

Comprehensive Annual Financial Report



City of Mason
Mason, Ohio 45040
Year Ended December 31, 2014



Dave Yost • Auditor of State

City Council
City of Mason
6000 Mason-Montgomery Road
Mason, Ohio 45040

We have reviewed the *Independent Auditor's Report* of the City of Mason, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2014 through December 31, 2014. 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 Mason is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

October 5, 2015

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City of Mason, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2014

Prepared by:
Finance Department

Joseph Reigelsperger
Finance Director

| | Page |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | vii |
| List of Principal Officials | xv |
| City Organizational Chart | xvi |
| Certificate of Achievement for Excellence in Financial Reporting | xvii |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis | 3 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 15 |
| Statement of Activities | 16 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 18 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds | 20 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities | 21 |
| Statement of Net Position - Proprietary Funds | 22 |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds | 24 |
| Statement of Cash Flows - Proprietary Funds | 26 |
| Statement of Fiduciary Assets and Liabilities - Fiduciary Fund | 28 |
| Notes to the Basic Financial Statements | 29 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund | 62 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire and Emergency Medical Service Fund | 64 |
| Notes to the Required Supplementary Information | 65 |
| Combining Statements and Individual Fund Schedules: | |
| Nonmajor Governmental Funds: | |
| Fund Descriptions | 69 |
| Combining Balance Sheet | 70 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 71 |
| Nonmajor Special Revenue Funds: | |
| Fund Descriptions | 72 |
| Combining Balance Sheet | 74 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 78 |

| | <u>Table</u> | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): | | |
| Street Construction, Maintenance and Repair Fund | | 82 |
| State Highway Improvement Fund | | 83 |
| Street Subdivision Fund | | 84 |
| Police Officer Training Fund | | 85 |
| Parks and Recreation Fund | | 86 |
| Police Crime Prevention Fund | | 87 |
| Drug Law Enforcement Fund | | 88 |
| Law Enforcement and Education Fund | | 89 |
| Indigent Driver Fund | | 90 |
| Municipal Court Computer Costs Fund | | 91 |
| Municipal Court Computer Education Fund | | 92 |
| Municipal Court Improvement Fund | | 93 |
| Vehicle Immobilization Fee Fund | | 94 |
| Municipal Court Probation Services Fund | | 95 |
| Municipal Court Indigent Driver IDAM Fund | | 96 |
| Subdivision Inspection Fund | | 97 |
| Central Parke TIF Fund | | 98 |
| Mason Enterprise Parke TIF Fund | | 99 |
| Tylersville Road TIF Fund | | 100 |
| I-71 Corridor TIF Fund | | 101 |
| Everybody's Farm TIF Fund | | 102 |
| JW Harris TIF Fund | | 103 |
| Nonmajor Debt Service Funds: | | |
| Fund Descriptions | | 105 |
| Combining Balance Sheet | | 106 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | | 107 |
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): | | |
| General Obligation Bond Retirement Fund | | 108 |
| Special Assessment Bond Retirement Fund | | 109 |
| Government Center Bond Retirement Fund | | 110 |
| Other General Funds | | |
| Fund Descriptions | | 111 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance | | |
| Budget and Actual (Non-GAAP Budgetary Basis): | | |
| General Capital Improvement Fund | | 112 |
| Employee Medical Insurance Fund | | 113 |
| City Contributions Fund | | 114 |
| Unclaimed Monies Fund | | 115 |
| Nonmajor Funds: | | |
| Agency Funds | | |
| Fund Descriptions | | 116 |
| Statement of Changes in Assets and Liabilities | | 117 |

| | <u>Table</u> | <u>Page</u> |
|--------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| STATISTICAL SECTION | | |
| Statistical Section Description Page | | 119 |
| Net Position by Component | 1 | 120 |
| Changes in Net Position | 2 | 121 |
| Governmental Activities Tax Revenues by Source | 3 | 124 |
| Fund Balances of Governmental Funds | 4 | 125 |
| Changes in Fund Balances of Governmental Funds | 5 | 126 |
| Income Tax Revenue by Payer Type | 6 | 128 |
| Assessed and Estimated Actual Value of Taxable Property | 7 | 129 |
| Property Tax Rates - Direct and Overlapping Governments | 8 | 130 |
| Principal Property Taxpayers | 9 | 131 |
| Property Tax Levies and Collections - Real, Public Utility and Tangible Personal Property | 10 | 132 |
| Special Assessment Billings and Collections | 11 | 133 |
| Ratios of Outstanding Debt by Type | 12 | 134 |
| Ratios of Net General Bonded Debt Outstanding To Assessed Value and Net Bonded Debt Per Capita | 13 | 135 |
| Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt To Total General Government Expenditures | 14 | 136 |
| Direct and Overlapping Governmental Activities General Obligation Debt | 15 | 137 |
| Legal Debt Margin Information | 16 | 138 |
| Demographic and Economic Statistics | 17 | 139 |
| Principal Employers | 18 | 140 |
| Full-time City of Mason Employee by Function | 19 | 141 |
| Operating Indicators and Capital Position Statistics | 20 | 142 |

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INTRODUCTORY SECTION



June 23, 2015

Honorable Mayor, Members of Council, and Citizens of Mason:

We are pleased to present the City of Mason Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. While there are no legal requirements for the preparation of this report, it represents a commitment by the City of Mason to conform to nationally recognized standards of excellence in financial reporting.

State law requires that each public office file an annual financial report with the Auditor of State. The financial report must also be in conformity with generally accepted accounting principles (GAAP). The City's charter requires the City Manager and Finance Director to submit to Council and make available to the public a complete report on the finances of the municipality as of the end of each fiscal year.

The management of the City of Mason, particularly the Finance Director's Office, assumes full responsibility for both the completeness and reliability of the information contained in this report. The accuracy of the presented data and the completeness and fairness of presentation is assured through a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Plattenburg & Associates, Inc. has issued an unmodified ("clean") opinion on the City of Mason's

financial statements for the year ended December 31, 2014. Their report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.



The Oak Park District, a growing 250-acre mixed use research and technology park on the Western Row Road/I-71 corridor continues to attract the interest of many high-profile corporations.

PROFILE OF THE CITY

Mason is considered one of the most desirable communities in the Cincinnati region and has earned a reputation as a progressive, innovative community. Centrally located in southwest Ohio,



the City is a destination for corporations seeking a thriving business environment and for families desiring attractive neighborhoods and nationally ranked schools.

Mason with a population of about 31,000, is in the southwest quadrant of Warren County. More than 36 miles of interstate highways give businesses and residents easy access to the metropolitan centers of both Cincinnati and Dayton and fuel the area's residential growth as well as business expansion. Mason is strategically located between the Cincinnati region's two most vital commerce corridors, Interstates 71 and 75, just north of the I-275 beltway. The City is served by four direct interchanges two on I-71 and two on I-75.

Several groups continue to recognize Mason as a great place to live, work, and play. For multiple years, *Money* magazine named the City of Mason one of the top small towns to live in the nation. SafeWise Security Systems named it one of the safest cities in Ohio. Consumer website, Nerdwallet.com, ranked Mason high for job opportunities. Warren County is "Ohio's Largest Playground" and Mason is the anchor. Mason is home to some of the biggest attractions including Kings Island amusement park, Great Wolf Lodge, the Beach Waterpark and the annual Western & Southern Open.



The annual Western & Southern Open brings the world's top professional tennis players to the nation's oldest professional tennis tournament played in its city of origin.

HISTORY AND ORGANIZATION

Originally settled as the village of Palmyra in 1815 by Major William Mason, the village was renamed in his honor 20 years later. With its population exceeding 5,000 in 1971, Mason became a city and its charter establishes guidelines for its operations. Mason is a home-rule city with a council/manager



Then and Now, a look at downtown Mason that continues to keep the small town environment despite the City's rapid growth.

form of government. The legislative body of Mason consists of a mayor and six council members who are responsible for the legislative affairs of the City. Council also makes appointments to various statutory and advisory boards and appoints the City Manager, Law Director, and Clerk of Council.

As chief executive officer, the City Manager is responsible for enforcement of all laws and ordinances and the efficient delivery of all city services. The City provides many of the municipal services normally associated with a municipality, including emergency services; street construction and maintenance; full engineering, building, and planning services; recreation space and activities; and business recruitment and retention.

Sanitary sewer, storm water, and solid waste collection and disposal services are provided under an enterprise fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. The City also operates a community center

and golf course through enterprise funds.

The annual budget for the City of Mason serves as the foundation for the City's financial planning and control. As required by the charter, the City Manager prepares and submits the annual budget and capital program to the council. After a review and final recommendation from Council's Finance Committee, the budget is legally enacted through passage of the annual appropriation ordinance. Department Heads, with approval from the Finance Director, may transfer resources below the object/fund level that was approved by Council. However, only Council, using a supplemental appropriation or re-appropriation ordinance, may approve any increase in appropriation or transfers between levels identified in the annual appropriation ordinance before the end of the fiscal year.

LOCAL ECONOMY

Mason businesses employ an estimated 30,000 persons, roughly equivalent to the City's nighttime population of about 31,000. Six of the top fifteen largest employers in Warren County are located in Mason. The City's ten largest employers provide work for more than 10,000 persons and generated more than \$9.8 million in income tax revenue in 2014. Overall, it is estimated that there are more than 800 businesses that operate within Mason's eighteen square miles.

Mason continues to attract quality companies that are relocating or expanding. In choosing Mason, companies cite prime location along the interstates, land availability for development within established business parks, rising property values, the established core of high-tech businesses, available workforce, and an exceptional level of support services that contribute to a favorable business environment widely promoted in the region. Tax incentives targeting high-tech businesses and light industry are strong inducements as well. Over the past decade, Mason has also nurtured the marriage between tourism, Warren County's top industry, and business development. Additionally, the city's economic strategy encourages the growth of early

and mid-stage entrepreneurial companies within the target sectors of bio-health, bio-health IT, and digital IT.

Over the last decade and a half, Mason has become home to increasing numbers of domestic and foreign companies and has one of the region's largest complements of international businesses. The Greater Cincinnati Ohio region ranks fifteenth in total exports among U.S. cities with over \$21 billion in total merchandise exports in most recent data. Export growth has seen a 5.1% increase or \$1 billion, between 2012 and 2013. Mason contributes to the region's worldwide impact, being home to a number of the region's more than 1,000 firms engaged in international trade that generate annual export sales of over \$6 billion. More than 300 firms from Japan, Western Europe, and Canada have established facilities in the Greater Cincinnati, Ohio, region.

In an effort to further enhance Mason's foreign direct investment strategy, the city invested in the Regional Economic Partnership as a founding partner in 2001. This regional partnership has lent notable strength and leverage to Mason's work on both national and international recruitment projects.

Over the past 15 years, Mason has renewed its commitment to the regional strategy placing a priority on our partnership to make marketing and recruitment decisions for the Greater Cincinnati USA region. Through the City's efforts to master plan and make infrastructure investments, Mason continues to be a regular portfolio development area within the region, attracting the attention of prospective companies.

The partnership, recently renamed Regional Economic Development Initiative (REDI Cincinnati) strengthens a methodology of continued relationship maintenance with valuable contacts in Europe and Asia. This gives Mason the opportunity to tell unique stories of corporate investments to companies outside the U.S. that are looking to start new U.S. operations. Over the years, Mason's annual participation has produced a valuable local

return on investment through transatlantic relationship leverage and exposure to local, domestic, and international decision makers. The City participates actively on the Board of Directors.

Beginning in 2007, the City negotiated a membership partnership that combined two organizations: Regional Economic Development and CincyTech. This agreement provides Mason with access to leadership boards of both organizations. Mason's keen level of engagement with CincyTech, an entrepreneur clearing house to scale and grow companies that are in the innovation sector, has helped the City reach emerging markets, entrepreneurs, information technology, biosciences, and digital IT. These partnerships help give Mason a high profile among investment and venture oriented prospects that set the city apart from the efforts of competing communities. Mason's continuing agreement provides the City with leverage to reach these markets that are so important to the city's overall economic development goals.

Mason is one of only two cities in the Region that are CincyTech partners. Over 13% (five companies) of the total CincyTech company portfolio have chosen a Mason location. These companies have generated more than \$40 million in venture and private equity investment and the creation of over 260 new jobs in Mason. The year 2014 set the stage for record activity within the entrepreneur and technology company ecosystem in Mason. As a result, job growth and new investment are expected to increase in the coming years.

The year 2014 marked the City's tenth year of operating with the Mason Port Authority, the first port authority in Warren County. This economic development tool has provided advantageous flexibility for financial recruitment options. Since its inception, the Port has helped retain over 1,400 jobs and allowed the city to attract nearly \$50 million in new capital investment, with a total of over 1,430 new jobs to be created. The Mason Port Authority makes regular proposals to major prospects, often in combination with marketing the City's industrial property on State Route 741 and

the I-71 Corridor. The Port has facilitated opportunities for Mason that would not have been possible without this important economic development tool.



AtriCure Global Corporate Headquarters is a publically traded medical device manufacturing with corporate and R&D functions, announced plans to develop a 10-acre campus and invest over \$15 million in a state-of-the-art building.

Mason's reputation as a serious business environment is confirmed by corporate decisions to move jobs and investment to the City. New investments reported in 2014 were over \$42 million with 560,000 square feet of new or renovated corporate and industrial space added, bringing over 560 announced new jobs to the community. The growth in 2014 mirrored the 2013 growth and reiterates Mason's trend of performing near the top regionally for new investment in the industrial and corporate sectors.

The pipeline of increased new investment began to rebound at the close of 2010, with figures reaching significant levels in 2011 and continuing into 2014. Projections for the 2015 investment figures based on current 2014 pipeline are expected to achieve record levels.

Mason's diversified tax base allows the continued reporting of annual growth in 2014 with fifteen projects actively tracked that were a combination of new jobs, new square footage, and new investments. The year 2014 kicked off several large developments, most with expected completion in 2015-2016. New investment in 2013 and 2014

continue to grow with expansion of existing Mason businesses. Activity included large-scale expansion and new added locations via acquisition, renovation of buildings within the City, and full company relocation.

The following projects were the largest new developments announced in the City of Mason:

2014 Corporate Investment Announcements

| | New Capital | New Payroll |
|------------------------|--------------------|--------------------|
| AtriCure | \$ 13.0 M | \$ 13.0 M |
| Premier Health | \$ 11.5 M | \$ 2.2 M |
| Mason Christian Group | \$ 5.0 M | \$ 1.0 M |
| Cedar Village | \$ 1.0 M | \$ 1.2 M |
| Makino | \$ 600 K | \$ 4.2 M |
| Mason Growth Companies | *\$ 850 K | *\$ 6.7 M |

**other combined capital investment and payroll*

As each new investment is announced, job creation and payroll are projected for the next three to five years. Many of the jobs announced have already been created in the City and many others will be realized in the next two years.

In 2014, Mason saw continued interest in land sales and new construction in the industrial, manufacturing, and specialty healthcare and pharmaceutical sectors. Recognizing that the regional market outlook is seeing continued signs of recovery, Mason will position itself to be at the forefront of positive commercial activity. The City has put significant effort into partnerships and creativity in economic development, resulting in successful attention within the business community and the creation of investment and jobs.

The City’s approach to focus on key areas for future growth continues to be the city-owned land North Mason Technology District and the I-71 Innovation corridor. The North Mason Technology District recently expanded over 1,100 acres which continues to offer competitive options for new investors. The I-71 Innovation corridor has approximately 600 acres of undeveloped land. This

has attracted the attention of the development community and expanding biohealth cluster in Mason and the Region.

Mason is also well attuned to the benefit of destination developments such as Great Wolf Lodge, new investments by Kings Island amusement park, and the expansion of high-profile events such as the Tennis Masters Series. These attractions and sporting events are expected to drive more interest in tourism development. The City’s economic development efforts fully recognize a positive relationship between destination tourism and the business community’s interest in conference, technology, and office development.

Growth and development in the city are expected to continue to be strong into 2015. Efforts to focus on growth sectors and emerging markets that bring high rates of return to the city are the key focus of the city’s economic strategy. The City’s efforts to attract biohealth sector companies is strong and is expected to continue to deliver results from the economic strategy that leverages key partnerships with private sector companies, institutional, academic, research organizations and investment centers that fund innovation. A major announcement in 2015 includes a \$300 million, 500,000 square foot expansion at the Procter & Gamble research and development center that will bring an estimated 1,100 employees to Mason.



Assurex Health continues rapid innovation, investment and employee growth within the City. It is a precision medicine company that uses genomics and informatics to predict diagnostic outcomes.

LONG-TERM FINANCIAL PLANNING

As part of the annual budgeting process, city administration prepares a capital improvement plan for the next five years. City Council then reviews and prioritizes projects. In addition to the capital improvement plan, the City of Mason uses a financial forecast of both operating and capital expenditures. Using these tools, Council makes policy decisions and allocates financial resources for long-term financial planning.

