0.50%	5,035,114	2,774,432	55.10%	260,532	5.17%

Source: Central Collection Agency

(1) Effective January 1, 2004 City Electors voted to increase the City income tax by .75% to 1.25%.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

	Taxes From Individuals	Percentage of Taxes from Individuals	Taxes From Other Sources	Percentage of Taxes from Other Sources
\$	4,283,579	31.07%	\$ 207,999	1.51%
	4,024,984	31.56%	208,412	1.63%
	3,829,301	31.67%	173,677	1.44%
	4,100,642	33.40%	157,946	1.29%
	4,183,878	32.54%	172,339	1.34%
	4,258,259	32.64%	147,120	1.13%
	4,123,533	33.14%	145,826	1.17%
	4,136,245	34.04%	161,832	1.33%
	2,885,467	29.83%	122,924	1.27%
	1,879,905	37.34%	120,245	2.39%

City of Medina
Medina County, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	Governmental Activities				General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Notes	
2012	\$ 14,500,000	\$ 356,008	\$ 115,252	\$ 0	\$ 14,165,000
2011	13,845,000	562,016	123,484	0	15,275,000
2010	13,845,000	801,098	131,716	0	16,420,000
2009	725,000	1,035,698	139,948	0	16,020,000
2008	725,000	1,260,039	148,180	0	16,995,000
2007	725,000	1,478,712	156,412	0	17,935,000
2006	821,200	1,706,185	0	0	18,840,000
2005	917,400	1,917,658	0	33,756	19,720,000
2004	1,158,600	2,123,464	0	65,973	20,575,000
2003	1,399,800	2,269,200	0	96,729	21,400,000

Source: City of Medina Financial Records

Note: Population and Personal Income data are presented on page S22.

Business-Type Activities

Special Assessment Bonds	Notes	OWDA Loans	Total Debt	Percentage of Personal Income	Per Capita
\$ 2,992	\$ 0	\$ 970,391	\$ 30,109,643	4.17%	1,123
5,984	0	1,045,099	30,856,583	4.30%	1,157
8,902	0	1,116,451	32,323,167	4.59%	1,235
11,302	0	1,184,598	19,116,546	2.61%	735
13,961	0	1,249,682	20,391,862	3.11%	810
16,288	0	1,311,842	21,623,254	3.30%	859
18,615	0	0	21,386,000	3.26%	849
20,942	0	1,427,910	24,037,666	3.67%	955
22,936	0	1,482,064	25,428,037	3.88%	1,010
75,000	0	1,533,784	26,774,513	4.09%	1,064

City of Medina
Medina County, Ohio
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Years

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2012	26,801	\$ 574,874,450	\$ 28,665,000	\$ 649,000	\$ 28,016,000	4.87%	\$ 1,045.33
2011	26,678	\$ 578,167,420	\$ 29,120,000	\$ 650,276	\$ 28,469,724	4.92%	\$ 1,067.16
2010	26,176	622,866,250	30,265,000	665,187	29,599,813	4.75%	1,130.80
2009	26,011	618,327,087	16,745,000	1,377,818	15,367,182	2.49%	590.80
2008	25,175	617,915,177	17,720,000	1,389,504	16,330,496	2.64%	648.68
2007	25,175	627,671,469	18,660,000	1,405,671	17,254,329	2.75%	685.38
2006	25,175	647,007,133	19,661,200	1,420,924	18,240,276	2.82%	724.54
2005	25,175	611,461,610	20,637,400	1,317,055	19,320,345	3.16%	767.44
2004	25,175	589,581,168	21,733,600	1,309,971	20,423,629	3.46%	811.27
2003	25,175	607,462,325	22,799,800	1,328,073	21,471,727	3.53%	852.90

- (1) Source:
(a) Years 2003 through 2008 - 2000 Federal Census
(b) Years 2009 through 2011 - City-data.com
(c) 2012 - Ohio Municipal Advisory Council
(2) Source: Medina County Auditor
(3) Includes all general obligation bonded debt and bond anticipation notes.

City of Medina
Medina County, 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:			
City of Medina	\$ 14,971,260	100.00%	\$ 14,971,260
<i>Total Direct Debt</i>	<u>14,971,260</u>		<u>14,971,260</u>
Overlapping:			
Medina City School District	58,940,000	43.20%	25,462,080
Cloverleaf Local School District	1,075,000	0.07%	753
Buckeye Local School District	15,712,696	12.98%	2,039,508
Medina County	3,719,758	12.61%	469,061
Medina County Library	<u>26,769,993</u>	14.69%	<u>3,932,512</u>
<i>Total Overlapping Debt</i>	<u>106,217,447</u>		<u>31,903,914</u>
Total	<u><u>\$ 121,188,707</u></u>		<u><u>\$ 46,875,174</u></u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the portion of the political subdivision located within the City by the total assessed value of the subdivision.