RELEVANT FINANCIAL POLICIES

In 2012, Mason voters approved a unique funding mechanism for the city's emergency services. Beginning in 2013, fire and EMS services are supported by a combination of property and income taxes. Rates for each can be adjusted annually as the need rises and falls, but cannot exceed the approved maximum amount of five mills for the property tax and .15% for the income tax. The new method of funding replaced an expiring property tax levy and distributes the cost of the services to both the property owners and business employees served by Mason's emergency responders.

The City of Mason continues its policy of using only reliable financial resources when budgeting for operating costs. One-time resources and resources at risk of being eliminated are used for one-time expenditures, capital improvements, or debt reduction. In consideration, the City of Mason continues to decrease its reliance upon decreasing revenue sources for operating expenses. This has minimized the operational impact of the state's further reduction of support to local governments including the elimination of the estate tax.

MAJOR INITIATIVES

Mason's citizens are the City's greatest asset. Therefore, in preparing each year's budget, our customers' needs for services and the safeguarding of their environment in conformity with applicable federal and state standards are the government's greatest concern. Mason's success has been its

ability to equitably balance the needs of residents and businesses.

Major projects that occurred in 2014 that position the City for future economic growth and improvement include:



The Bethany Road roundabout was completed in 2014

Bethany Road Roundabout

The City of Mason continued its investment into infrastructure in 2014 with the construction of the City's second roundabout. Improvements to the intersection of Bethany Road and Mason-Montgomery Road were completed in 2014. This intersection was the site of frequent extensive traffic backups during the morning and evening peak hours. The existing four-way stop intersection was widened in all directions to allow two-lane approaches to the roundabout. Also included were over 2,500 feet of sanitary sewer extension to an area not serviced by existing sewer lines, culvert replacement, curb and gutter, sidewalk, bike path, storm sewers, landscaping, and street trees. The total cost was \$3.5 million including design, right-of-way acquisition, and construction. Over \$2.1 million of the cost was paid through a federal grant.

New Mason Service Center

Mason's Public Works Department currently operates out of a 40-year old facility with less than 7,000 square feet. As the need for services increased along with population growth over the last 25 years, the garage has become too small and lacks the equipment necessary to properly maintain the city's growing fleet. Because only 4 out of the

19 dump trucks the city uses for snow and ice control can be parked inside the building, response time for snow and ice management is hampered. In 2013, an existing 120,000 square foot building at 3900 State Route 741 was purchased by Council for \$2.3 million with the intention of renovating it to meet the needs of the Public Works Department. Renovations began in 2014 and will be completed in 2015.



A former warehouse just a few hundred feet up the road from the current municipal garage, the new service center was utilized in 2015 to keep city plows ready to go during bad weather.

Willow Brooke Regional Lift Station

The Willow Brooke Regional Lift Station was completed in 2014. The City worked with the developer of Willow Brooke subdivision to strategically locate this station to best serve future growth of the City. Instead of a single, and likely permanent, lift station serving a single subdivision, the regional lift station provides ability to cost-effectively serve current development and anticipated future development without redundant infrastructure and corresponding maintenance /operating expenses. This lift station was already beneficial to a developer who wants to annex into the City and property purchased by the City in 2014 for future development.

Looking Ahead to the Future

The City continues to see income tax revenue that has returned and exceeded levels realized prior to the 2008 recession. However, the City of Mason

seeks opportunity to maintain its scope of services while cautiously evaluating where additional service are needed. A core principal of the City's financial policies is reinvesting into capital assets while maintaining balances to stabilize future economic downturns. The ongoing national economic uncertainty and changes at the state level will place pressure on the City budget in 2015 and subsequent years.

Accomplishments to look forward to in 2015 include:

- The final steps to prepare for construction on the I-71/ Western Row Road Interchange Project, including right-of-way acquisition. The first phase includes the Columbia Road relocation which is anticipated to start in 2016.
- Kings Island Drive improvements were started in 2015 and will be complete in 2016. The project is a key component to the I-71/Western Row Road Interchange and a major gateway to the City.
- Completion of the Service Center
- Replacement of the Supervisory Control and Data Acquisition (SCADA) system at the sanitary sewer water reclamation plant

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mason for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. Mason has been awarded the Certificate of Achievement each year beginning in 1997. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements. It is being submitted to

GFOA to determine its eligibility for an award for another certificate.

Our most sincere appreciation is extended to all members of the staff whose efforts have made this

report possible, to Assistant Finance Director Mary Mueller, and to the staff of Plattenburg & Associates, Inc., for their dedicated service in the preparation of this comprehensive annual financial report.

Sincerely,



Eric Hansen
City Manager



Joseph J. Reigelsperger
Finance Director

THE CITY OF MASON, OHIO

LIST OF PRINCIPAL OFFICIALS

December 31, 2014

COUNCIL MEMBERS

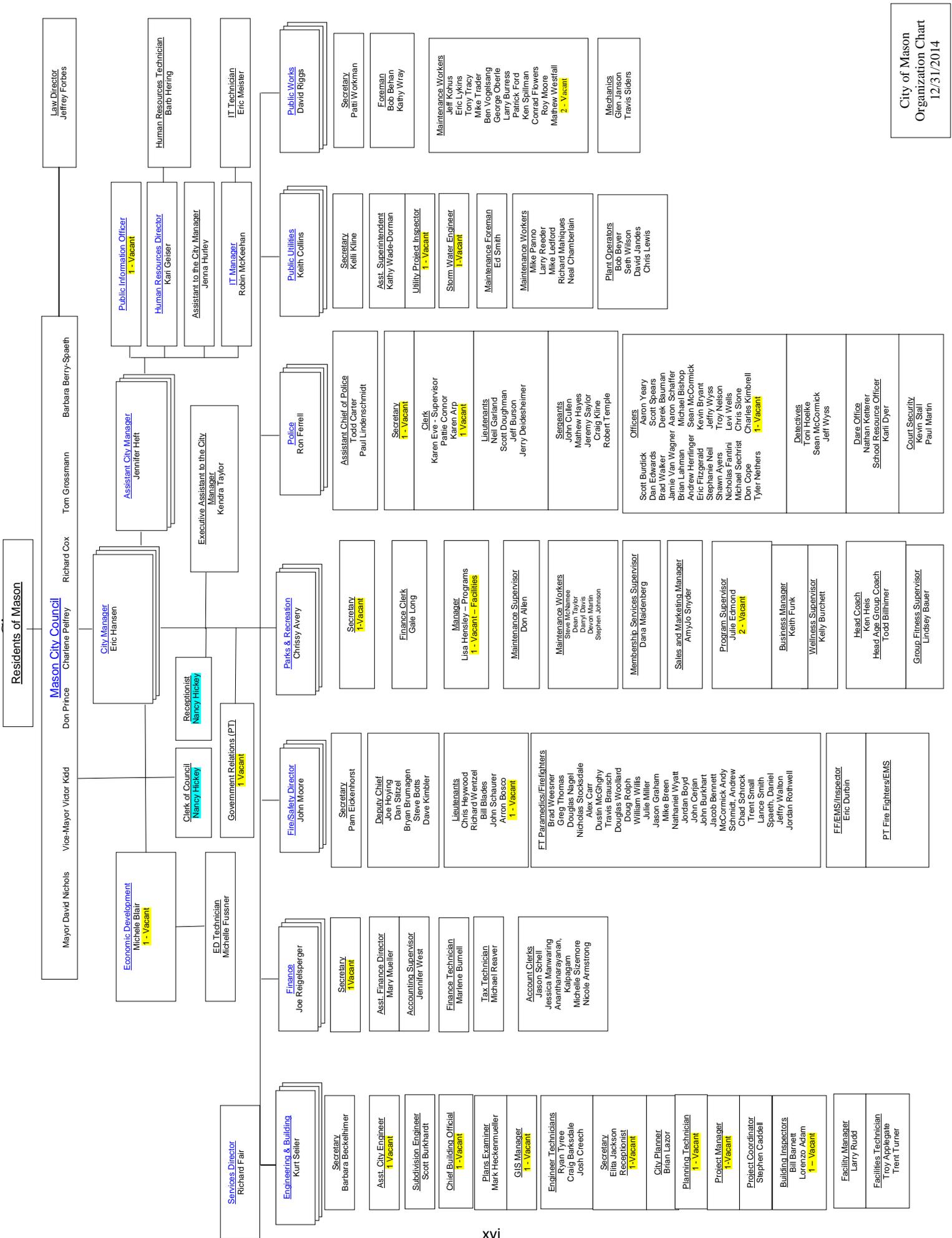
| | |
|----------------|----------------------|
| Mayor | David F. Nichols |
| Vice Mayor | Victor Kidd |
| Council Member | Barbara Berry-Spaeth |
| Council Member | Richard Cox |
| Council Member | Tom Grossmann |
| Council Member | Charlene Pelfrey |
| Council Member | Don Prince |

COUNCIL APPOINTED OFFICIALS

| | |
|------------------|--------------|
| City Manager | Eric Hansen |
| Law Director | Jeff Forbes |
| Clerk of Council | Nancy Hickey |

DEPARTMENT HEADS

| | |
|-------------------------------|-------------------|
| Parks & Recreation Director | Chrissy Avery |
| Economic Development Director | Michele Blair |
| Public Utilities Director | Keith Collins |
| Service Director | Richard Fair |
| Chief of Police | Ron Ferrell |
| Assistant City Manager | Jennifer Heft |
| Fire Chief/Safety Director | John Moore |
| Finance Director | Joe Reigelsperger |
| Public Works Director | David Riggs |
| City Engineer | Kurt Seiler |



City of Mason
 Organization Chart
 12/31/2014



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Mason
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City Council
City of Mason
Warren County
6000 Mason-Montgomery Road
Mason, Ohio 45040

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 Mason, Ohio (the City) as of and for the year ended December 31, 2014, 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, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary comparison schedules listed in the table of contents 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.

Supplementary and 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 relate 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Cincinnati, Ohio
June 23, 2015

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

As management of the City of Mason, we offer readers of the City of Mason's financial statement this narrative overview and analysis of the financial activities of the City of Mason for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets and deferred outflows of the City of Mason exceeded its liabilities and deferred inflows at the close of 2014 by \$309,375,218 (net position). Of this amount, \$65,474,111 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 122 percent of the 2014 expenses of \$53,834,166.

- The city's total net position increased by \$13,392,052.
- Net position of the governmental activities (defined below) increased \$8,814,760. Net position of the business-type activities (also defined below) increased \$4,577,292.
- The total cost of the city's programs increased \$1,797,669, which is 3.5 percent more than in 2013. The cost of governmental activities increased \$1,552,536 or 4.5 percent, while the cost of business-type activities increased \$245,133 or 1.4 percent.
- As of the close of the 2014 fiscal year, the city's governmental funds reported combined ending fund balances of \$54,763,545, an increase of \$3,158,433 in comparison with the prior year.

Overview of the Financial Statements

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

1) Government-wide financial statements.

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

The *statement of net position* presents information on all of the city's assets, and deferred outflows and liabilities, and deferred inflows with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

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

Both of the government-wide financial statements distinguish governmental activities from business-type activities. **Governmental activities** are principally supported by taxes and

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

intergovernmental revenues. These include general government, public safety, leisure time activities, community development, and transportation/street repair. **Business-type activities** are intended to recover all or a significant portion of their costs through user fees or charges. The city includes five enterprise activities under business-type activities: a sanitary sewer system, a storm water system, waste collection system, golf course, and the community center activities.

2) Fund financial statements.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The city maintains 27 individual governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for the two major funds: the general fund and the fire and emergency medical services fund. Data for the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. The city maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The city uses enterprise funds to account for its sanitary sewer, stormwater, waste collection, golf course, and community center operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer, waste collection, stormwater, community center, and golf course funds. Statements for these funds are provided elsewhere in this document.

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as fines collected by Mason Municipal Court. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the city's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

3) Notes to the financial statements.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the city's general fund budget and the fire and emergency medical service fund budget. The city adopts an annual appropriation budget for each fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The city's assets and deferred outflows exceeded liabilities and deferred inflows by \$309,375,218 at the close of the most recent fiscal year.

The largest portion of the city's net position (73.4 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The city used these capital assets to provide services to citizens; therefore these assets 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 needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (5.4 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position (\$65,474,111) may be used to meet the city's on-going obligations to citizens and creditors. It is important to note that the unrestricted net position of the city's business-type activities (\$15,094,142) may not be used to fund governmental activities.

At the end of the current fiscal year, the city was able to report positive balances in all three categories of net position: for the government as a whole and for its separate governmental and business-type activities.

Overall net position of the city increased \$13,392,052 in 2014. Net position for governmental activities increased \$8,814,760, while net position for business-type activities increased \$4,577,292.

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

The increase in net position for 2014 (\$13,392,052) was \$401,369 more than the increase in net position for 2013 (\$12,990,683). This increase is primarily the result of receiving additional capital grants for capital projects and offset by increased program expenses.

City of Mason
Net Position
(amounts expressed in thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---------------------------------------------|--------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Assets | | | | | | |
| Current and other assets | \$77,401 | \$77,222 | \$17,030 | \$13,572 | \$94,431 | \$90,794 |
| Capital assets | <u>179,902</u> | <u>176,003</u> | <u>126,893</u> | <u>127,386</u> | <u>306,795</u> | <u>303,389</u> |
| Total assets | <u>257,303</u> | <u>253,225</u> | <u>143,923</u> | <u>140,958</u> | <u>401,226</u> | <u>394,183</u> |
| Total deferred outflows of resources | <u>977</u> | <u>1,058</u> | <u>2,470</u> | <u>2,646</u> | <u>3,447</u> | <u>3,703</u> |
| Liabilities | | | | | | |
| Long-term liabilities outstanding | 36,191 | 38,649 | 40,101 | 42,139 | 76,292 | 80,788 |
| Other liabilities | <u>11,333</u> | <u>13,560</u> | <u>904</u> | <u>655</u> | <u>12,237</u> | <u>14,215</u> |
| Total liabilities | <u>47,524</u> | <u>52,209</u> | <u>41,005</u> | <u>42,794</u> | <u>88,529</u> | <u>95,003</u> |
| Total deferred inflows of resources | <u>6,768</u> | <u>6,901</u> | <u>0</u> | <u>0</u> | <u>6,768</u> | <u>6,901</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 137,676 | 128,860 | 89,505 | 88,127 | 227,181 | 216,987 |
| Restricted | 15,932 | 14,943 | 788 | 787 | 16,720 | 15,730 |
| Unrestricted | <u>50,380</u> | <u>51,370</u> | <u>15,094</u> | <u>11,896</u> | <u>65,474</u> | <u>63,266</u> |
| Total Net Position | <u>\$203,988</u> | <u>\$195,173</u> | <u>\$105,387</u> | <u>\$100,810</u> | <u>\$309,375</u> | <u>\$295,983</u> |