City of Medina
Medina County, Ohio
Legal Debt Margin
Last Ten Years

	2012	2011	2010	2009
Total Assessed Property Value	\$ 574,874,450	\$ 578,167,420	\$ 622,866,250	\$ 618,327,087
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	60,361,817	60,707,579	65,400,956	64,924,344
Debt Outstanding:				
General Obligation Bonds	28,665,000	29,120,000	30,265,000	16,745,000
Special Assessment Bonds	359,000	568,000	810,000	1,047,000
Notes Payable	0	0	0	0
OPWC Loans	115,252	123,484	131,716	139,948
OWDA Loans	970,391	1,045,099	1,116,451	1,184,598
Total Gross Indebtedness	30,109,643	30,856,583	32,323,167	19,116,546
Less:				
Special Assessment Bonds	(359,000)	(568,000)	(810,000)	(1,047,000)
Notes Payable	0	0	0	0
OPWC Loans	(115,252)	(123,484)	(131,716)	(139,948)
OWDA Loans	(970,391)	(1,045,099)	(1,116,451)	(1,184,598)
General Obligation Bond Retirement Fund Balance	(649,000)	(650,276)	(665,187)	(1,377,818)
Total Net Debt Applicable to Debt Limit	28,016,000	28,469,724	29,599,813	15,367,182
Legal Debt Margin Within 10 ½ % Limitations	\$ 32,345,817	\$ 32,237,855	\$ 35,801,143	\$ 49,557,162
Legal Debt Margin as a Percentage of the Debt Limit	53.59%	53.10%	54.74%	76.33%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$ 31,618,095	\$ 31,799,208	\$ 34,257,644	\$ 34,007,990
Total Gross Indebtedness	30,109,643	30,856,583	32,323,167	19,116,546
Less:				
Special Assessment Bonds	(359,000)	(568,000)	(810,000)	(1,047,000)
Notes Payable	0	0	0	0
OPWC Loans	(115,252)	(123,484)	(131,716)	(139,948)
OWDA Loans	(970,391)	(1,045,099)	(1,116,451)	(1,184,598)
General Obligation Bond Retirement Fund Balance	(649,000)	(650,276)	(665,187)	(1,377,818)
Net Debt Within 5 ½ % Limitations	28,016,000	28,469,724	29,599,813	15,367,182
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 3,602,095	\$ 3,329,484	\$ 4,657,831	\$ 18,640,808
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	11.39%	10.47%	13.60%	54.81%

Source:

City of Medina Financial Records

2008	2007	2006	2005	2004	2003
<u>\$ 617,915,177</u>	<u>\$ 627,671,469</u>	<u>\$ 647,007,133</u>	<u>\$ 611,461,610</u>	<u>\$ 589,581,168</u>	<u>\$ 607,462,325</u>
<u>64,881,094</u>	<u>65,905,504</u>	<u>67,935,749</u>	<u>64,203,469</u>	<u>61,906,023</u>	<u>63,783,544</u>
17,720,000	18,660,000	19,661,200	20,637,400	21,733,600	22,799,800
1,274,000	1,495,000	1,724,800	1,938,600	2,146,400	2,344,200
0	0	0	33,756	65,973	96,729
148,180	156,412	0	0	0	0
<u>1,249,682</u>	<u>1,311,842</u>	<u>1,371,210</u>	<u>1,427,910</u>	<u>1,482,064</u>	<u>1,533,784</u>
20,391,862	21,623,254	22,757,210	24,037,666	25,428,037	26,774,513
(1,274,000)	(1,495,000)	(1,724,800)	(1,938,600)	(2,146,400)	(2,344,200)
0	0	0	(33,756)	(65,973)	(96,729)
(148,180)	(156,412)	0	0	0	0
<u>(1,249,682)</u>	<u>(1,311,842)</u>	<u>(1,371,210)</u>	<u>(1,427,910)</u>	<u>(1,482,064)</u>	<u>(1,533,784)</u>
<u>(1,389,504)</u>	<u>(1,405,671)</u>	<u>(1,420,924)</u>	<u>(1,317,055)</u>	<u>(1,309,971)</u>	<u>(1,309,971)</u>
<u>16,330,496</u>	<u>17,254,329</u>	<u>18,240,276</u>	<u>19,320,345</u>	<u>20,423,629</u>	<u>21,489,829</u>
<u>\$ 48,550,598</u>	<u>\$ 48,651,175</u>	<u>\$ 49,695,473</u>	<u>\$ 44,883,124</u>	<u>\$ 41,482,394</u>	<u>\$ 42,293,715</u>
74.83%	73.82%	73.15%	69.91%	67.01%	66.31%
<u>\$ 33,985,335</u>	<u>\$ 34,521,931</u>	<u>\$ 35,585,392</u>	<u>\$ 33,630,389</u>	<u>\$ 32,426,964</u>	<u>\$ 33,410,428</u>
20,391,862	21,623,254	22,757,210	24,037,666	25,428,037	26,774,513
(1,274,000)	(1,495,000)	(1,724,800)	(1,938,600)	(2,146,400)	(2,344,200)
0	0	0	(33,756)	(65,973)	(96,729)
(148,180)	(156,412)	0	0	0	0
<u>(1,249,682)</u>	<u>(1,311,842)</u>	<u>(1,371,210)</u>	<u>(1,427,910)</u>	<u>(1,482,064)</u>	<u>(1,533,784)</u>
<u>(1,389,504)</u>	<u>(1,405,671)</u>	<u>(1,420,924)</u>	<u>(1,317,055)</u>	<u>(1,309,971)</u>	<u>(1,328,073)</u>
<u>16,330,496</u>	<u>17,254,329</u>	<u>18,240,276</u>	<u>19,320,345</u>	<u>20,423,629</u>	<u>21,471,727</u>
<u>\$ 17,654,839</u>	<u>\$ 17,267,602</u>	<u>\$ 17,345,116</u>	<u>\$ 14,310,044</u>	<u>\$ 12,003,335</u>	<u>\$ 11,938,701</u>
51.95%	50.02%	48.74%	42.55%	37.02%	35.73%