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

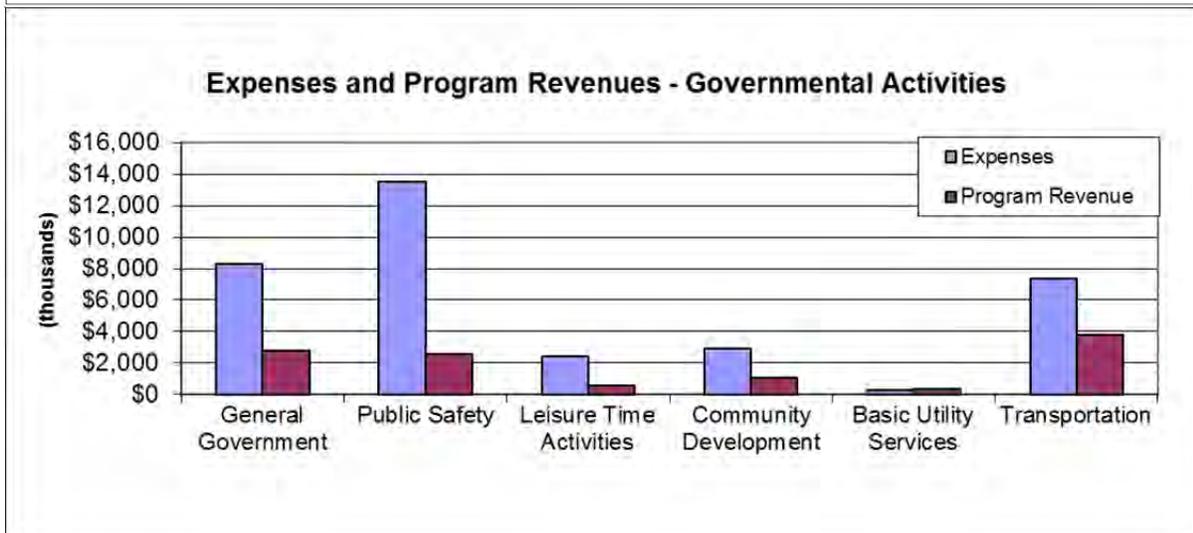
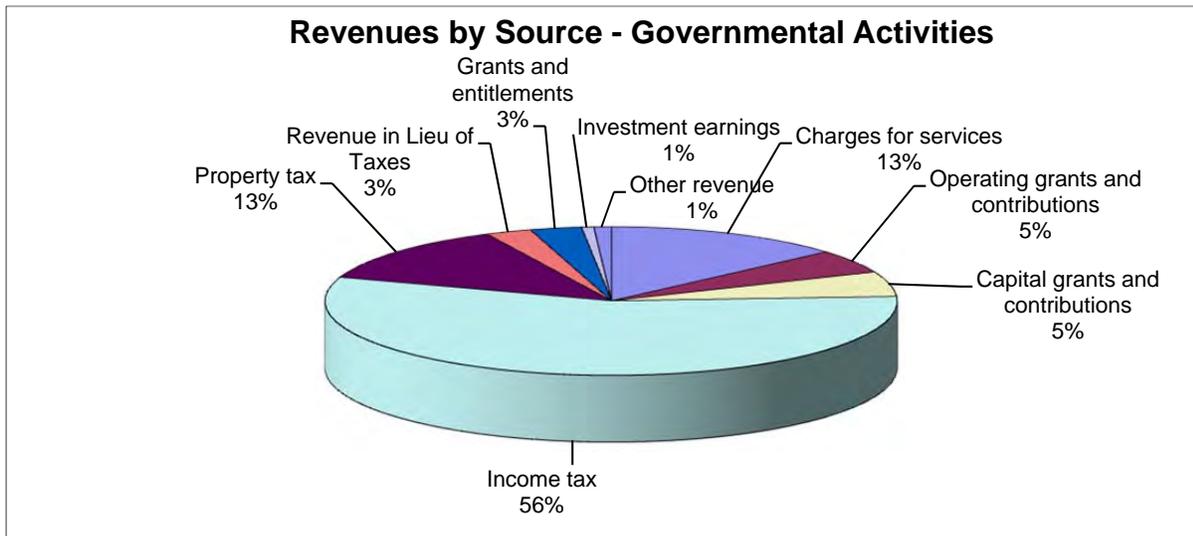
City of Mason
Changes in Net Position
(amounts expressed in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------------------------|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$6,231 | \$4,652 | \$18,170 | \$17,142 | \$24,401 | \$21,794 |
| Operating grants and contributions | 2,369 | 3,562 | 0 | 0 | 2,369 | 3,562 |
| Capital grants and contributions | 2,502 | 1,712 | 2,787 | 780 | 5,289 | 2,492 |
| General revenues: | | | | | | |
| Income tax | 25,868 | 26,315 | 0 | 0 | 25,868 | 26,315 |
| Property tax | 5,851 | 6,102 | 0 | 0 | 5,851 | 6,102 |
| Revenue in Lieu of Taxes | 1,193 | 1,007 | 0 | 0 | 1,193 | 1,007 |
| Grants and entitlements | 1,337 | 2,609 | 0 | 0 | 1,337 | 2,609 |
| Investment earnings | 318 | 106 | 83 | 30 | 401 | 136 |
| Other revenue | 456 | 985 | 61 | 26 | 517 | 1,011 |
| Total Revenues | <u>46,125</u> | <u>47,050</u> | <u>21,101</u> | <u>17,977</u> | <u>67,226</u> | <u>65,027</u> |
| Expenses: | | | | | | |
| General Government | 8,253 | 6,894 | 0 | 0 | 8,253 | 6,894 |
| Public Safety | 13,513 | 12,986 | 0 | 0 | 13,513 | 12,986 |
| Leisure Time Activities | 2,426 | 2,198 | 0 | 0 | 2,426 | 2,198 |
| Community Development | 2,883 | 2,508 | 0 | 0 | 2,883 | 2,508 |
| Basic Utility Services | 283 | 282 | 0 | 0 | 283 | 282 |
| Transportation | 7,325 | 8,184 | 0 | 0 | 7,325 | 8,184 |
| Interest and fiscal charges | 1,581 | 1,660 | 0 | 0 | 1,581 | 1,660 |
| Sewer utility | 0 | 0 | 5,744 | 6,249 | 5,744 | 6,249 |
| Waste Collection | 0 | 0 | 1,413 | 1,384 | 1,413 | 1,384 |
| Stormwater utility | 0 | 0 | 1,117 | 1,142 | 1,117 | 1,142 |
| Community Center | 0 | 0 | 6,484 | 5,899 | 6,484 | 5,899 |
| Golf Course | 0 | 0 | 2,812 | 2,651 | 2,812 | 2,651 |
| Total Expenses | <u>36,264</u> | <u>34,712</u> | <u>17,570</u> | <u>17,325</u> | <u>53,834</u> | <u>52,037</u> |
| Increase (decrease) in net position before transfers | 9,861 | 12,338 | 3,531 | 652 | 13,392 | 12,990 |
| Transfers - internal activities | <u>(1,046)</u> | <u>(1,054)</u> | <u>1,046</u> | <u>1,054</u> | <u>0</u> | <u>0</u> |
| Increase (decrease) in Net Position | 8,815 | 11,284 | 4,577 | 1,706 | 13,392 | 12,990 |
| Net Position beginning of year | <u>195,173</u> | <u>183,889</u> | <u>100,810</u> | <u>99,104</u> | <u>295,983</u> | <u>282,993</u> |
| Net Position end of year | <u>\$203,988</u> | <u>\$195,173</u> | <u>\$105,387</u> | <u>\$100,810</u> | <u>\$309,375</u> | <u>\$295,983</u> |

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

Governmental activities. Governmental activities increased the city's net position by \$8,814,760. This was a \$2,469,676 (22 percent) decrease from the previous year change in net position. Key elements of the changes in net position are as follows:

- Total revenue decreased \$925,140 (2.0 percent).
- General grants and entitlements decreased \$1,271,693 (48.7 percent) with the elimination of the estate tax.
- Capital grants and contributions increased \$789,458 (46.1 percent) over the previous year as the construction of the Bethany/Mason-Montgomery Road roundabout increased grant reimbursements.
- Program revenue and related expenses increased medical claims and offsetting stop-loss payments.
- Operating grants decreased as the federal grant to hire additional full-time firefighters ended in 2014.

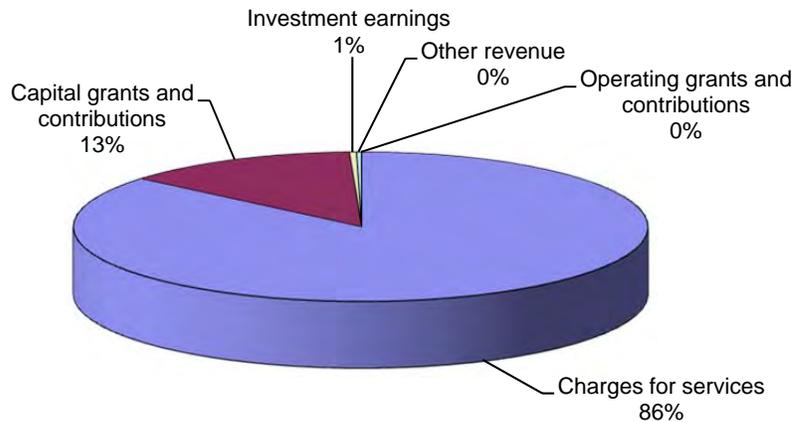


City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

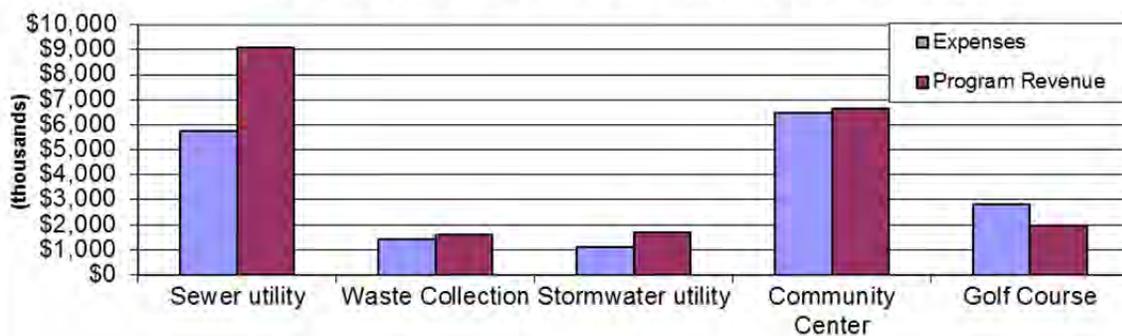
Business-type activities. Business-type activities increased the city's net position by \$4,577,292. Key elements of the changes in net position are as follows:

- Charges for services increased \$1,028,178 (6 percent). Most of the increase was from scheduled utility rate increases.
- Capital grants and contribution increased \$2,007,196 (257%) with substantial increase in utility taps and economic development activity.
- Expenses for business-type activities increased \$245,133 (1.4%). This was generally from increase operating cost to provide the services in the business-type activity.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Mason's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Mason's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources that are available for spending at the end of the fiscal year. As of the end of the fiscal year, the City of Mason's governmental funds reported combined ending fund balances of \$54,763,545 an increase of \$3,201,144 in comparison with the prior year.

The general fund is the chief operating fund of the city. At December 31, 2014, the unassigned fund balance of the general fund was \$17,623,466, while the total fund balance was \$38,512,004. The city's general fund balance increased by \$2,558,264 during the current fiscal year. This is \$2,990,033 decrease over 2013. All revenue increased in the general fund except intergovernmental revenue declined \$1,514,861 because the estate tax was eliminated. Expenditures increased \$4,440,000 which is a 19.3% increase. Capital outlay increased \$2,006,654. General government increased with additional income tax refunds and medical insurance claims. Transfers to other funds increased \$340,000 as income tax revenue increase to provide funds to the fire and emergency medical service safety fund.

The fire and emergency medical service safety fund provides public safety services to the City of Mason using revenue from a charter amendment. In November 2012, a charter amendment was approved by the voters authorizing up to five-mill property tax levy and up to an additional 0.15% income tax to provide funding for safety, fire, and emergency medical services. Council authorized 4.4 mills for 2014 and the total income tax rate of 1.12% including 0.12% that would be transferred for safety services. The fund balance increased by \$805,561. Revenue decreased by \$112,163 (2%) with the federal grant to assist with hiring full-time firefighters and reduced payments for EMS services. Expenditures increased \$105,184 (1.6%). \$2,020,000 was transferred from the General Fund for the additional 0.12% income tax percent.

Proprietary funds. The proprietary fund financial statements provide the same information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the sewer fund at the end of the year amounted to \$11,850,299, with a total increase in net position of \$3,418,042. Unrestricted net position for the waste collection fund at the end of the year amounted to \$665,374, with a total growth in net position of \$185,801. Unrestricted net position for the storm water utility fund at the end of the year amounted to \$2,310,774. Unrestricted net position for the community center fund at the end of the year amounted to a negative \$72,274, but with a total growth in net position of \$220,060. Unrestricted net position for the golf course fund at the end of the year amounted to \$339,969. Other factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

Budgetary Highlights

The schedule comparing the City's original and final budgets and actual results are included in the required supplementary information. The original revenue budgets are very conservative estimates and are adjusted if needed for additional appropriation near the end of the year based on actual revenue. During the year, City Council will re-appropriate funds or provide supplemental appropriations based on the changes that occurred since the adoption of the original budget. Significant differences between the original and final budgets are as follows:

General fund. During the year 2014, there was an \$11,088,435 increase in appropriations between the original and final amended budget. The total original appropriations, including those for transfers out, were \$32,067,818, while the final appropriations were \$43,156,253. An additional \$10,000,000 was transferred to the General Capital Improvement Fund for future capital projects and debt reductions. \$523,435 was used to purchase additional salt for snow and ice control. \$340,000 was transferred to the Mason Port Authority for economic development activities and \$225,000 for additional income tax refunds. \$6,215,000 was increased in the general capital improvement fund for capital outlay approved by council. Other operational corrections were made during the re-appropriation process. The increase in appropriations was possible because of additional revenues collected which exceeded the conservative estimated revenues. The estimated revenue was \$28,067,600. The actual revenue received was \$32,208,054. This increase was mainly due to increased income tax collections and intergovernmental revenue.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to \$306,795,059 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, system improvements, machinery and equipment, park facilities, roads, streets, and traffic signals. The increase in the city's investment in capital assets for 2014 over 2013 was 1.1 percent (a 2.2 percent increase for governmental activities and a 0.4 percent decrease for business type activities.)

City of Mason
Capital Assets
(amounts expressed in thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|----------------------------|--------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Land | \$68,912 | \$66,107 | \$10,694 | \$10,609 | \$79,606 | \$76,716 |
| Construction in Progress | 3,819 | 6,750 | 165 | 616 | 3,984 | 7,366 |
| Buildings and Improvements | 45,327 | 45,148 | 54,336 | 54,304 | 99,663 | 99,452 |
| Machinery and Equipment | 17,782 | 15,958 | 8,564 | 8,594 | 26,346 | 24,552 |
| Infrastructure | 87,673 | 82,675 | 91,013 | 87,658 | 178,686 | 170,333 |
| Accumulated Depreciation | <u>(43,611)</u> | <u>(40,635)</u> | <u>(37,879)</u> | <u>(34,396)</u> | <u>(81,490)</u> | <u>(75,031)</u> |
| Total | <u>\$179,902</u> | <u>\$176,003</u> | <u>\$126,893</u> | <u>\$127,385</u> | <u>\$306,795</u> | <u>\$303,388</u> |

Major capital events during the current fiscal year included the following:

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

- Construction of the Bethany Road and Mason Montgomery Road roundabout was completed in 2014.
- Service Center improvements continued with a completion expected in 2015.
- Willow Brooke Regional Lift Station was completed.
- Land purchased for future economic development opportunities
- Several projects continue the design and planning stage for future capital improvements.

Additional information on the city's capital assets can be found in note 7 of the notes to the basic financial statements.

Long-term debt. At December 31, 2014, the city had \$71,097,500 of long-term debt outstanding (bonds and capital leases). Of this amount, \$44,180,000 comprises debt backed by the full faith and credit of the government. Capital leases outstanding (\$24,572,500) at December 31, 2014, are certificates of participation for the municipal center, the community center and an x-ray machine. Revenue bonds in the governmental activity of \$2,345,000 are funded through tax increment financing. All figures above and table below do not include premiums and discounts.

The city has notes outstanding of \$8,500,000 for governmental activities with a maturity of less than one year. The notes are expected to be re-issued as the City of Mason plans to reduce the outstanding principal.

The city continues to maintain the highest rating, "Aaa" from Moody's Investors Service for its general obligation bonds.

City of Mason's Outstanding Debt
General Obligation and Revenue Bonds Outstanding
(amounts expressed in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------------------------|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| General obligation bonds | \$16,915 | \$18,090 | \$27,265 | \$28,780 | \$44,180 | \$46,870 |
| Special assessment debt with governmental commitment | 0 | 0 | 0 | 7 | 0 | 7 |
| Capital Leases | 14,733 | 15,679 | 9,840 | 10,155 | 24,573 | 25,834 |
| Revenue Bonds | 2,345 | 2,595 | 0 | 0 | 2,345 | 2,595 |
| Total | \$33,993 | \$36,364 | \$37,105 | \$38,942 | \$71,098 | \$75,306 |

The city is within all of its legal debt limitations. The Ohio Revised code provides that the net debt (as defined in the Ohio Revised code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value for taxation. The statutory limitations on debt are measured by the ratio of debt to tax valuation and expressed in terms of a percentage. At December 31, 2014, the city's total net debt of 2.46% of the total assessed value of all property within the city is within

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2014

the 10.5% and 5.5% debt limitation for voted and unvoted debt, respectively. The aggregate amount of the city's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions of ten mills. This millage is measured against the property values in each overlapping district. At December 31, 2014, the millage amount was 7.5396 mills, of which 4.7941 mills were restricted by the City of Mason for unvoted debt.

Additional information regarding the city's long-term debt can be found in note 10 of the notes to the basic financial statements.

Economic Factors and Next Year's Budgets

The City of Mason is located in Warren County, which currently has an unemployment rate of 3.7 percent. This is lower than the current Ohio rate of 4.6 percent and the national rate of 5.1 percent (not seasonally adjusted). By promoting economic growth in Mason, the city continues to attract desirable commercial enterprises. Intense competition continues to force the city to be aggressive in its economic development objectives of increasing investment, creating employment opportunities, and retaining businesses that have already been established in Mason.

The 2015 budget was prepared in a manner similar to prior years by conservatively estimating revenue while seeking opportunities for cost savings. Based on continued concerns about the loss of state support, every effort is made to reduce expenditures with minimal impact to the current level of services. As part of the budget process, a capital improvement plan was completed and evaluated for 2015 and future years. The total appropriations budgeted for 2015 including transfers and capital outlay (\$90,121,809) is three percent more than the 2014 original appropriations (\$87,438,297). The increase was for operational increase to improve services after continued evaluation to realize operational cost-savings. Stable capital improvements and continued debt reduction were also important elements to the budget.

Request for Information

This financial report is designed to provide a general overview of the City of Mason's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joe Reigelsperger, Finance Director, City of Mason, 6000 Mason-Montgomery Road, Mason, Ohio 45040, or by e-mail to finance@masonoh.org.