City of Medina
Medina County, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>
2012	26,801	\$ 721,241,711	26,911	61,139	36.4	7,061
2011	26,678	717,931,658	26,911	61,139	36.4	7,354
2010	26,176	704,422,336	26,911	61,139	33.2	7,490
2009	26,011	731,611,397	28,127	58,838	33.2	7,447
2008	25,175	655,380,775	26,033	50,266	36.1	7,298
2007	25,175	655,380,775	26,033	50,266	36.1	7,224
2006	25,175	655,380,775	26,033	50,266	36.1	7,162
2005	25,175	655,380,775	26,033	50,266	36.1	7,115
2004	25,175	655,380,775	26,033	50,266	36.1	7,026
2003	25,175	655,380,775	26,033	50,266	36.1	6,757

(1) Source:

(a) Years 2003 through 2008 - 2000 Federal Census

(b) Years 2009 through 2011 - City-data.com

(c) 2012 - Ohio Municipal Advisory Council and City-data.com

(2) Source: Ohio Department of Education

(3) Source: Bureau of Labor Statistics

(4) Source: Medina County Auditor

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

Medina County Unemployment Rate (3)	Total Assessed Property Value (4)
5.9%	\$ 574,874,450
6.1	578,167,420
8.2	622,866,250
8.3	618,327,087
6.0	617,915,177
5.3	627,671,469
4.9	647,007,133
4.9	611,461,610
5.1	589,581,168
5.1	607,462,325

City of Medina
Medina County, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Nine Years (1)

Function/Program	2012	2011	2010	2009
General Government				
Council	5.00	5.00	5.00	5.00
Finance	6.50	6.50	6.50	6.50
Law	4.00	4.00	4.00	4.00
Administration	2.00	2.00	2.00	2.00
Engineer	5.00	6.00	6.00	6.00
Planning	1.50	4.00	4.00	4.00
Civil Service	2.50	2.50	2.50	2.50
Court	34.50	42.50	4.00	4.00
Public Building/Service Department	4.00	2.50	2.50	2.50
Security of Persons and Property				
Police	34.50	32.00	40.00	40.00
Police - Dispatchers/Office/Other	14.00	10.00	17.50	17.50
Fire	2.00	2.60	2.60	2.60
Fire - Secretary - Other	0.50	0.50	0.50	0.50
Public Health Services				
Cemetery/Forestry	3.00	6.00	6.00	6.00
Leisure Time Activities				
Parks and Recreation	12.50	15.00	15.00	15.00
Municipal Pool - Recreation Center	56.50	91.50	91.50	91.50
Cable	3.00	3.00	3.00	3.00
Community Development				
Building	3.00	4.50	4.50	4.50
Economic Development	2.00	2.00	2.00	2.00
Transportation				
Service	4.00	4.00	4.00	4.00
Street M&R	11.00	15.00	15.00	15.00
Basic Utility Services				
Water	11.00	13.00	13.00	13.00
Sanitation	16.00	16.50	16.50	16.50
Totals:	<u>238.00</u>	<u>290.60</u>	<u>267.60</u>	<u>267.60</u>