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City of Mason, Ohio
Statement of Net Position
December 31, 2014

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------------|----------------------------|-----------------------------|----------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$54,837,252 | \$19,266,116 | \$74,103,368 |
| Restricted Cash | 1,632,763 | 788,035 | 2,420,798 |
| Receivables (Net): | | | |
| Taxes | 11,534,914 | 0 | 11,534,914 |
| Accounts | 731,722 | 1,413,473 | 2,145,195 |
| Interest | 84,565 | 23,228 | 107,793 |
| Intergovernmental | 3,033,711 | 0 | 3,033,711 |
| Special Assessments | 4,534 | 0 | 4,534 |
| Internal Balances | 5,250,000 | (5,250,000) | 0 |
| Inventory | 291,948 | 253,504 | 545,452 |
| Prepaid Items | 0 | 535,593 | 535,593 |
| Nondepreciable Capital Assets | 72,731,508 | 10,859,213 | 83,590,721 |
| Depreciable Capital Assets, Net | 107,170,688 | 116,033,650 | 223,204,338 |
| Total Assets | 257,303,605 | 143,922,812 | 401,226,417 |
| Deferred Outflows of Resources: | | | |
| Deferred Charge on Refunding | 976,834 | 2,469,747 | 3,446,581 |
| Total Deferred Outflows of Resources | 976,834 | 2,469,747 | 3,446,581 |
| Liabilities: | | | |
| Accounts Payable | 591,820 | 228,476 | 820,296 |
| Accrued Wages and Benefits | 1,135,636 | 267,166 | 1,402,802 |
| Contracts Payable | 525,770 | 262,767 | 788,537 |
| Retainage Payable | 77,815 | 20,900 | 98,715 |
| Accrued Interest Payable | 135,100 | 125,128 | 260,228 |
| Claims Payable | 366,875 | 0 | 366,875 |
| General Obligation Notes Payable | 8,500,000 | 0 | 8,500,000 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 3,129,589 | 2,002,204 | 5,131,793 |
| Due In More Than One Year | 33,061,463 | 38,098,761 | 71,160,224 |
| Total Liabilities | 47,524,068 | 41,005,402 | 88,529,470 |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 6,186,891 | 0 | 6,186,891 |
| Revenue in Lieu of Taxes | 581,419 | 0 | 581,419 |
| Total Deferred Inflows of Resources | 6,768,310 | 0 | 6,768,310 |
| Net Position: | | | |
| Net Investment in Capital Assets | 137,675,713 | 89,504,980 | 227,180,693 |
| Restricted for: | | | |
| Debt Service | 925,728 | 788,035 | 1,713,763 |
| Street Improvements | 5,802,119 | 0 | 5,802,119 |
| Public Safety | 7,905,683 | 0 | 7,905,683 |
| Parks and Recreation | 209,452 | 0 | 209,452 |
| Tax Increment Financing Projects | 1,086,197 | 0 | 1,086,197 |
| Other Purposes | 3,200 | 0 | 3,200 |
| Unrestricted | 50,379,969 | 15,094,142 | 65,474,111 |
| Total Net Position | \$203,988,061 | \$105,387,157 | \$309,375,218 |

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2014

| | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General Government | \$8,253,186 | \$2,793,861 | \$0 | \$0 |
| Public Safety | 13,513,159 | 1,410,863 | 1,147,250 | 0 |
| Community Development | 2,882,829 | 1,047,156 | 0 | 0 |
| Leisure Time Activities | 2,425,668 | 589,526 | 0 | 0 |
| Transportation and Street Repair | 7,324,935 | 73,791 | 1,221,552 | 2,501,501 |
| Basic Utility Service | 283,225 | 316,009 | 0 | 0 |
| Interest and Other Charges | 1,581,121 | 0 | 0 | 0 |
| Total Governmental Activities | 36,264,123 | 6,231,206 | 2,368,802 | 2,501,501 |
| Business-Type Activities: | | | | |
| Sewer | 5,743,995 | 6,511,953 | 0 | 2,569,957 |
| Waste Collection | 1,413,025 | 1,595,826 | 0 | 0 |
| Stormwater Utility | 1,117,558 | 1,472,169 | 0 | 206,883 |
| Community Center | 6,483,630 | 6,653,029 | 0 | 0 |
| Golf Course | 2,811,835 | 1,936,890 | 0 | 10,000 |
| Total Business-Type Activities | 17,570,043 | 18,169,867 | 0 | 2,786,840 |
| Totals | \$53,834,166 | \$24,401,073 | \$2,368,802 | \$5,288,341 |

General Revenues:
Income Taxes
Property Taxes Levied for:
 General Purposes
 Special Revenue Purposes
 Debt Service Purposes
Grants and Entitlements, Not Restricted
Revenue in Lieu of Taxes
Investment Earnings
Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|------------------------------------------------------|-----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total |
| (\$5,459,325) | \$0 | (\$5,459,325) |
| (10,955,046) | 0 | (10,955,046) |
| (1,835,673) | 0 | (1,835,673) |
| (1,836,142) | 0 | (1,836,142) |
| (3,528,091) | 0 | (3,528,091) |
| 32,784 | 0 | 32,784 |
| (1,581,121) | 0 | (1,581,121) |
| <u>(25,162,614)</u> | <u>0</u> | <u>(25,162,614)</u> |
| 0 | 3,337,915 | 3,337,915 |
| 0 | 182,801 | 182,801 |
| 0 | 561,494 | 561,494 |
| 0 | 169,399 | 169,399 |
| 0 | (864,945) | (864,945) |
| <u>0</u> | <u>3,386,664</u> | <u>3,386,664</u> |
| <u>(25,162,614)</u> | <u>3,386,664</u> | <u>(21,775,950)</u> |
| 25,867,801 | 0 | 25,867,801 |
| 423,801 | 0 | 423,801 |
| 3,886,757 | 0 | 3,886,757 |
| 1,541,012 | 0 | 1,541,012 |
| 1,337,037 | 0 | 1,337,037 |
| 1,192,962 | 0 | 1,192,962 |
| 318,366 | 83,495 | 401,861 |
| 455,638 | 61,133 | 516,771 |
| (1,046,000) | 1,046,000 | 0 |
| <u>33,977,374</u> | <u>1,190,628</u> | <u>35,168,002</u> |
| 8,814,760 | 4,577,292 | 13,392,052 |
| <u>195,173,301</u> | <u>100,809,865</u> | <u>295,983,166</u> |
| <u>\$203,988,061</u> | <u>\$105,387,157</u> | <u>\$309,375,218</u> |

City of Mason, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

| | General | Fire and Emergency Medical Service Safety | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------------------------------|---------------------|-------------------------------------------------|--------------------------------|--------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$39,603,858 | \$7,302,930 | \$7,930,464 | \$54,837,252 |
| Restricted Cash | 0 | 0 | 1,632,763 | 1,632,763 |
| Receivables (Net): | | | | |
| Taxes | 5,786,383 | 4,127,027 | 1,621,504 | 11,534,914 |
| Accounts | 430,544 | 163,456 | 137,722 | 731,722 |
| Interest | 62,246 | 12,101 | 10,218 | 84,565 |
| Intergovernmental | 371,666 | 234,498 | 2,427,547 | 3,033,711 |
| Special Assessments | 4,534 | 0 | 0 | 4,534 |
| Interfund | 5,600,000 | 0 | 0 | 5,600,000 |
| Inventory | 272,951 | 18,997 | 0 | 291,948 |
| Total Assets | 52,132,182 | 11,859,009 | 13,760,218 | 77,751,409 |
| Liabilities: | | | | |
| Accounts Payable | 544,265 | 39,842 | 7,713 | 591,820 |
| Accrued Wages and Benefits | 762,538 | 349,172 | 23,926 | 1,135,636 |
| Contracts Payable | 227,359 | 42,510 | 255,901 | 525,770 |
| Retainage Payable | 7,698 | 0 | 70,117 | 77,815 |
| Accrued Interest Payable | 15,959 | 0 | 0 | 15,959 |
| Interfund Payable | 0 | 0 | 350,000 | 350,000 |
| Claims Payable | 366,875 | 0 | 0 | 366,875 |
| General Obligation Notes Payable | 8,500,000 | 0 | 0 | 8,500,000 |
| Total Liabilities | 10,424,694 | 431,524 | 707,657 | 11,563,875 |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 531,580 | 4,127,027 | 1,621,504 | 6,280,111 |
| Income Taxes | 2,346,089 | 0 | 0 | 2,346,089 |
| Grants and Other Taxes | 265,440 | 234,498 | 2,115,170 | 2,615,108 |
| Special Assessments | 4,534 | 0 | 0 | 4,534 |
| Accounts | 9,515 | 90,854 | 24,605 | 124,974 |
| Investment Earnings | 38,326 | 7,451 | 7,396 | 53,173 |
| Total Deferred Inflows of Resources | 3,195,484 | 4,459,830 | 3,768,675 | 11,423,989 |
| Fund Balances: | | | | |
| Nonspendable | 344,898 | 18,997 | 0 | 363,895 |
| Restricted | 0 | 6,948,658 | 7,335,218 | 14,283,876 |
| Committed | 0 | 0 | 686 | 686 |
| Assigned | 20,543,640 | 0 | 2,120,201 | 22,663,841 |
| Unassigned | 17,623,466 | 0 | (172,219) | 17,451,247 |
| Total Fund Balances | 38,512,004 | 6,967,655 | 9,283,886 | 54,763,545 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$52,132,182 | \$11,859,009 | \$13,760,218 | \$77,751,409 |

See accompanying notes to the basic financial statements.

City of Mason, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2014

Total Governmental Fund Balance \$54,763,545

Amounts reported for governmental activities in the
 statement of net position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 179,902,196

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

| | | |
|---------------------------|----------------|-----------|
| Income Taxes | \$2,346,309 | |
| Delinquent Property Taxes | 93,220 | |
| Interest | 53,173 | |
| Intergovernmental | 1,945,583 | |
| Other Receivables | <u>217,394</u> | |
| | | 4,655,679 |

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (119,141)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

Compensated Absences (1,487,735)

Deferred outflow of resources associated with long-term liabilities
 are not reported in the funds. 976,834

Long-term liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds. (34,703,317)

Net Position of Governmental Activities \$203,988,061

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2014

| | General | Fire and Emergency Medical Service Safety | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------|---------------------|-------------------------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Property and Other Taxes | \$1,436,806 | \$3,895,426 | \$1,538,376 | \$6,870,608 |
| Income Taxes | 26,841,190 | 0 | 0 | 26,841,190 |
| Charges for Services | 1,601,895 | 533,516 | 0 | 2,135,411 |
| Investment Earnings | 224,305 | 42,651 | 40,748 | 307,704 |
| Intergovernmental | 344,981 | 1,062,729 | 3,205,193 | 4,612,903 |
| Special Assessments | 0 | 0 | 6,477 | 6,477 |
| Fines, Licenses & Permits | 2,110,292 | 0 | 893,307 | 3,003,599 |
| Revenue in Lieu of Taxes | 0 | 0 | 1,193,794 | 1,193,794 |
| Other Revenues | 2,021,752 | 97,114 | 74,319 | 2,193,185 |
| Total Revenues | 34,581,221 | 5,631,436 | 6,952,214 | 47,164,871 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 7,139,966 | 0 | 458,507 | 7,598,473 |
| Public Safety | 6,955,085 | 6,062,247 | 0 | 13,017,332 |
| Community Development | 2,249,985 | 0 | 655,009 | 2,904,994 |
| Leisure Time Activities | 1,959,721 | 0 | 0 | 1,959,721 |
| Transportation and Street Repair | 3,747,061 | 0 | 1,251,013 | 4,998,074 |
| Basic Utility Service | 283,225 | 0 | 0 | 283,225 |
| Capital Outlay | 5,002,940 | 775,786 | 2,470,228 | 8,248,954 |
| Debt Service: | | | | |
| Principal | 0 | 0 | 2,371,250 | 2,371,250 |
| Interest and Other Charges | 61,527 | 0 | 1,516,888 | 1,578,415 |
| Total Expenditures | 27,399,510 | 6,838,033 | 8,722,895 | 42,960,438 |
| Excess of Revenues Over (Under) Expenditures | 7,181,711 | (1,206,597) | (1,770,681) | 4,204,433 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 2,020,000 | 2,094,144 | 4,114,144 |
| Transfers (Out) | (4,674,000) | 0 | (486,144) | (5,160,144) |
| Total Other Financing Sources (Uses) | (4,674,000) | 2,020,000 | 1,608,000 | (1,046,000) |
| Net Change in Fund Balance | 2,507,711 | 813,403 | (162,681) | 3,158,433 |
| Fund Balance - Beginning of Year | 35,953,740 | 6,162,094 | 9,446,567 | 51,562,401 |
| Change in Nonspendable for Inventory | 50,553 | (7,842) | 0 | 42,711 |
| Fund Balance - End of Year | \$38,512,004 | \$6,967,655 | \$9,283,886 | \$54,763,545 |

See accompanying notes to the basic financial statements.

City of Mason, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2014

Net Change in Fund Balance - Total Governmental Funds \$3,158,433

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions 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 of the difference between capital asset additions and depreciation in the current period.

| | | |
|------------------------------------------------|-------------|-----------|
| Capital assets used in governmental activities | \$8,025,243 | |
| Depreciation Expense | (3,446,488) | |
| | | 4,578,755 |

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (679,812)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | | |
|---------------------------|-------------|-----------|
| Income Taxes | (\$973,169) | |
| Delinquent Property Taxes | (98,602) | |
| Interest | 10,662 | |
| Intergovernmental | 339,917 | |
| Other | 52,452 | |
| | | (668,740) |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,371,250

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 7,162

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 | 14,869 | |
| Amortization of Bond Premium | 71,535 | |
| Amortization of Deferred Charge on Refunding | (81,403) | |
| Change in Inventory | 42,711 | |
| | | 47,712 |

Change in Net Position of Governmental Activities \$8,814,760

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2014

| | Sewer | Waste Collection | Stormwater Utility | Community Center |
|---------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Current Assets: | | | | |
| Equity in Pooled Cash and Investments | \$11,247,599 | \$575,599 | \$2,194,543 | \$4,942,759 |
| Restricted Cash | 0 | 0 | 0 | 788,035 |
| Receivables (Net): | | | | |
| Accounts | 993,864 | 207,526 | 166,413 | 36,330 |
| Interest | 18,638 | 954 | 3,636 | 0 |
| Inventory | 56,309 | 0 | 0 | 84,415 |
| Prepaid Items | 0 | 0 | 0 | 535,593 |
| Total Current Assets | 12,316,410 | 784,079 | 2,364,592 | 6,387,132 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Nondepreciable Capital Assets | 4,751,817 | 0 | 355,628 | 1,781 |
| Depreciable Capital Assets, Net | 61,801,239 | 0 | 34,152,158 | 17,599,513 |
| Total Noncurrent Assets | 66,553,056 | 0 | 34,507,786 | 17,601,294 |
| Total Assets | 78,869,466 | 784,079 | 36,872,378 | 23,988,426 |
| Deferred Outflows of Resources: | | | | |
| Deferred Charge on Refunding | 2,469,747 | 0 | 0 | 0 |
| Total Deferred Outflows of Resources | 2,469,747 | 0 | 0 | 0 |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 71,934 | 0 | 6,479 | 81,799 |
| Accrued Wages and Benefits | 80,765 | 1,228 | 9,959 | 175,214 |
| Compensated Absences | 79,406 | 367 | 11,844 | 30,587 |
| Contracts Payable | 50,797 | 116,610 | 18,695 | 76,665 |
| Retainage Payable | 20,900 | 0 | 0 | 0 |
| Accrued Interest Payable | 64,598 | 0 | 3,862 | 37,165 |
| Interfund Payable | 0 | 0 | 0 | 5,250,000 |
| Long-Term Liabilities Due Within One Year | 1,135,000 | 0 | 100,000 | 325,000 |
| Total Current Liabilities | 1,503,400 | 118,205 | 150,839 | 5,976,430 |
| Long-Term Liabilities: | | | | |
| Compensated Absences | 97,711 | 500 | 2,979 | 19,941 |
| Bonds, Notes & Loans Payable | 21,178,750 | 0 | 1,191,072 | 9,399,266 |
| Total Noncurrent Liabilities | 21,276,461 | 500 | 1,194,051 | 9,419,207 |
| Total Liabilities | 22,779,861 | 118,705 | 1,344,890 | 15,395,637 |
| Net Position: | | | | |
| Net Investment in Capital Assets | 46,709,053 | 0 | 33,216,714 | 7,877,028 |
| Restricted for: | | | | |
| Debt Service | 0 | 0 | 0 | 788,035 |
| Unrestricted | 11,850,299 | 665,374 | 2,310,774 | (72,274) |
| Total Net Position | \$58,559,352 | \$665,374 | \$35,527,488 | \$8,592,789 |

See accompanying notes to the basic financial statements.

| Golf Course | Total Business-Type Activities |
|--------------------|--------------------------------|
| \$305,616 | \$19,266,116 |
| 0 | 788,035 |
| 9,340 | 1,413,473 |
| 0 | 23,228 |
| 112,780 | 253,504 |
| 0 | 535,593 |
| <u>427,736</u> | <u>22,279,949</u> |
| 5,749,987 | 10,859,213 |
| <u>2,480,740</u> | <u>116,033,650</u> |
| <u>8,230,727</u> | <u>126,892,863</u> |
| <u>8,658,463</u> | <u>149,172,812</u> |
| <u>0</u> | <u>2,469,747</u> |
| <u>0</u> | <u>2,469,747</u> |
| 68,264 | 228,476 |
| 0 | 267,166 |
| 0 | 122,204 |
| 0 | 262,767 |
| 0 | 20,900 |
| 19,503 | 125,128 |
| 0 | 5,250,000 |
| <u>320,000</u> | <u>1,880,000</u> |
| <u>407,767</u> | <u>8,156,641</u> |
| 0 | 121,131 |
| <u>6,208,542</u> | <u>37,977,630</u> |
| <u>6,208,542</u> | <u>38,098,761</u> |
| <u>6,616,309</u> | <u>46,255,402</u> |
| 1,702,185 | 89,504,980 |
| 0 | 788,035 |
| <u>339,969</u> | <u>15,094,142</u> |
| <u>\$2,042,154</u> | <u>105,387,157</u> |

City of Mason, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

| | Sewer | Waste Collection | Stormwater Utility | Community Center |
|---------------------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Operating Revenues: | | | | |
| Charges for Services | \$6,511,953 | \$1,595,826 | \$1,472,169 | \$6,653,029 |
| Other Revenues | 6,154 | 64 | 473 | 49,543 |
| Total Operating Revenues | 6,518,107 | 1,595,890 | 1,472,642 | 6,702,572 |
| Operating Expenses: | | | | |
| Personal Services | 1,338,214 | 22,185 | 147,126 | 2,602,149 |
| Contractual Services | 867,931 | 1,390,840 | 158,478 | 2,110,805 |
| Materials and Supplies | 435,650 | 0 | 33,325 | 774,084 |
| Depreciation | 2,308,524 | 0 | 736,142 | 536,887 |
| Total Operating Expenses | 4,950,319 | 1,413,025 | 1,075,071 | 6,023,925 |
| Operating Income (Loss) | 1,567,788 | 182,865 | 397,571 | 678,647 |
| Non-Operating Revenues (Expenses): | | | | |
| Investment Earnings | 66,973 | 2,936 | 12,468 | 1,118 |
| Interest (Expense) | (793,676) | 0 | (42,487) | (459,705) |
| Total Non-Operating Revenues (Expenses) | (726,703) | 2,936 | (30,019) | (458,587) |
| Income (Loss) Before Contributions and Transfers | 841,085 | 185,801 | 367,552 | 220,060 |
| Capital Grants and Contributions | 2,569,957 | 0 | 206,883 | 0 |
| Transfers In | 7,000 | 0 | 0 | 0 |
| Change in Net Position | 3,418,042 | 185,801 | 574,435 | 220,060 |
| Net Position - Beginning of Year | 55,141,310 | 479,573 | 34,953,053 | 8,372,729 |
| Net Position - End of Year | \$58,559,352 | \$665,374 | \$35,527,488 | \$8,592,789 |

See accompanying notes to the basic financial statements.

| Golf Course | Total Business-Type Activities |
|--------------------|--------------------------------|
| \$1,936,890 | \$18,169,867 |
| 4,899 | 61,133 |
| <u>1,941,789</u> | <u>18,231,000</u> |
| 3,760 | 4,113,434 |
| 1,864,079 | 6,392,133 |
| 615,052 | 1,858,111 |
| 111,645 | 3,693,198 |
| <u>2,594,536</u> | <u>16,056,876</u> |
| <u>(652,747)</u> | <u>2,174,124</u> |
| 0 | 83,495 |
| <u>(217,299)</u> | <u>(1,513,167)</u> |
| <u>(217,299)</u> | <u>(1,429,672)</u> |
| (870,046) | 744,452 |
| 10,000 | 2,786,840 |
| <u>1,039,000</u> | <u>1,046,000</u> |
| 178,954 | 4,577,292 |
| <u>1,863,200</u> | <u>100,809,865</u> |
| <u>\$2,042,154</u> | <u>\$105,387,157</u> |

City of Mason, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

| | Sewer | Waste Collection | Stormwater Utility | Community Center |
|------------------------------------------------------------------------------------------------------|--------------------|---------------------|-----------------------|---------------------|
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$6,486,735 | \$1,622,325 | \$1,466,604 | \$6,717,067 |
| Cash Payments to Employees | (1,320,690) | (21,914) | (157,786) | (2,569,966) |
| Cash Payments to Suppliers | (1,309,342) | (1,280,860) | (194,771) | (2,944,536) |
| Net Cash Provided (Used) by Operating Activities | 3,856,703 | 319,551 | 1,114,047 | 1,202,565 |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Payments from Other Funds | 0 | 0 | 0 | 0 |
| Capital Grants Received | 2,432,603 | 0 | 0 | 0 |
| Net Cash Provided (Used) by Noncapital Financing Activities | 2,432,603 | 0 | 0 | 0 |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Payments for Capital Acquisitions | (2,136,475) | 0 | (253,357) | (10,478) |
| Debt Principal Payments | (1,100,000) | 0 | (100,000) | (315,000) |
| Debt Interest Payments | (808,175) | 0 | (49,344) | (399,393) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (4,044,650) | 0 | (402,701) | (724,871) |
| Cash Flows from Investing Activities: | | | | |
| Earnings on Investments | 61,156 | 2,346 | 10,943 | 1,449 |
| Net Cash Provided (Used) by Cash Flows from Investing Activities | 61,156 | 2,346 | 10,943 | 1,449 |
| Net Increase (Decrease) in Cash and Cash Equivalent | 2,305,812 | 321,897 | 722,289 | 479,143 |
| Cash and Cash Equivalents - Beginning of Year | 8,941,787 | 253,702 | 1,472,254 | 5,251,651 |
| Cash and Cash Equivalents - End of Year | 11,247,599 | 575,599 | 2,194,543 | 5,730,794 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | 1,567,788 | 182,865 | 397,571 | 678,647 |
| Adjustments: | | | | |
| Depreciation | 2,308,524 | 0 | 736,142 | 536,887 |
| Changes in Assets & Liabilities: | | | | |
| (Increase) Decrease in Receivables | (31,372) | 26,435 | (6,038) | 5,563 |
| (Increase) Decrease in Inventory | 16,900 | 0 | 0 | (35,986) |
| (Increase) Decrease in Prepaid Items | 0 | 0 | 0 | (115,973) |
| Increase (Decrease) in Retainage Payable | (21,154) | 0 | (8,497) | 0 |
| Increase (Decrease) in Payables | (1,567) | 109,980 | 5,529 | 100,274 |
| Increase (Decrease) in Accrued Liabilities | 17,584 | 271 | (10,660) | 33,153 |
| Net Cash Provided (Used) by Operating Activities | \$3,856,703 | \$319,551 | \$1,114,047 | \$1,202,565 |
| Schedule of Noncash Capital Activities: | | | | |
| During the fiscal year, these amounts were received representing noncash contributions of: | | | | |
| Capital Assets | \$285,336 | \$0 | \$464,883 | \$0 |

See accompanying notes to the basic financial statements.

| Golf Course | Total Business-Type Activities |
|--------------------|--------------------------------------|
| \$1,936,890 | \$18,229,621 |
| (3,704) | (4,074,060) |
| <u>(2,422,203)</u> | <u>(8,151,712)</u> |
| <u>(489,017)</u> | <u>6,003,849</u> |
| 1,039,000 | 1,039,000 |
| <u>10,000</u> | <u>2,442,603</u> |
| <u>1,049,000</u> | <u>3,481,603</u> |
| (105,402) | (2,505,712) |
| (315,000) | (1,830,000) |
| <u>(238,763)</u> | <u>(1,495,675)</u> |
| (659,165) | (5,831,387) |
| <u>0</u> | <u>75,894</u> |
| <u>0</u> | <u>75,894</u> |
| (99,182) | 3,729,959 |
| <u>404,798</u> | <u>16,324,192</u> |
| <u>305,616</u> | <u>20,054,151</u> |
| (652,747) | 2,174,124 |
| 111,645 | 3,693,198 |
| (4,899) | (10,311) |
| 19,141 | 55 |
| 0 | (115,973) |
| 0 | (29,651) |
| 37,843 | 252,059 |
| <u>0</u> | <u>40,348</u> |
| <u>(\$489,017)</u> | <u>\$6,003,849</u> |
| <u>\$0</u> | <u>\$750,219</u> |

City of Mason, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2014

| | <u>Agency</u> |
|---------------------------------------|--------------------|
| Assets: | |
| Equity in Pooled Cash and Investments | <u>\$1,288,885</u> |
| Total Assets | <u>1,288,885</u> |
| Liabilities: | |
| Accounts Payable | 654 |
| Due to Others | <u>1,288,231</u> |
| Total Liabilities | <u>\$1,288,885</u> |

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

The City of Mason, Ohio (the “City”) was incorporated in 1815, adopted its Charter in 1969 and became a city in 1971. The City is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under a Council-Manager form of government.

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. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes; police and fire, parks and recreation, planning, zoning, community development, street maintenance, sewer, stormwater waste collection, community center and golf center. Council and the City Manager have direct responsibility for these activities.

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. There are no component units included as part of this report.

The Miami Valley Risk Management Association, Inc. (MVRMA) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming, and the Village of Indian Hill. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. More information on MVRMA is presented in Note 5.

The City participates in a joint venture called the Liberty Township Joint Economic Development District (JEDD). This joint venture is presented in Note 17.

Note 2 – Summary of Significant Accounting Policies

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, and all liabilities and deferred inflows of resources 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, liabilities, and deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and 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.

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.

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 of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

offered by the program, cash 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. Non-major 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 deferred outflows and liabilities and deferred inflows are 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 charter of the City and/or the general laws of Ohio.

Fire and Emergency Medical Service Safety Special Revenue Fund – This special revenue fund accounts for expenditures of property tax revenues and other resources in the operation of the City's Fire Department.

The other governmental funds of the City account for grants and other resources that are generally restricted to use for a particular purpose.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City does not have an internal service fund.

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:

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Waste Collection Fund – This fund accounts for the waste collection provided to the residents of the City.

Stormwater Utility Fund – This fund accounts for provision of stormwater systems within the City.

Community Center Fund – This fund accounts for the community center services provided to the residents of the City and the expansion of the Center.

Golf Course Fund – This fund accounts for the golf course provided to residents within and outside of the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. The City has three Agency funds. The City has a Municipal Court Agency Fund (to account for amounts held on behalf of other governments and bonds deposited with the court pending final disposition of various causes), a Mason Port Authority Agency Fund (to enhance future development opportunities in the City, to support the economic development strategies of the City and to promote participation in activities that will have a positive impact on the general economic wealth of Mason), and a Community Improvement Corporation Agency Fund (to account for custodial transactions related to community improvement). Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held 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 currently has no trust funds.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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 also 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 inflows and in the presentation of expenses versus expenditures.

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.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. 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 nonexchange 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 and fees.

Deferred Outflows/Inflows of Resources

Deferred Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include income taxes, property taxes, grants and other taxes, special assessments, accounts and investment revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

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.

Equity in Pooled Cash and Investments

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

For purposes of the statement of cash flows and for presentation on the statement of net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

Following the Ohio Revised Code and City Ordinance, the City has specified certain funds to receive an allocation of interest earnings. Interest revenues during 2014 amounted to \$307,704 (on the fund financial statements). The general fund interest revenue was \$224,305.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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 proprietary 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's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer 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. Interest incurred during the construction of proprietary fund capital assets are also capitalized. The City uses a \$5,000 capitalization threshold.

All reported capital assets are depreciated except for land and construction in progress. The Land classification includes the City's right-of-way easements (intangible assets, per GASB 51). Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Buildings and Improvements | 15-50 years |
| Equipment | 5-20 years |
| Infrastructure | 25-60 years |

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 vesting method. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that have matured, for example, as a result of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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, capital leases 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 following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – spendable resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – spendable resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, City Council. This is done by ordinance by City Council.

Assigned – resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the City Manager and Finance Director.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Restricted Assets

Restricted assets consist of resources whose use is restricted by bond covenant agreements.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Net Position

Net position represent the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net assets invested in capital assets, net of related debt 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

The City's Governmental Activities and Community Center fund have restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements. Of the City's \$16,720,414 in restricted net position, none were restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated through the process of consolidation.

Gain/Loss on Refunding

On the fund level and government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt (the gain/loss on refunding) is being amortized as a component of interest expense. This deferred amount (deferred charge on refunding) is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method.

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.

Note 3 – Equity in Pooled Cash and Investments

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. The City's investment policy as approved by Council Ordinance permits interim monies to be invested or deposited in the following securities in Chapter 135 of the Ohio Revised Code:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Chapter 135.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are 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. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2014, \$12,436,124 of the City's bank balance of \$12,686,124 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of December 31, 2014, the City had the following investments:

| | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|---------------------------------------|---------------------|----------------------------------------------|
| US Treasury Bills | \$22,323,126 | 1.91 |
| Federal National Mortgage Association | 12,872,621 | 1.65 |
| Federal Home Loan Mortgage | 12,111,491 | 1.79 |
| Federal Home Loan Bank | 9,679,026 | 1.53 |
| Municipal Bonds | 5,050,218 | 2.55 |
| Federal Farm Credit Bank | 3,317,416 | 1.64 |
| Money Market Funds | 1,387,299 | 0.00 |
| | <u>\$66,741,197</u> | |
| Portfolio Weighted Average Maturity | | 1.78 |

Interest Rate Risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two years, unless matched to a specified obligation or debt of the City.

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Bank were rated AA+ by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Municipal Bonds were rated Aaa, Aa1, Aa2, Aa3, and A2 by Moody’s Investors service and AAA, AA+, AA- and A+ by Standard and Poor’s and Fitch ratings. US Treasury Bills and Money Market Funds were not rated.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 33% of the City’s investments in US Treasury Bills, 19% in Federal National Mortgage Association, 18% in Federal Home Loan Mortgage, 15% in Federal Home Loan Bank, 8% in Municipal Bonds, 5% in Federal Farm Credit Bank and 2% in Money Market Funds.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's securities are insured and registered in the name of the City, or at least registered in the name of the City.

Note 4 – Receivables

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, interfund and accounts receivable.

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

Special assessments expected to be collected in more than one year amounts to \$4,534 in the General Fund.

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The assessed values of real and tangible personal property upon which current year property tax receipts were based are as follows:

| | |
|-----------------|----------------------|
| Real Property | \$980,478,870 |
| Public Utility | <u>19,495,730</u> |
| Total Valuation | <u>\$999,974,600</u> |

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

The City receives property taxes from Warren County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

and outstanding delinquencies which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

In November 2006, Mason voters approved an amendment to the City's charter that changed the City's Tax Ordinance. In prior years, residents employed in another city that has an earnings tax received a maximum credit of up to fifty percent (50%) of the tax due on the portion of their earnings taxes by the City where employed. The change gradually increased the credit for taxes paid to other cities for 2007 through 2010. In tax year 2011 and beyond, the maximum tax credit is 100%.

In November 2012, Mason voters approved an amendment to the City's charter to provide funding of safety services, including fire and emergency services, through a combination of income and property taxes. The amendment allows for an increase of the income tax of up to 0.15%, with an initial rate for 2013 of 0.12%, and up to 5 mills of property tax. The amendment also allows for a credit of the additional income tax for residents who pay property tax.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly based on an annual declaration and file an annual tax return.

Economic Development Agreements

Economic development efforts include occasional incentive agreements and forgivable loans that are based upon the expansion/retention of existing businesses and attracting new/relocating businesses. These agreements include agreements to provide services that further the City's economic development efforts. Repayment of these agreements may be required if a business fails to meet performance requirements or relocated to another location outside the City. Despite the possible receivable, it is generally believed nothing will be owed or repaid and nothing is recognized as a receivable.

Note 5 - Risk Management

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

Excess insurance coverage will cover additional claims up to the limits listed below:

Liability:

Personal Injury Liability

Property Damage Liability

Public Officials Errors and Omissions

Employment Practices Liability

Employee Benefits Liability

Limits: \$10,000,000 per occurrence. \$10,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee benefits Liability combined; and Products/Completed Operations.

MVRMA self-insured \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$2.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$3 million.

Property:

\$1,000,000,000/occurrence

MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess of SIR provided by PEPiP USA. List of carriers underwriting the coverage provided upon request.

Flood – included in Property Policy

\$25 million/occurrence and annual aggregate

Sublimit: Flood zone A & V - \$5 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V

MVRMA SIR: \$250,000/occurrence Flood Zones A & V

Earthquake – included in Property Policy

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery – included in Property Policy

\$100,000,000/occurrence

MVRMA SIR: \$10,000-\$350,000/occurrence

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Cyber Liability – included in Property Policy

MVRMA SIR: \$100,000/occurrence

Coverage excess of SIR provided by Lloyd’s of London – Beazley Syndicate

Third Party Liability:

\$2 million/occurrence and annual aggregate, but sublimited to:

\$1,000,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability

\$2 million/occurrence and annual aggregate subject to policy sublimits

Pollution Liability – Claims made and Reported Policy

Retroactive Date: Policy inception

Coverage excess SIR provided by ACE – Illinois Union Insurance Co.