Source: City Payroll Department W2 Audit Listing

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

(1) Information prior to 2004 is not available

2008	2007	2006	2005	2004
5.00	5.50	5.00	5.00	5.00
6.50	6.50	7.50	6.50	6.50
4.00	4.00	4.50	4.50	9.50
2.00	2.00	2.00	2.00	2.00
6.00	5.50	5.00	5.00	5.00
4.00	4.50	4.50	3.00	4.50
2.50	2.50	2.50	2.50	4.00
4.00	4.00	38.50	35.50	34.50
2.50	3.00	4.50	6.50	6.00
40.00	39.00	38.00	38.00	36.00
17.50	15.50	17.50	17.50	15.50
2.60	11.00	9.00	9.00	9.00
0.50	0.50	0.50	0.50	0.50
6.00	3.50	5.50	5.00	5.00
15.00	15.00	13.00	12.00	11.00
91.50	97.00	96.50	96.50	83.00
3.00	3.50	2.50	3.00	2.50
4.50	4.50	5.50	5.50	5.50
2.00	2.00	2.00	1.00	1.00
4.00	5.00	4.00	4.00	4.00
15.00	15.50	10.50	13.50	10.50
13.00	14.00	15.00	15.00	15.00
16.50	19.00	16.50	16.50	20.50
<u>267.60</u>	<u>282.50</u>	<u>310.00</u>	<u>307.50</u>	<u>296.00</u>

City of Medina
Medina County, Ohio
Operating Indicators by Function/Program
Last Nine Years (1)

Function/Program	2012	2011	2010
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	185	155	182
Number of Resolutions Passed	31	21	25
<i>Planning and Zoning</i>			
Number of Planning Commission docket items	50	35	41
Zoning Board of Appeals docket items	17	23	20
<i>Finance Department</i>			
Number of checks/ vouchers issued	4,196	4,030	4,247
Amount of checks written	\$ 32,726,645	\$ 27,646,832	\$ 28,894,914
Interest earnings for fiscal year (cash basis)	\$ 204,041	\$ 325,495	\$ 372,819
Number of Journal Entries issued	114	116	135
General Fund Receipts (cash basis in thousands)	\$ 8,657	\$ 9,878	\$ 10,527
General Fund Expenditures (cash basis in thousands)	\$ 6,584	\$ 8,644	\$ 7,673
General Fund Cash Balances (in thousands)	\$ 6,281	\$ 7,494	\$ 6,661
<i>Municipal Court</i>			
Number of Civil Cases	3,415	3,413	3,719
Number of Criminal cases	9,674	1,094	10,607
<i>Civil Service</i>			
Number of police entry tests administered	1	0	0
Number of police promotional tests administered	0	0	2
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	2	0	0
Number of promotions from police certified lists	1	1	2
Number of promotions from fire certified lists	0	0	2
<i>Building Department Indicators</i>			
Construction Permits Issued	991	692	605
Estimated Value of Construction	\$ 34,944,624	\$ 23,791,843	\$ 7,139,790
Amount of Revenue generated from permits	\$ 130,649	\$ 147,650	\$ 92,476
Number of contract registrations issued	637	643	578
Security of Persons & Property			
<i>Police</i>			
Total Calls for Services	27,676	26,635	28,427
Number of traffic citations issued	1,918	2,301	2,289
Number of parking citations issued	934	1,226	1,795
Number of criminal arrests	1,014	1,885	1,547
Number of accident reports completed	784	782	801
Part I Offenses (major offenses)	612	622	537
Police Dept. Auxiliary hours worked	4,132	4,136	5,198
DUI Arrests	96	139	101
Motor Vehicle Accidents	681	782	801
Property damage accidents	593	61	N/A
Fatalities from Motor Vehicle Accidents	1	0	0
Gasoline costs of fleet	\$ 77,930	\$ 81,064	\$ 70,664
Community Diversion Program Youths	N/A	N/A	43
Community Diversion Program - community service hours	N/A	N/A	1,130