\$1 million/pollution condition and aggregate with a \$200,000 sublimit for Fungi & Legionella

MVRMA SIR: \$75,000/pollution condition;

\$750,000 underground storage tanks specific

Member Deductible/occurrence - \$2,500

The Financial Audit for 2014 has not been completed. Figures from the audited 2013 financial Audit are as follows:

| | |
|-----------------------|--------------|
| Current Assets | \$3,106,793 |
| Total Assets | \$19,039,885 |
| Current Liabilities | \$7,806,613 |
| Long-Term Liabilities | \$0 |
| Net Position | \$11,233,272 |

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into the General Fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the General Fund are available to pay claims and administrative costs. The plan is administered by a third party administrator, Custom Design Benefits, which monitors all claim payments.

The claims liability of \$366,875 reported in the General Fund at year end is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amounts were as follows:

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| Fiscal Year | Beginning of Fiscal Year Liability | Current Claims and Changes in Estimates | Claims Payments | End of Fiscal Year Liability |
|----------------|------------------------------------------|-----------------------------------------------|--------------------|------------------------------------|
| 2014 | \$360,464 | \$3,496,055 | (\$3,489,644) | \$366,875 |
| 2013 | 368,500 | 2,977,325 | (2,985,361) | 360,464 |

The City estimates all claims outstanding at the end of the year will be paid off within one year.

Note 6 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2014, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 7 – Capital Assets

Capital asset activity for the current year end was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|-----------------------------------------------|----------------------|--------------|-------------|-------------------|
| Governmental Activities | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$66,107,412 | \$3,445,191 | \$640,000 | \$68,912,603 |
| Construction in Progress | 6,749,919 | 3,154,036 | 6,085,050 | 3,818,905 |
| Total Capital Assets, not being depreciated | 72,857,331 | 6,599,227 | 6,725,050 | 72,731,508 |
| Capital Assets, being depreciated: | | | | |
| Buildings and Improvements | 45,147,539 | 179,668 | 0 | 45,327,207 |
| Equipment | 15,958,223 | 2,333,458 | 509,981 | 17,781,700 |
| Infrastructure | 82,675,174 | 4,997,940 | 0 | 87,673,114 |
| Totals at Historical Cost | 216,638,267 | 14,110,293 | 7,235,031 | 223,513,529 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | 12,826,474 | 1,129,885 | 0 | 13,956,359 |
| Equipment | 12,303,682 | 855,379 | 470,169 | 12,688,892 |
| Infrastructure | 15,504,858 | 1,461,224 | 0 | 16,966,082 |
| Total Accumulated Depreciation | \$40,635,014 | \$3,446,488 | \$470,169 | \$43,611,333 |
| Governmental Activities Capital Assets, Net | \$176,003,253 | \$10,663,805 | \$6,764,862 | \$179,902,196 |

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| | Beginning Balance | Additions | Deletions | Ending Balance |
|-----------------------------------------------|----------------------|-------------|-------------|-------------------|
| Business-Type Activities | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$10,609,005 | \$85,545 | \$0 | \$10,694,550 |
| Construction in Progress | 615,784 | 1,841,120 | 2,292,241 | 164,663 |
| Total Capital Assets, not being depreciated | 11,224,789 | 1,926,665 | 2,292,241 | 10,859,213 |
| Capital Assets, being depreciated: | | | | |
| Buildings and Improvements | 54,303,641 | 32,662 | 0 | 54,336,303 |
| Equipment | 8,594,404 | 234,184 | 264,887 | 8,563,701 |
| Infrastructure | 87,658,096 | 3,354,661 | 0 | 91,012,757 |
| Totals at Historical Cost | 161,780,930 | 5,548,172 | 2,557,128 | 164,771,974 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | 9,903,338 | 1,553,619 | 0 | 11,456,957 |
| Equipment | 4,646,430 | 623,196 | 209,640 | 5,059,986 |
| Infrastructure | 19,845,785 | 1,516,383 | 0 | 21,362,168 |
| Total Accumulated Depreciation | \$34,395,553 | \$3,693,198 | \$209,640 | \$37,879,111 |
| Business-Type Activities Capital Assets, Net | \$127,385,377 | \$1,854,974 | \$2,347,488 | \$126,892,863 |

Depreciation expense was charged to governmental functions as follows:

| | Depreciation Expense |
|----------------------------------|-------------------------|
| General Government | \$577,243 |
| Public Safety | 411,593 |
| Leisure Time Activities | 415,577 |
| Transportation and Street Repair | 2,041,703 |
| Community Development | 372 |
| Total Depreciation Expense | \$3,446,488 |

Note 8 – Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service, subject to certain maximum accruals. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave.

Accumulated Unpaid Sick Leave

The City of Mason does not permit advancement of moneys on sick leave accrued.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Sick Leave Conversion at Retirement

- a. Upon retirement, a full-time, regular employee who meets the age and length of service requirements of the Public Employees Retirement System or the Police and Fireman's Disability and Pension Fund, whichever is applicable, and who was also in the service of the City of Mason for a period of ten (10) continuous years prior to retirement from the service of the City of Mason may redeem his or her accumulated sick leave providing all other criteria are met in order to receive the benefits (i.e. age for retirement).
- b. Redemption shall be at a rate of three (3) accumulated sick days exchanged for (1) day of pay for the first two hundred (200) sick days. For the next twenty five sick days the redemption shall be two (2) accumulated sick days exchanged for one (1) day of pay. All remaining sick days the redemption shall be one (1) accumulated sick days exchanged for (1) day of pay. The maximum redemption is limited to two hundred eighty-seven and a half (287 1/2) sick days converted to one-hundred and forty-one and two-thirds (141 2/3) days paid.
- c. Redemption for union fire employees shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to two-hundred and ten (210) days converted to seventy (70) days paid.
- d. Redemption for teamster employees shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to one-hundred and twenty (120) days converted to forty (40) days paid.
- e. Payment will be based on the employee's base rate of pay at the time of retirement.
- f. The conversion of sick leave to cash will be made as a lump sum payment and will eliminate all sick leave credit accrued by the employee.

Note 9 – Notes Payable

A summary of the note transactions for the current year end are as follows:

| | Rate | Beginning Balance | Additions | Deletions | Ending Balance |
|---------------------------------|-------|----------------------|--------------------|-----------------------|--------------------|
| Governmental Activities | | | | | |
| General Fund: | | | | | |
| Real Estate Acquisition Note | 1.25% | \$2,885,000 | \$0 | (\$2,885,000) | \$0 |
| Tax Revenue Note | 1.50% | 3,170,000 | 0 | (3,170,000) | 0 |
| Service Center Acquisition Note | 1.25% | 5,000,000 | 0 | (5,000,000) | 0 |
| Real Estate Acquisition Note | 1.00% | 0 | 2,500,000 | 0 | 2,500,000 |
| Service Center Acquisition Note | 1.25% | 0 | 6,000,000 | 0 | 6,000,000 |
| Total Governmental Activities | | <u>\$11,055,000</u> | <u>\$8,500,000</u> | <u>(\$11,055,000)</u> | <u>\$8,500,000</u> |

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds.

The Real Estate Acquisition Note was issued at an interest rate of 1.00% to purchase land for future development as agreed to in a litigation resolution for a zoning dispute.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The Service Center Acquisition Note was issued at an interest rate of 1.25% to finance various improvements to the new Service Center.

Note 10 – Long-Term Debt

A schedule of changes in bonds and other long-term obligations of the City during the current year follows:

| | Rate | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|----------------------------------------------------|-------|----------------------|-----------|---------------|-------------------|------------------------|
| Governmental Activities | | | | | | |
| <u>General Obligation Bonds</u> | | | | | | |
| 2008 Various Purpose | 4.09% | \$13,800,000 | \$0 | (\$750,000) | \$13,050,000 | \$775,000 |
| Mason Road Widening | 3.73% | 1,860,000 | 0 | (95,000) | 1,765,000 | 100,000 |
| US 42 Road Improvements | 3.80% | 895,000 | 0 | (40,000) | 855,000 | 40,000 |
| Refunding 1998 Road Improvement | 3.52% | 1,535,000 | 0 | (290,000) | 1,245,000 | 300,000 |
| Premium on Bonds | | 191,569 | 0 | (26,090) | 165,479 | 0 |
| Total General Obligation Bonds | | 18,281,569 | 0 | (1,201,090) | 17,080,479 | 1,215,000 |
| <u>Revenue Bonds</u> | | | | | | |
| 2012 Enterprise Parke TIF Refunding | 3.25% | 415,000 | 0 | (35,000) | 380,000 | 40,000 |
| Refunding Tylersville Crossing TIF | 4.50% | 430,000 | 0 | (190,000) | 240,000 | 55,000 |
| Everybody's Farm TIF | 5.75% | 1,750,000 | 0 | (25,000) | 1,725,000 | 80,000 |
| Total Revenue Bonds | | 2,595,000 | 0 | (250,000) | 2,345,000 | 175,000 |
| <u>Certificate of Participation Bonds</u> | | | | | | |
| Refunding Certificate of Participation | | 15,660,000 | 0 | (940,000) | 14,720,000 | 980,000 |
| Premium on Refunding Certificate of Participation | | 590,783 | 0 | (45,445) | 545,338 | 0 |
| Total Refunding Certificate of Participation Bonds | | 16,269,533 | 0 | (991,695) | 15,277,838 | 986,250 |
| Capital Leases | | 18,750 | 0 | (6,250) | 12,500 | 6,250 |
| Total Long-Term Liabilities Bonds | | 37,146,102 | 0 | (2,442,785) | 34,703,317 | 2,376,250 |
| Compensated Absences | | 1,502,604 | 670,242 | (685,111) | 1,487,735 | 753,339 |
| Total Governmental Activities | | \$38,648,706 | \$670,242 | (\$3,127,896) | \$36,191,052 | \$3,129,589 |
| Business-Type Activities | | | | | | |
| <u>General Obligation Bonds</u> | | | | | | |
| Sewer Refunding | | \$20,780,000 | \$0 | (\$1,100,000) | \$19,680,000 | \$1,135,000 |
| Stormwater Improvement | 3.65% | 1,325,000 | 0 | (100,000) | 1,225,000 | 100,000 |
| Golf Course Acquisition | 3.69% | 6,675,000 | 0 | (315,000) | 6,360,000 | 320,000 |
| Premium on Bonds | | 3,084,166 | 0 | (215,802) | 2,868,364 | 0 |
| Total General Obligation Bonds | | 31,864,166 | 0 | (1,730,802) | 30,133,364 | 1,555,000 |
| <u>Special Assessment Bonds</u> | | | | | | |
| Diley Utility | 6.00% | 7,000 | 0 | (7,000) | 0 | 0 |
| <u>Lease</u> | | | | | | |
| Capital Lease | | 10,155,000 | 0 | (315,000) | 9,840,000 | 325,000 |
| Discount on Capital Lease | | (121,521) | 5,787 | 0 | (115,734) | 0 |
| Total Capital Lease | | 10,033,479 | 5,787 | (315,000) | 9,724,266 | 325,000 |
| Compensated Absences - Enterprise | | 234,468 | 130,534 | (121,667) | 243,335 | 122,204 |
| Total Business-Type Activities | | \$42,139,113 | \$136,321 | (\$2,174,469) | \$40,100,965 | \$2,002,204 |

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund or a Special Revenue Fund. General obligation bonds will be paid from the General Obligation Bond Retirement Fund, Central Parke TIF Fund, Mason Enterprise Parke TIF Fund, Tylersville Road TIF Fund, Stormwater Utility Fund, Sewer Fund and the Golf Course Fund. The Special Assessment Bonds are backed by the full faith and credit of the City and are repaid from the resources of the Special Assessment Bond Retirement Fund. The City levies an assessment against the effected property owners.

Principal and interest requirements to retire the City’s long-term obligations outstanding at year end are as follows:

| Year | General Obligation Bonds | | Revenue Bonds | |
|-----------|-----------------------------|---------------------|--------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2015 | \$2,770,000 | \$1,742,539 | \$175,000 | \$132,738 |
| 2016 | 2,885,000 | 1,642,013 | 190,000 | 124,263 |
| 2017 | 2,930,000 | 1,569,839 | 220,000 | 114,987 |
| 2018 | 3,730,000 | 1,456,315 | 230,000 | 104,100 |
| 2019 | 3,495,000 | 1,325,726 | 180,000 | 83,250 |
| 2020-2024 | 16,980,000 | 4,701,541 | 830,000 | 268,401 |
| 2025-2029 | 11,320,000 | 1,291,024 | 350,000 | 112,126 |
| 2030-2031 | 70,000 | 2,800 | 170,000 | 14,948 |
| | <u>\$44,180,000</u> | <u>\$13,731,797</u> | <u>\$2,345,000</u> | <u>\$954,813</u> |

Note 11 – Leases

The City currently has capital leases for the municipal building, the community center addition, and an x-ray machine.

The City’s lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases”, and have been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease.

The following is a schedule of the future long-term minimum lease payments required under the capital lease, and the present value of the minimum lease payments is as follows:

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| <u>Year</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|-----------------------------------------|------------------------------------|-------------------------------------|
| 2015 | \$1,605,675 | \$770,978 |
| 2016 | 1,606,475 | 770,740 |
| 2017 | 1,594,625 | 769,350 |
| 2018 | 1,597,825 | 772,276 |
| 2019 | 1,599,225 | 769,226 |
| 2020-2024 | 6,868,825 | 3,848,712 |
| 2025-2029 | 3,371,825 | 3,854,172 |
| 2030-2034 | 0 | 3,852,560 |
| Total minimum lease payments | <u>18,244,475</u> | <u>15,408,014</u> |
| Less: Amount representing interest | (3,511,975) | (5,568,014) |
| Present value of minimum lease payments | <u><u>\$14,732,500</u></u> | <u><u>\$9,840,000</u></u> |

Capital lease payments are made from the Government Center Reserve Fund, the Community Center and the Municipal Court Improvement Funds. The costs of capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards Board No. 13 are as follows:

| | |
|----------------------------|--------------|
| Buildings and Improvements | \$35,760,000 |
|----------------------------|--------------|

Note 12 – Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. 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 writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2014, 2013 and 2012 were \$1,022,802, \$1,082,325 and \$814,222, respectively. The full amount has been contributed for 2013 and 2012, and 90 percent has actually been contributed for 2014. The City's unpaid contractually required OPERS contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Ohio Police and Fire Pension Fund

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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

From January 1, 2014 through July 1, 2014, plan members are required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members are required to contribute 11.5% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 were \$1,294,373, \$971,426, \$868,894, respectively. 90% has actually been contributed for 2014 and the full amount has been contributed for 2013 and 2012. The City's unpaid contractually required OP&F contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 13 – Post Employment 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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$170,467 for 2014, \$83,256 for 2013, and \$325,689 for 2012. The full amount has been contributed for 2013 and 2012, and 90 percent has actually been contributed for 2014.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description

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

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

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide 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, or by visiting the OP&F website at www.op-f.org.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% 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 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 Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 thru December 31, 2014. For the year ended December 31, 2014, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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 healthcare 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.

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2014 was \$156,217; and was \$380,123 for year ending December 31, 2013; and was approximately \$340,002 for the year ending December 31, 2012, and were allocated to the healthcare plan. The actual contributions for 2012 and 2013 were 100% and 90% has actually been contributed for 2014.

Note 14 – Conduit Debt Obligations

Conduit Debt

From time to time, Industrial Revenue Bonds have been issued to provide financial assistance to private-sector entities for the acquisition and construction of commercial, healthcare, and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the State, or any political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The following is the conduit debt outstanding at December 31, 2014:

| <u>Issuance</u> | <u>Year Issued</u> | <u>Original Amount</u> | <u>Outstanding December 31, 2014</u> | <u>Year Mature</u> |
|-----------------|--------------------|------------------------|--------------------------------------|--------------------|
| Cedar Village | 2010 | \$16,250,000 | \$13,695,000 | 2035 |

Note 15 – Construction Commitments

The City had the following outstanding commitments at year end:

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| <u>Projects</u> | <u>Amount</u> |
|------------------------------------------------|---------------------------|
| Service Center Improvements | \$3,254,146 |
| W.R. & 175 & SR 741 Interchange Study | 3,000,000 |
| Quinn Park Stream Imp (stream mitigation) | 467,194 |
| Gateway (I-75 & St Rt 741) | 452,331 |
| Meadows Sewer Rehab | 307,670 |
| Facility Access Control System | 294,000 |
| Freedom Way Construction | 200,000 |
| Baseball Diamond Imp Corwin Nixon Park | 199,666 |
| Community Center Improvements | 164,069 |
| Non-potable System Replacement | 122,498 |
| SCADA Update Phase II | 120,048 |
| Kings Island Drive Improvement | 104,246 |
| Donna Jean Culver Replacement | 84,879 |
| St Rt 741/Stoneridge Dr Signal | 13,472 |
| Traffic Controller Replacement | 10,201 |
| St Rt 741 Parkside Intersection | 9,950 |
| Cox Smith Road & St Rt 741 Intersection Design | 8,538 |
| Station 52 Improvements | 7,496 |
| Furbee & Castanea Drainage Improvement | 5,982 |
| Floodplain Improvement (Southwind & Wingsong) | 4,800 |
| Fire Truck Restoration "old Betsy" | 1,573 |
| Bethany Road Widening | 600 |
| Total | <u><u>\$8,833,359</u></u> |

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 all of the funds were as follows:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------------------------|----------------------------|
| General | \$19,736,846 |
| Fire and Emergency Medical Service Safety | 398,547 |
| Sewer | 1,060,181 |
| Waste Collection | 116,181 |
| Stormwater Utility | 137,829 |
| Community Center | 674,938 |
| Golf Course | 60,900 |
| Nonmajor Funds | <u>2,816,022</u> |
| Total | <u><u>\$25,001,444</u></u> |

Note 16 – Interfund Transactions

Interfund transactions at year end, consisted of the following individual interfund receivables, interfund payables, transfers in and transfers out:

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| | Interfund | | Transfers | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Receivable | Payable | In | Out |
| General Fund | \$5,600,000 | \$0 | \$0 | \$4,674,000 |
| Fire and Emergency Medical Services | 0 | 0 | 2,020,000 | 0 |
| Sewer Fund | 0 | 0 | 7,000 | 0 |
| Community Center Fund | 0 | 5,250,000 | 0 | 0 |
| Golf Course Fund | 0 | 0 | 1,039,000 | 0 |
| Other Governmental Funds | 0 | 350,000 | 2,094,144 | 486,144 |
| Total All Funds | <u>\$5,600,000</u> | <u>\$5,600,000</u> | <u>\$5,160,144</u> | <u>\$5,160,144</u> |

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

The transfer out of the Street Construction, Maintenance and Repair Fund to the General Bond Retirement Fund (Other Governmental Funds) of \$164,850 was to make the debt service payment for the Mason Road Widening debt that is included in the 2013 Various Purpose General Obligation Bonds.

The transfer out of the State Highway Improvement Fund (Other Governmental Funds) to the General Bond Retirement Fund (Other Governmental Funds) of \$73,994 was to make the debt service payment for the US 42 Road Improvements debt that is included in the 2013 Various Purpose General Obligation Bonds.

The street subdivision fund (other Governmental Funds) accounts for funds collected to improve streets that benefit specific developments. These funds rarely cover the entire cost of the improvement which is generally paid from the Street Construction, Maintenance and Repair Fund (other Governmental Funds). The transfer of \$240,300 reimburses the Street Construction, Maintenance and Repair Fund for capital improvement.

The transfer out of \$7,000 from the Special Assessment Bond Retirement Fund (Other Governmental Funds) to the Sewer Fund was to make the debt service payment for the Diley Utility Special Assessment debt.

Note 17 – Joint Venture

Liberty Township, the City of Mason, and the City of Middletown contracted to create the Liberty Township Joint Economic Development District (JEDD) for the purpose of facilitating economic development to create jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio and in the area of the contracting parties through facilitating economic development along the corridor of Interstate 75, Cincinnati Dayton Road and State Route 129. For more information and a copy of the financial statements, contact the City of Middletown.

A 1.5% income tax was enacted for the JEDD. Imposition of tax began on October 1, 2006 and terminates December 31, 2045, with two ten year extensions.

Mason's use of funds provide for the improvement of the transportation network within the City,

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

including the improvements of Bethany and Mason Roads.

Distribution of Gross Tax:

5% Service Fee for Middletown to collect the income
1% Escrow payment for refunds
94% Net distribution

Net Distribution:

83% Liberty Township
2% Middletown
15% Mason

Note 18 – Accountability

As of year end the following funds had deficit fund balances:

Other Governmental Funds:

| | |
|---------------------------|-----------|
| State Highway Improvement | \$172,219 |
|---------------------------|-----------|

The deficits in fund balances were primarily due to accrual in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Note 19 – Fund Balances

Fund balance is 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 the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

| Fund Balances | General | Fire and Emergency Medical Service | Other Governmental Funds | Total |
|--------------------------------------------|--------------|------------------------------------------|--------------------------------|--------------|
| Nonspendable: | | | | |
| Inventory | \$272,951 | \$18,997 | \$0 | \$291,948 |
| Unclaimed Monies | 71,947 | 0 | 0 | 71,947 |
| Total Nonspendable | 344,898 | 18,997 | 0 | 363,895 |
| Restricted for: | | | | |
| Fire and Emergency Medical Service Safety | 0 | 6,948,658 | 0 | 6,948,658 |
| Street Construction Maintenance and Repair | 0 | 0 | 4,098,732 | 4,098,732 |
| Street Subdivision | 0 | 0 | 374,935 | 374,935 |
| Police Officer Training | 0 | 0 | 3,200 | 3,200 |
| Parks and Recreation | 0 | 0 | 209,239 | 209,239 |
| Drug Law Enforcement | 0 | 0 | 26,653 | 26,653 |
| Law Enforcement and Education | 0 | 0 | 4,098 | 4,098 |
| Indigent Drive | 0 | 0 | 69,461 | 69,461 |
| Municipal Court Computer Costs | 0 | 0 | 233,858 | 233,858 |
| Municipal Court Improvement Education | 0 | 0 | 98,631 | 98,631 |
| Municipal Court Improvement | 0 | 0 | 241,030 | 241,030 |
| Vehicle Immobilization Fee | 0 | 0 | 17,398 | 17,398 |
| Municipal Court Probation Services | 0 | 0 | 60,163 | 60,163 |
| Municipal Court Indigent Driver IDAM | 0 | 0 | 39,638 | 39,638 |
| Central Parke TIF | 0 | 0 | 110,408 | 110,408 |
| Mason Enterprise Parke TIF | 0 | 0 | 67,184 | 67,184 |
| Tylersville Road TIF | 0 | 0 | 107,992 | 107,992 |
| I-71 Corridor TIF | 0 | 0 | 147,614 | 147,614 |
| Everybody's Farm TIF | 0 | 0 | 456,560 | 456,560 |
| JW Harris TIF | 0 | 0 | 118,607 | 118,607 |
| General Obligation Bond Retirement | 0 | 0 | 830,279 | 830,279 |
| Special Assessment Bond Retirement | 0 | 0 | 19,538 | 19,538 |
| Total Restricted | 0 | 6,948,658 | 7,335,218 | 14,283,876 |
| Committed to: | | | | |
| Police Crime Prevention | 0 | 0 | 686 | 686 |
| Total Committed | 0 | 0 | 686 | 686 |
| Assigned to: | | | | |
| General Capital Improvement | 16,403,235 | 0 | 0 | 16,403,235 |
| Debt Service | 0 | 0 | 1,976,919 | 1,976,919 |
| Subdivision Inspection | 0 | 0 | 143,282 | 143,282 |
| Encumbrances | 4,140,405 | 0 | 0 | 4,140,405 |
| Total Assigned | 20,543,640 | 0 | 2,120,201 | 22,663,841 |
| Unassigned (Deficit) | 17,623,466 | 0 | (172,219) | 17,451,247 |
| Total Fund Balance | \$38,512,004 | \$6,967,655 | \$9,283,886 | \$54,763,545 |

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 20 – Prior Period Adjustment

The City’s Tax Increment Bond Retirement Fund was renamed to the JW Harris TIF Fund was restated from a Debt Service Fund to a Special Revenue Fund.

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds |
|--------------------------------------------|--------------------------------------|-----------------------------------|
| Fund Balance - December 31, 2013 | \$6,720,217 | \$2,726,350 |
| Restatement of Fund | 8,848 | (8,848) |
| Fund Balance - December 31, 2013, Restated | <u>\$6,729,065</u> | <u>\$2,717,502</u> |

Note 21 – Subsequent Events

The City started the process to issue a \$2,000,000 bond anticipation note to refinance a bond anticipation note for real estate acquisition of property located on State Route 741. The note will be issued on June 25, 2015 and be due on June 23, 2016.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | General Fund | | | |
|-------------------------------------------------|-------------------|-------------------|-------------------|----------------------------|
| | Original Budget | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | | |
| Taxes | \$25,705,000 | \$25,705,000 | \$28,008,063 | \$2,303,063 |
| Fines, Licenses and Permits | 1,383,600 | 1,383,600 | 2,067,106 | 683,506 |
| Intergovernmental | 60,000 | 60,000 | 755,891 | 695,891 |
| Charges for Services | 259,000 | 259,000 | 231,537 | (27,463) |
| Investment Earnings | 125,000 | 125,000 | 134,535 | 9,535 |
| Other Revenues | 535,000 | 535,000 | 1,010,922 | 475,922 |
| Total Revenues | 28,067,600 | 28,067,600 | 32,208,054 | 4,140,454 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| City Manager | 327,584 | 327,584 | 292,959 | 34,625 |
| Assistant City Manager | 906,479 | 1,001,479 | 983,724 | 17,755 |
| Finance | 524,520 | 524,520 | 493,175 | 31,345 |
| Earnings Tax | 667,576 | 667,576 | 602,189 | 65,387 |
| Refunds and Reimbursements | 850,000 | 1,075,000 | 1,047,517 | 27,483 |
| Law Director | 524,187 | 474,187 | 441,916 | 32,271 |
| Council | 374,269 | 374,269 | 300,489 | 73,780 |
| Municipal Court | 1,303,305 | 1,303,305 | 1,247,069 | 56,236 |
| Land, Buildings and Grounds | 977,705 | 822,705 | 681,780 | 140,925 |
| Auditor's Deductions | 1,205,885 | 1,205,885 | 1,152,901 | 52,984 |
| Contingency | 250,000 | 250,000 | 0 | 250,000 |
| Total General Government | 7,911,510 | 8,026,510 | 7,243,719 | 782,791 |
| Public Safety | | | | |
| Police Department | 5,928,331 | 6,113,331 | 6,031,255 | 82,076 |
| Street Lighting | 367,500 | 367,500 | 345,869 | 21,631 |
| Diaster Services | 37,563 | 37,563 | 27,159 | 10,404 |
| Total Public Safety | 6,333,395 | 6,518,395 | 6,404,283 | 114,112 |
| Leisure Time Activities | | | | |
| Recreation Programs | 287,869 | 252,869 | 208,051 | 44,818 |
| Parks | 1,308,498 | 1,208,498 | 1,113,295 | 95,203 |
| Swimming Pool | 301,253 | 286,253 | 265,478 | 20,775 |
| Senior Center | 209,350 | 224,350 | 217,908 | 6,442 |
| Total Leisure Time Activities | 2,106,971 | 1,971,971 | 1,804,732 | 167,238 |
| Community Development | | | | |
| Community Planning-Zoning | 114,493 | 144,493 | 129,589 | 14,904 |
| Building Inspections | 543,914 | 593,914 | 580,225 | 13,689 |
| Economic Development | 635,353 | 635,353 | 616,245 | 19,108 |
| Community Development | 2,625,941 | 2,935,941 | 2,878,560 | 57,381 |
| Total Community Development | 3,919,702 | 4,309,702 | 4,204,620 | 105,082 |
| Transportation & Street Repair | | | | |
| Traffic Signals | 194,097 | 194,097 | 181,981 | 12,116 |
| Street Maintenance & Repair | 2,553,103 | 3,136,538 | 3,021,315 | 115,223 |
| Garage | 400,425 | 400,425 | 360,989 | 39,436 |
| Engineering | 823,615 | 773,615 | 714,808 | 58,807 |
| Total Transportation & Street Repair | 3,971,240 | 4,504,675 | 4,279,094 | 225,581 |

(Continued)

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | General Fund | | | |
|-----------------------------------------------------------------------------------|---------------------|------------------|--------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance from Final Budget |
| Capital Outlay | 1,700,000 | 1,700,000 | 1,700,000 | 0 |
| Total Expenditures | 25,942,818 | 27,031,253 | 25,636,448 | 1,394,805 |
| Excess of Revenues Over (Under) Expenditures | 2,124,782 | 1,036,347 | 6,571,606 | 5,535,259 |
| Other Financing Sources (Uses): Transfers (Out) | (6,125,000) | (16,125,000) | (13,945,000) | 2,180,000 |
| Total Other Financing Sources (Uses) | (6,125,000) | (16,125,000) | (13,945,000) | 2,180,000 |
| Net Change in Fund Balance | (4,000,218) | (15,088,653) | (7,373,394) | 7,715,259 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 15,344,422 | 15,344,422 | 15,344,422 | 0 |
| Fund Balance End of Year | <u>\$11,344,204</u> | <u>\$255,769</u> | <u>\$7,971,028</u> | <u>\$7,715,259</u> |

See accompanying notes to the required supplementary information.

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | Fire and Emergency Medical Service Safety Fund | | | |
|-----------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------|---------------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | | |
| Taxes | \$3,850,000 | \$3,850,000 | \$3,895,426 | \$45,426 |
| Intergovernmental | 1,250,000 | 1,193,675 | 1,253,204 | 59,529 |
| Charges for Services | 700,000 | 732,242 | 580,920 | (151,322) |
| Investment Earnings | 0 | 3,410 | 27,651 | 24,241 |
| Other Revenues | 0 | 62,317 | 65,835 | 3,518 |
| Total Revenues | <u>5,800,000</u> | <u>5,841,644</u> | <u>5,823,036</u> | <u>(18,608)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | 7,111,700 | 7,266,624 | 6,186,044 | 1,080,580 |
| Capital Outlay | <u>1,540,722</u> | <u>1,540,722</u> | <u>1,017,268</u> | <u>523,454</u> |
| Total Expenditures | <u>8,652,422</u> | <u>8,807,346</u> | <u>7,203,312</u> | <u>1,604,034</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(2,852,422)</u> | <u>(2,965,702)</u> | <u>(1,380,276)</u> | <u>1,585,427</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,020,000</u> | <u>(280,000)</u> |
| Total Other Financing Sources (Uses) | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,020,000</u> | <u>(280,000)</u> |
| Net Change in Fund Balance | (552,422) | (665,702) | 639,724 | 1,305,427 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>6,268,591</u> | <u>6,268,591</u> | <u>6,268,591</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$5,716,169</u></u> | <u><u>\$5,602,889</u></u> | <u><u>\$6,908,315</u></u> | <u><u>\$1,305,427</u></u> |

See accompanying notes to the required supplementary information.

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2014

Note 1 – Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting.

The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The certificate of estimated resources may be amended during the year if projected decreases in revenue are identified by the Finance Director. To maintain the original estimate where possible to maintain conservative estimates, amendments for increases occur only if additional an appropriation is needed by Council action. The amounts reported as the budgeted amounts for revenue on the budgetary statement reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted revenue on the budgetary statements reflects the amounts on the final amended certificate of estimated resources issued during the year.

In Ohio, municipal corporations have certain powers granted to them in Article XVIII of the Ohio Constitution that exist outside authority found in the Ohio Revised Code. Because these powers originate in the Constitution, law passed by the General Assembly that interfere with them may be invalid as applied to municipal corporation unless those laws are sanctioned by other provisions of the Constitution. These powers, granted by the Constitution and known as “home rule” powers, include the power of local self-government, the exercise of certain police powers, and the ownership and operation of public utilities.

The appropriations ordinance is Council’s authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. As a power of local self-government, the legal level of control has been established by Council so that appropriation measures shall be classified so as to set forth separately the amounts appropriated for each department with in the General Fund. All other funds are maintained at the fund level. 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 ordinance 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 after any supplemental or re-appropriation during the year.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the General Fund, and Fire and Emergency Medical Services 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 are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2014

2. Expenditures 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. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis)).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Fire and Emergency Medical Service Fund.