	2009	2008	2007	2006	2005	2004
	158	191	181	218	222	200
	31	38	36	32	48	42
	43	53	51	49	38	36
	21	18	20	24	23	36
	4,408	5,724	4,533	4,612	4,497	4,254
\$	32,887,907	\$ 29,030,559	\$ 27,643,271	\$ 28,266,469	\$ 28,779,114	\$ 27,055,348
\$	550,962	\$ 807,069	\$ 1,789,056	\$ 700,092	\$ 500,354	\$ 271,521
	142	152	190	238	233	202
\$	7,256	\$ 8,036	\$ 8,110	\$ 7,268	\$ 6,975	\$ 7,442
\$	11,634	\$ 6,687	\$ 6,272	\$ 6,004	\$ 6,535	\$ 7,852
\$	3,806	\$ 8,507	\$ 6,927	\$ 4,678	\$ 3,134	\$ 2,138
	4,208	4,351	3,603	3,170	3,044	3,267
	12,296	13,661	13,790	13,560	13,878	14,067
	1	1	1	1	0	1
	1	0	1	0	1	0
	1	1	1	0	0	2
	3	3	1	2	0	3
	1	0	3	0	1	0
	1	1	1	0	0	6
	548	284	182	216	493	610
\$	15,898,310	\$ 20,499,150	\$ 9,648,141	\$ 15,711,204	N/A	N/A
\$	139,284	\$ 160,054	\$ 37,096	\$ 65,265	\$ 205,748	\$ 383,657
	593	691	694	732	675	723
	39,801	38,084	39,580	41,891	33,682	27,085
	3,433	3,916	4,080	3,838	3,446	2,406
	2,039	2,310	2,508	3,482	2,274	1,520
	1,329	2,485	2,654	2,507	2,037	1,588
	729	805	789	823	806	918
	565	603	567	568	530	632
	4,783	4,937	6,250	7,196	7,209	7,036
	137	106	126	128	122	83
	729	561	539	526	513	601
	12	719	699	752	731	841
	1	0	0	1	0	0
\$	61,763	\$ 84,015	\$ 82,127	\$ 74,671	\$ 67,563	\$ 44,464
	58	46	47	50	51	49
	1,160	1,794	1,833	1,950	1,989	1,911

(continued)

City of Medina
Medina County, Ohio
Operating Indicators by Function/Program
Last Nine Years (1)

Function/Program	2012	2011	2010
Leisure Time Activities			
<i>Community Recreation Center</i>			
Recreation Center Memberships	\$ 1,008,342	\$ 1,068,622	\$ 1,134,819
Recreation Center Daily Passes	213,118	228,664	227,678
Recreation Center Land Programs	348,774	335,041	344,393
Recreation Center Aquatics Programs	220,269	203,951	230,987
Rascal Room	17,980	21,086	21,318
Recreation Center Rentals	62,171	51,741	52,447
	<u>\$ 1,870,654</u>	<u>\$ 1,909,105</u>	<u>\$ 2,011,642</u>
<i>Parks Department</i>			
Outdoor Pavillion Rentals	\$ 4,365	\$ 4,080	\$ 4,075
Outdoor Pool Revenues	21,462	20,467	21,270
Outdoor Pool Concessions (2)	4,917	3,980	4,545
	<u>\$ 30,744</u>	<u>\$ 28,527</u>	<u>\$ 29,890</u>
Community Development			
Grant amounts received due to Economic Development Dept.	\$ 336,802	\$ 192,288	\$ 405,000
Basic Utility Services (3)			
Refuse disposal per year (in tons)	24,372	24,300	24,322
Refuse disposal costs per year	\$ 1,493,063	\$ 1,500,000	\$ 1,394,276
Transportation			
Crackseal Coating Program (Miles)	7.2	2.6	6.4
Paint Striping (linear feet)	47,520	77,519	500
Street Sweeper (hours)	200	240	350
Cold Patch (hours)	2,876	2,804	3,200
Snow & Ice Removal regular hours	3,291	2,000	3,720
Snow & Ice Removal overtime hours	905	339	1,090
After hours Sewer Calls (hours)	37.5	31.0	42.0
Sewer Crew (hours)	4,925	4,282	4,600
Sewer jet, Vac-all, other services (hours)	900	1,000	1,100
Landscaping Stump-Chipper service (hours)	1,500	1,248	160
Leaf collection (hours)	3,000	2,193	4,000
Holiday lights setup (hours)	275	15	12
Downtown Square Repair after events (hours)	20	19	12
Equipment repair/body shop (hours)	8,320	7,600	7,390
Sign department (hours)	522	230	650
Number of Trees Planted per year	173	115	250
Tons of snow melting salt purchased (Nov-Mar)	3,947	3,536	5,000
Cost of salt purchased	\$ 183,785	\$ 174,360	\$ 242,450

Source: City of Medina Department Records

- (1) Information prior to 2004 is not available.
- (2) Information prior to 2010 is unavailable.
- (3) Information for 2011 is an estimate.
- N/A Information not readily available.

2009	2008	2007	2006	2005	2004
\$ 1,047,785	\$ 1,092,310	\$ 1,144,265	\$ 1,129,884	\$ 1,105,215	\$ 1,037,981
180,872	203,225	180,872	187,747	195,484	194,878
290,300	291,424	264,662	205,810	158,542	127,244
214,427	207,414	165,911	161,816	143,674	130,651
21,441	27,938	27,883	24,204	25,553	22,883
52,554	71,489	73,190	67,781	61,619	46,898
<u>\$ 1,807,379</u>	<u>\$ 1,893,800</u>	<u>\$ 1,856,783</u>	<u>\$ 1,777,242</u>	<u>\$ 1,690,087</u>	<u>\$ 1,560,535</u>
\$ 4,297	\$ 3,285	\$ 3,440	\$ 2,585	\$ 1,820	N/A
7,318	16,662	17,628	21,817	18,473	13,547
N/A	N/A	N/A	N/A	N/A	N/A
<u>\$ 11,615</u>	<u>\$ 19,947</u>	<u>\$ 21,068</u>	<u>\$ 24,402</u>	<u>\$ 20,293</u>	<u>\$ 13,547</u>
\$ 1,900,500	\$ 680,000	\$ 80,000	\$ 660,400	\$ 132,000	\$ 604,000
24,643	26,786	27,468	28,259	28,769	28,292
\$ 1,338,456	\$ 1,372,830	\$ 1,407,785	\$ 1,448,274	\$ 1,474,440	\$ 1,450,000
5.3	4.4	5.6	8.6	No program	5.6
720	480	486	453	551	691
500	343	397	414	491	448
2,500	1,401	1,291	1,388	1,441	1,706
3,468	2,448	2,616	2,707	2,696	2,904
1,134	1,200	1,847	327	1,168	845
30.0	5.9	6.0	6.0	13.9	21.9
4,800	3,465	3,026	3,807	4,335	4,343
1,000	636	767	1,008	1,099	1,128
205	205	205	205	205	205
4,200	1,759	1,807	2,376	2,289	3,601
15	10	10	10	10	10
15	20	20	16	12	12
7,226	5,995	5,693	6,000	5,900	5,800
600	314	499	269	333	614
249	154	91	362	270	373
4,370	5,907	6,514	5,727	8,174	5,706
\$ 168,236	\$ 179,647	\$ 292,994	\$ 203,806	\$ 294,177	\$ 252,554

City of Medina
Medina County, Ohio
Capital Assets Statistics by Function/Program
Last Eight Years (1)

Function/Program	2012	2011	2010	2009
General Government				
Square Footage City Hall	18,500	18,500	18,500	18,500
Administrative Vehicles	3	3	3	3
Inspection Vehicles	7	7	6	6
Municipal Court Vehicles	2	2	2	2
Lands & Buildings Vehicles	5	5	5	5
Police				
Police Station - 150 W. Washington	14,500	14,500	14,500	14,500
Police Station - Satellite Station	575	575	575	575
Vehicles	21	23	33	33
Fire				
Station 1 - 300 W. Reagan Parkway	13,427	13,427	13,427	13,427
Station 2 - 500 Lake Road	5,418	5,418	5,418	5,418
Station 3 - 1000 Wadsworth Toad	4,686	4,686	4,686	4,686
Engine House - 51 Public Square	3,884	3,884	3,884	3,884
Vehicles	14	14	15	15
Recreation				
Number of Parks	12	12	12	12
Number of Pools	1	1	1	1
Number of Tennis Courts	3	3	3	3
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	16	16	16	16
Number of Soccer Fields	10	10	10	10
Vehicles	8	8	10	10
Other Public Works				
Streets (miles)	95	56	56	56
Service Vehicles	48	45	42	42
Sanitation				
Square Footage Sanitation Office	275	275	275	275
Square Footage Sanitation Office - City Hall	168	168	168	168
Wastewater				
Storm Sewers (miles)	55	54	54	54
Vehicles	1	1	1	1
Water Department				
Square Footage Water Maintenance Office	1,000	1,000	1,000	1,000
Square Footage Water Meter Office	575	575	575	575
Square Footage Water Office - City Hall	168	168	168	168
Water Lines (miles)	65	65	65	65
Vehicles	15	15	12	12

Source: City of Medina Department Records

(1) Information prior to 2005 is not available.

2008	2007	2006	2005
18,500	18,500	18,500	18,500
3	3	3	3
6	6	6	6
2	1	1	1
5	4	4	4
14,500	14,500	14,500	14,500
575	575	575	575
32	32	32	32
13,427	13,427	13,427	13,427
5,418	5,418	5,418	5,418
4,686	4,686	4,686	4,686
3,884	3,884	3,884	3,884
14	14	14	14
12	12	12	12
1	1	1	1
3	3	3	3
1	1	1	1
16	16	16	16
10	10	10	10
9	9	9	9
56	55	55	55
43	43	43	40
275	275	275	275
168	168	168	168
54	54	54	54
1	1	1	0
1,000	1,000	1,000	1,000
575	575	575	575
168	168	168	168
65	65	65	65
12	11	11	10

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Rea & associates a *brighter* way

City of Medina

Medina County, Ohio

*Reports Issued Pursuant to Government Auditing
Standards and OMB Circular A-133*

December 31, 2012

City of Medina
Medina County, Ohio
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June 27, 2013

To the Members of Council and Management
City of Medina
Medina County, Ohio
132 N. Elmwood Ave.
Medina, OH 44256

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Medina, Medina 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, and have issued our report thereon dated June 27, 2013, wherein we noted the City restated their December 31, 2011, governmental fund balance for the general and grants funds.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

June 27, 2013

To the Members of Council and Management
City of Medina
Medina County, Ohio
132 N. Elmwood Ave.
Medina, OH 44256

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Report on Compliance for Each Major Federal Program

We have audited the City of Medina's, Medina County, Ohio, (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-003 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

City of Medina

Report on Compliance for Each Major Federal Program;

Report on Internal Control over Compliance; and Report on the

Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Page 3 of 3

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise City's basic financial statements. We issued our report thereon dated June 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rea & Associates, Inc.

City of Medina
Medina County, Ohio
Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended December 31, 2012

Federal Grantor/Pass Through Grantor Program Title	Agency or Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the County of Medina:</i>			
Neighborhood Stabilization Program	B-Z-08-048-1	14.218	541
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant - Formula	A-F-10-2CN-1	14.228	65,193
Community Development Block Grant - CHIP	A-C-11-2CN-1	14.228	45,281
Community Development Block Grant - Formula	A-F-11-2CN-1	14.228	25,750
Community Development Block Grant - Formula	A-F-12-2CN-1	14.228	28
Total Community Development Block Grants			136,252
Total U.S. Department of Housing and Urban Development			136,793
<u>U.S. Department of Justice:</u>			
<i>Passed through the Bureau of Justice Assistance:</i>			
Joint Law Enforcement Operations	D60-12-0027	16.111	2,407
Total U.S. Department of Justice			2,407
<u>U.S. Department of Transportation</u>			
<i>Direct Program:</i>			
Airport Improvement Program		20.106	610,459
<i>Passed through Ohio Department of Natural Resources:</i>			
Recreational Trails Program		20.209	109,260
<i>Passed through Ohio Department of Transportation:</i>			
ARRA - High-Speed Rail Corridors-Capital Assistance	86436	20.319	873,656
Total U.S. Department of Transportation			1,593,375
<u>U.S Environmental Protection Agency</u>			
<i>Direct Program:</i>			
ARRA - Brownfield Assessment and Cleanup	BF-00E00904-0	66.818	56,228
Total U.S Environmental Protection Agency			56,228
Total Expenditures of Federal Awards			\$ 1,788,803

City of Medina
Medina County, Ohio
Schedule of Findings and Questioned Costs
OMB Circular A-133, Section .505
December 31, 2012

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	Yes
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section .510?	Yes
(d) (1) (vii)	Major Programs (list): Airport Improvement Program ARRA–High-Speed Rail Corridors	CFDA #20.106 #20.319
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

City of Medina
Medina County, Ohio
Schedule of Findings and Questioned Costs (Continued)
December 31, 2012

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

Material Weakness – Internal Controls over Financial Reporting

Finding Number: 2012-001

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 115 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 115 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: We identified material misstatements in the City's financial statements, as well as other misstatements that were not necessarily material, but were more than inconsequential. Material amounts noted above have been subsequently reported in the audited financial statements.

Cause: New personnel and new procedures were implemented to calculate receivables and flag payables in 2012. Thorough training and communication should occur. Review by management of general accepted accounting principles (GAAP) conversion worksheets prepared by its staff would increase likelihood of detection of errors and reduce risk of material misstatement. The City has been continually developing and implementing procedures to maintain an updated listing of capital assets and monitor capital asset activity; however, there is still room for improvement evidenced by the multiple misstatements that were not material but more than inconsequential.

Effect: We identified material misstatements to the city's financial statements in accounts payable for goods and services received in 2012 and paid in 2013 that were not captured in the financial statements as well as a materially understated accounts receivable estimate related to utilities services provided by the City. Without proper procedures, the reliability of the financial statements is minimized and increases the risk for material misstatement.

Recommendation: We recommend the City strengthen controls over financial reporting by reviewing and overseeing the annual financial reporting process, continually maintaining capital asset schedules, implementing an annual inventory inspection/count in which each department head is held accountable for the assets in that department. Reviewing the payable process and receivable calculation methodology will increase the accuracy and completeness of the City's financial statements.

Management Response: The Finance Department has reviewed the importance of reporting non-financial transactions with other departments. The receivable recorded in the water fund was placed in that fund because it was identified through the City's utility billing system. This system is primarily used to invoice city utility customers, but it is also used for other billings. In the future, the receivables will be allocated to the appropriate funds rather than all recorded in the utility funds. The Finance Department has reviewed the identification of payables from invoices for services provided during the previous fiscal year. The Finance Department has developed a simplified reporting process to correct this in future years. In the future the City will identify payments based on the date the service was provided rather than the invoice date.

City of Medina
Medina County, Ohio
Schedule of Findings and Questioned Costs (Continued)
December 31, 2012

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

Significant Deficiency – Cash Reconciliations

Finding Number: 2012-002

Criteria: The City’s management has a responsibility to design and maintain internal controls over financial reporting. Internal controls must exist over the cash reconciliation process. Timely reconciliation and review should be completed by the appropriate personnel.

Condition: While obtaining an understanding of internal controls over the cash reconciliation process, we identified a deficiency in the City’s controls. The City has taken progressive measures to remediate this deficiency and is actively attempting to correct the source of the matter causing unreconciled differences; however, a reasonable possibility still exists that the City’s controls would fail to prevent or detect a misstatement. A crucial step in the internal control over financial reporting is to reconcile monthly the cash bank balance and investments to the balance in the accounting records and provide support for reconciling items. The reconciliation process will assure complete, accurate and timely posting of receipts and will promote the detection of errors or irregularities by the City’s management in a timely manner.

Cause: The factors that resulted in the control weakness are lack of ability to reconcile book transactions to bank activity, lack of segregation of duties over reconciling and posting adjustments and the absence of supervisory review over reconciliations and adjustments.

Effect: The above condition resulted in consistent, unexplained variances between book balances and bank balances on a recurring basis. In addition, the City has checks dating over one year old appearing on the outstanding check list for both the general and payroll accounts.

Recommendation: The City should obtain complete understanding of its accounting processes in order to diagnose the source of the unreconciled differences and implement controls to maintain a seamless reconciling process on a timely basis. In addition, to improve segregation of duties, the finance director should provide appropriate oversight of all memo, journal and correcting entries posted to the general ledgers for proper purpose and amount. Dated items should be properly handled such as putting unclaimed monies into an unclaimed fund. The bank reconciliation should be reviewed and approved by finance director evidenced by signature and date each month. Particular attention to the source of the reconciling items is paramount. This process is important since the person reconciling the bank statement is also the person making the adjusting journal entries.

Management Response: This finding has been reduced from a Material Weakness to a Significant Deficiency due to the work that personnel in the Finance Department have conducted. The City is adopting updated procedures that will properly segregate duties and ensure timely and adequate supervision over reconciling and posting adjustments. The updated procedures will be fully implemented in time for our next audit.

City of Medina
Medina County, Ohio
Schedule of Findings and Questioned Costs (Continued)
December 31, 2012

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Significant Deficiency – Schedule of Federal Awards

Finding Number: 2012-003

Criteria: OMB Circular A-133 requires all entities expending greater than \$500,000 to have an annual audit. Further, the audited entity is required to prepare the schedule of federal expenditures.

Condition: The City does not have an adequate process in place to maintain or prepare a schedule of federal awards on a timely basis. While the City has improved its financial records to be more clearly defined for the federal expenditures, processes are not in place to properly identify all federal funding when passed through a state or local agency. More specifically, for the grants passed through Ohio Department of Development, the City established separate funds and line items for its federal grants; however, expenditures related to the community housing improvement programs are commingled in the same account coding and not defined or tracked between CFDA numbers. In addition, the City received a Recreational Trails Program grant that was not captured in the federal schedule. Overall, it is pertinent to have the proper procedures in place throughout the year to identify federal grants and not just as year-end when preparing a federal schedule, especially grants awarded through pass-through entities.

Cause: Departments applying for and receiving grants are neglecting to determine if they are federal and lack proper communication to the finance department.

Effect: Not having these procedures in place throughout the year to maintain a federal schedule could result in not only a misstated federal schedule but may hinder the City's ability to comply with federal requirements if unable to identify federal grants from local grants.

Recommendation: For grants passed through Ohio Department of Development, we recommend the City establish procedures that clearly define the activity for each grant and grant year in the financial records and also improve communication lines between departments and the outside consultant to eliminate commingling of federal grant monies. Even with proper account codes and descriptions being used, federal expenditures can be missed when the source of funding is unknown. Therefore, when departments apply for federal grants that are passed through the state or a local source, the departments applying for the grant the City receives must inform the finance department that the grant is federally funded. If the department is uncertain of its funding source, we recommend contacting the grant administrator to obtain all relevant documents. As a best practice, the City could implement investigation procedures for all grants to verify if the source is federal passed through a state department or truly state-funded. Implementation of these recommendations will not only assist the City in preparing its federal schedule but also improve stewardship over federal monies.

Management's Response: The City's Federal Grants are managed in a decentralized fashion wherein individual departments and in some cases consultants are responsible for aspects of various federal grants. Management will continue to work to coordinate with the various departments and consultants responsible for the various federal grants.

City of Medina
Medina County, Ohio
Schedule of Prior Audit Findings
For the Fiscal Year Ended December 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2011-001	Internal controls over financial reporting	No	Repeated as Finding 2012-001
2011-002	Cash reconciliations	No	Repeated as Finding 2012-002

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Dave Yost • Auditor of State

CITY OF MEDINA

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 20, 2013**