Net Change in Fund Balance

| | <u>General</u> | <u>Fire and Emergency Medical Service Safety</u> |
|--------------------------|----------------------|--------------------------------------------------------------|
| GAAP Basis | \$2,507,711 | \$813,403 |
| Revenue Accruals | (2,370,821) | 191,600 |
| Expenditure Accruals | 6,508,158 | 33,268 |
| Transfer In | 10,050,000 | 0 |
| Transfers Out | (17,000,000) | 0 |
| Encumbrances | (4,710,109) | (398,547) |
| Funds Budgeted Elsewhere | (2,358,333) | 0 |
| Budget Basis | <u>(\$7,373,394)</u> | <u>\$639,724</u> |

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Total Nonmajor Governmental Funds |
|--------------------------------------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$6,735,831 | \$1,194,633 | \$7,930,464 |
| Restricted Cash | 0 | 1,632,763 | 1,632,763 |
| Receivables (Net): | | | |
| Taxes | 0 | 1,621,504 | 1,621,504 |
| Accounts | 137,722 | 0 | 137,722 |
| Interest | 7,340 | 2,878 | 10,218 |
| Intergovernmental | 2,318,625 | 108,922 | 2,427,547 |
| Total Assets | 9,199,518 | 4,560,700 | 13,760,218 |
| Liabilities: | | | |
| Accounts Payable | 7,053 | 660 | 7,713 |
| Accrued Wages and Benefits | 23,926 | 0 | 23,926 |
| Contracts Payable | 255,901 | 0 | 255,901 |
| Retainage Payable | 70,117 | 0 | 70,117 |
| Interfund Payable | 350,000 | 0 | 350,000 |
| Total Liabilities | 706,997 | 660 | 707,657 |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 0 | 1,621,504 | 1,621,504 |
| Grants and Other Taxes | 2,006,248 | 108,922 | 2,115,170 |
| Accounts | 24,605 | 0 | 24,605 |
| Investment Earnings | 4,518 | 2,878 | 7,396 |
| Total Deferred Inflows of Resources | 2,035,371 | 1,733,304 | 3,768,675 |
| Fund Balances: | | | |
| Restricted | 6,485,401 | 849,817 | 7,335,218 |
| Committed | 686 | 0 | 686 |
| Assigned | 143,282 | 1,976,919 | 2,120,201 |
| Unassigned | (172,219) | 0 | (172,219) |
| Total Fund Balances | 6,457,150 | 2,826,736 | 9,283,886 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$9,199,518 | \$4,560,700 | \$13,760,218 |

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2014

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Total Nonmajor Governmental Funds |
|----------------------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------------|
| Revenues: | | | |
| Property and Other Taxes | \$0 | \$1,538,376 | \$1,538,376 |
| Investment Earnings | 27,942 | 12,806 | 40,748 |
| Intergovernmental | 2,988,074 | 217,119 | 3,205,193 |
| Special Assessments | 0 | 6,477 | 6,477 |
| Fines, Licenses & Permits | 893,307 | 0 | 893,307 |
| Revenue in Lieu of Taxes | 1,193,794 | 0 | 1,193,794 |
| Other Revenues | 74,319 | 0 | 74,319 |
| Total Revenues | <u>5,177,436</u> | <u>1,774,778</u> | <u>6,952,214</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 458,507 | 0 | 458,507 |
| Community Development | 655,009 | 0 | 655,009 |
| Transportation and Street Repair | 1,251,013 | 0 | 1,251,013 |
| Capital Outlay | 2,470,228 | 0 | 2,470,228 |
| Debt Service: | | | |
| Principal | 256,250 | 2,115,000 | 2,371,250 |
| Interest and Other Charges | 134,500 | 1,382,388 | 1,516,888 |
| Total Expenditures | <u>5,225,507</u> | <u>3,497,388</u> | <u>8,722,895</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(48,071)</u> | <u>(1,722,610)</u> | <u>(1,770,681)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 255,300 | 1,838,844 | 2,094,144 |
| Transfers (Out) | (479,144) | (7,000) | (486,144) |
| Total Other Financing Sources (Uses) | <u>(223,844)</u> | <u>1,831,844</u> | <u>1,608,000</u> |
| Net Change in Fund Balance | (271,915) | 109,234 | (162,681) |
| Fund Balance - Beginning of Year, Restated | <u>6,729,065</u> | <u>2,717,502</u> | <u>9,446,567</u> |
| Fund Balance - End of Year | <u>\$6,457,150</u> | <u>\$2,826,736</u> | <u>\$9,283,886</u> |

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Street Construction, Maintenance and Repair – This special revenue fund accounts for 92.5% of the City's share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on street construction and maintenance.

State Highway Improvement Fund – This special revenue fund accounts for the remaining 7.5% of the City's share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on state highways construction and improvements.

Street Subdivision - To track fee paid by developers that may only be used to subdivision street improvements.

Police Officer Training - To account for monies designated to be used for police officer training.

Parks and Recreation - This fund accounts for monies received from residential building permits and other sources collected for the purpose of providing funds for recreational capital improvements.

Police Crime Prevention - This fund is used to account for donations received for the prevention of crime within the City.

Drug Law Enforcement - To account for monies designated to be used for drug law enforcement.

Law Enforcement and Education - To account for monies received from court fines imposed for drivers convicted of driving under the influence of drugs and alcohol. Monies generated under this fund shall be used for enforcement and education of the public of such dangers.

Indigent Driver - This fund is used to account for fees collected in conjunction with DUI offenses. Revenues received are used, by the court, for treatment and education of drug and alcohol offenders.

Municipal Court Computer Costs - To account for monies received from court fines. Monies generated under this fund shall be used for computer related expenses of the Court.

Municipal Court Computer Education - This fund is used to account for a \$2.00 fee assessed in conjunction with court costs. Revenues collected are used for computer education and training within the Municipal Court.

Municipal Court Improvement - This fund is used to account for a \$5.00 fee assessed in conjunction with court costs. Revenues collected are used for improvements to the Municipal Court facilities.

Vehicle Immobilization Fee - This fund is used to account for reimbursements received from the State of Ohio for costs incurred with the Court ordered immobilization of a vehicle.

Municipal Court Probation Services - To account for monies received from court fines. Monies generated under this fund shall be used for probation services provided by the Court.

Municipal Court Indigent Driver IDAM - To account for fees collected in conjunction with DUI offenses. Revenues received are used, by the court, for treatment and education of drug and alcohol offenders.

Subdivision Inspection - This fund is used to account for the revenues received and expenses incurred for inspection services rendered in the City of Mason.

Central Parke TIF - This fund is used to account for the financial resources and expenditures related to the development of the Central Park business park.

Mason Enterprise Parke TIF - This fund is used to account for the financial resources and expenditures related to the development of the Mason Enterprise business park.

Tylersville Road TIF - This fund is used to account for the financial resources and expenditures related to the development of the Tylersville Crossing business park.

I-71 Corridor TIF - This fund is used to account for the financial resources and expenditures related to the development and improvements to the I-71 Corridor.

Everybody's Farm TIF - This fund is used to account for the financial resources and expenditures related to the development and improvements to Everybody's Farm.

JW Harris TIF - This fund is used to account for the financial resources and expenditures related to the development and improvements to development of 42 North Commerce Parke.

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

| | Street Construction, Maintenance and Repair | State Highway Improvement | Street Subdivision | Police Officer Training | Parks and Recreation |
|--------------------------------------------------------------|---------------------------------------------------|---------------------------------|-----------------------|-------------------------------|-------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$4,061,956 | \$158,271 | \$374,935 | \$3,200 | \$209,105 |
| Receivables (Net): | | | | | |
| Accounts | 91,844 | 0 | 0 | 0 | 0 |
| Interest | 6,731 | 262 | 0 | 0 | 347 |
| Intergovernmental | 1,592,671 | 56,429 | 0 | 0 | 0 |
| Total Assets | 5,753,202 | 214,962 | 374,935 | 3,200 | 209,452 |
| Liabilities: | | | | | |
| Accounts Payable | 0 | 0 | 0 | 0 | 0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 | 0 |
| Contracts Payable | 255,901 | 0 | 0 | 0 | 0 |
| Retainage Payable | 70,117 | 0 | 0 | 0 | 0 |
| Interfund Payable | 0 | 350,000 | 0 | 0 | 0 |
| Total Liabilities | 326,018 | 350,000 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | | |
| Grants and Other Taxes | 1,299,703 | 37,020 | 0 | 0 | 0 |
| Accounts | 24,605 | 0 | 0 | 0 | 0 |
| Investment Earnings | 4,144 | 161 | 0 | 0 | 213 |
| Total Deferred Inflows of Resources | 1,328,452 | 37,181 | 0 | 0 | 213 |
| Fund Balances: | | | | | |
| Restricted | 4,098,732 | 0 | 374,935 | 3,200 | 209,239 |
| Committed | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 0 | 0 |
| Unassigned | 0 | (172,219) | 0 | 0 | 0 |
| Total Fund Balances | 4,098,732 | (172,219) | 374,935 | 3,200 | 209,239 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$5,753,202 | \$214,962 | \$374,935 | \$3,200 | \$209,452 |

| Police Crime Prevention | Drug Law Enforcement | Law Enforcement and Education | Indigent Driver | Municipal Court Computer Costs | Municipal Court Computer Education | Municipal Court Improvement |
|-------------------------|----------------------|-------------------------------|-----------------|--------------------------------|------------------------------------|-----------------------------|
| \$686 | \$26,253 | \$4,019 | \$69,825 | \$225,589 | \$95,970 | \$233,733 |
| 0 | 400 | 79 | 350 | 8,569 | 2,857 | 15,648 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>686</u> | <u>26,653</u> | <u>4,098</u> | <u>70,175</u> | <u>234,158</u> | <u>98,827</u> | <u>249,381</u> |
| 0 | 0 | 0 | 714 | 300 | 196 | 1,780 |
| 0 | 0 | 0 | 0 | 0 | 0 | 6,571 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>714</u> | <u>300</u> | <u>196</u> | <u>8,351</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 26,653 | 4,098 | 69,461 | 233,858 | 98,631 | 241,030 |
| 686 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>686</u> | <u>26,653</u> | <u>4,098</u> | <u>69,461</u> | <u>233,858</u> | <u>98,631</u> | <u>241,030</u> |
| <u>\$686</u> | <u>\$26,653</u> | <u>\$4,098</u> | <u>\$70,175</u> | <u>\$234,158</u> | <u>\$98,827</u> | <u>\$249,381</u> |

Continued

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

| | Vehicle Immobilization Fee | Municipal Court Probation Services | Municipal Court Indigent Driver IDAM | Subdivision Inspection | Central Parke TIF |
|--------------------------------------------------------------|----------------------------------|------------------------------------------|--------------------------------------------|---------------------------|----------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$17,398 | \$55,343 | \$42,168 | \$149,015 | \$110,408 |
| Receivables (Net): | | | | | |
| Accounts | 0 | 17,044 | 821 | 110 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 111,247 |
| Total Assets | 17,398 | 72,387 | 42,989 | 149,125 | 221,655 |
| Liabilities: | | | | | |
| Accounts Payable | 0 | 712 | 3,351 | 0 | 0 |
| Accrued Wages and Benefits | 0 | 11,512 | 0 | 5,843 | 0 |
| Contracts Payable | 0 | 0 | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 12,224 | 3,351 | 5,843 | 0 |
| Deferred Inflows of Resources: | | | | | |
| Grants and Other Taxes | 0 | 0 | 0 | 0 | 111,247 |
| Accounts | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 0 | 111,247 |
| Fund Balances: | | | | | |
| Restricted | 17,398 | 60,163 | 39,638 | 0 | 110,408 |
| Committed | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 143,282 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balances | 17,398 | 60,163 | 39,638 | 143,282 | 110,408 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$17,398 | \$72,387 | \$42,989 | \$149,125 | \$221,655 |

| Mason Enterprise Parke TIF | Tylersville Road TIF | I-71 Corridor TIF | Everybody's Farm TIF | JW Harris TIF | Total Nonmajor Special Revenue Funds |
|----------------------------------|-------------------------|----------------------|-------------------------|------------------|-----------------------------------------------|
| \$67,184 | \$107,992 | \$147,614 | \$456,560 | \$118,607 | \$6,735,831 |
| 0 | 0 | 0 | 0 | 0 | 137,722 |
| 0 | 0 | 0 | 0 | 0 | 7,340 |
| 54,303 | 180,579 | 24,105 | 187,785 | 111,506 | 2,318,625 |
| <u>121,487</u> | <u>288,571</u> | <u>171,719</u> | <u>644,345</u> | <u>230,113</u> | <u>9,199,518</u> |
| 0 | 0 | 0 | 0 | 0 | 7,053 |
| 0 | 0 | 0 | 0 | 0 | 23,926 |
| 0 | 0 | 0 | 0 | 0 | 255,901 |
| 0 | 0 | 0 | 0 | 0 | 70,117 |
| 0 | 0 | 0 | 0 | 0 | 350,000 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>706,997</u> |
| 54,303 | 180,579 | 24,105 | 187,785 | 111,506 | 2,006,248 |
| 0 | 0 | 0 | 0 | 0 | 24,605 |
| 0 | 0 | 0 | 0 | 0 | 4,518 |
| <u>54,303</u> | <u>180,579</u> | <u>24,105</u> | <u>187,785</u> | <u>111,506</u> | <u>2,035,371</u> |
| 67,184 | 107,992 | 147,614 | 456,560 | 118,607 | 6,485,401 |
| 0 | 0 | 0 | 0 | 0 | 686 |
| 0 | 0 | 0 | 0 | 0 | 143,282 |
| 0 | 0 | 0 | 0 | 0 | (172,219) |
| <u>67,184</u> | <u>107,992</u> | <u>147,614</u> | <u>456,560</u> | <u>118,607</u> | <u>6,457,150</u> |
| <u>\$121,487</u> | <u>\$288,571</u> | <u>\$171,719</u> | <u>\$644,345</u> | <u>\$230,113</u> | <u>\$9,199,518</u> |

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

| | Street Construction, Maintenance and Repair | State Highway Improvement | Street Subdivision | Police Officer Training | Parks and Recreation |
|----------------------------------------------|---------------------------------------------------|---------------------------------|-----------------------|-------------------------------|-------------------------|
| Revenues: | | | | | |
| Investment Earnings | \$26,023 | \$1,021 | \$0 | \$0 | \$898 |
| Intergovernmental | 2,871,355 | 116,719 | 0 | 0 | 0 |
| Fines, Licenses & Permits | 0 | 0 | 73,791 | 3,200 | 156,420 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 |
| Other Revenues | 67,239 | 0 | 0 | 0 | 0 |
| Total Revenues | 2,964,617 | 117,740 | 73,791 | 3,200 | 157,318 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 0 | 0 | 0 | 0 | 0 |
| Community Development | 0 | 0 | 0 | 0 | 0 |
| Transportation and Street Repair | 1,179,525 | 0 | 2,038 | 0 | 0 |
| Capital Outlay | 2,325,598 | 714 | 0 | 0 | 44,658 |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 |
| Interest and Other Charges | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 3,505,123 | 714 | 2,038 | 0 | 44,658 |
| Excess of Revenues Over (Under) Expenditures | (540,506) | 117,026 | 71,753 | 3,200 | 112,660 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 240,300 | 0 | 15,000 | 0 | 0 |
| Transfers (Out) | (164,850) | (73,994) | (240,300) | 0 | 0 |
| Total Other Financing Sources (Uses) | 75,450 | (73,994) | (225,300) | 0 | 0 |
| Net Change in Fund Balance | (465,056) | 43,032 | (153,547) | 3,200 | 112,660 |
| Fund Balance - Beginning of Year, Restated | 4,563,788 | (215,251) | 528,482 | 0 | 96,579 |
| Fund Balance - End of Year | \$4,098,732 | (\$172,219) | \$374,935 | \$3,200 | \$209,239 |

| Police Crime Prevention | Drug Law Enforcement | Law Enforcement and Education | Indigent Driver | Municipal Court Computer Costs | Municipal Court Computer Education | Municipal Court Improvement |
|-------------------------|----------------------|-------------------------------|-----------------|--------------------------------|------------------------------------|-----------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 2,680 | 1,079 | 16,098 | 95,899 | 34,212 | 183,892 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 5,651 | 0 | 412 |
| 0 | 2,680 | 1,079 | 16,098 | 101,550 | 34,212 | 184,304 |
| 0 | 0 | 0 | 18,302 | 46,196 | 196 | 160,897 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 9,195 | 51,539 | 5,187 |
| 0 | 0 | 0 | 0 | 0 | 0 | 6,250 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 18,302 | 55,391 | 51,735 | 172,334 |
| 0 | 2,680 | 1,079 | (2,204) | 46,159 | (17,523) | 11,970 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 2,680 | 1,079 | (2,204) | 46,159 | (17,523) | 11,970 |
| 686 | 23,973 | 3,019 | 71,665 | 187,699 | 116,154 | 229,060 |
| \$686 | \$26,653 | \$4,098 | \$69,461 | \$233,858 | \$98,631 | \$241,030 |

Continued

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

| | Vehicle Immobilization Fee | Municipal Court Probation Services | Municipal Court Indigent Driver IDAM | Subdivision Inspection | Central Parke TIF |
|-----------------------------------------------------|----------------------------------|------------------------------------------|--------------------------------------------|---------------------------|----------------------|
| Revenues: | | | | | |
| Investment Earnings | \$0 | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 |
| Fines, Licenses & Permits | 0 | 189,701 | 9,187 | 127,148 | 0 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 0 | 178,793 |
| Other Revenues | 0 | 73 | 0 | 944 | 0 |
| Total Revenues | 0 | 189,774 | 9,187 | 128,092 | 178,793 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 0 | 227,124 | 5,792 | 0 | 0 |
| Community Development | 0 | 0 | 0 | 97,200 | 69,295 |
| Transportation and Street Repair | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 |
| Interest and Other Charges | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 227,124 | 5,792 | 97,200 | 69,295 |
| Excess of Revenues Over (Under) Expenditures | 0 | (37,350) | 3,395 | 30,892 | 109,498 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 0 | 0 | 0 | 0 | 0 |
| Transfers (Out) | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 0 | (37,350) | 3,395 | 30,892 | 109,498 |
| Fund Balance - Beginning of Year, Restated | 17,398 | 97,513 | 36,243 | 112,390 | 910 |
| Fund Balance - End of Year | \$17,398 | \$60,163 | \$39,638 | \$143,282 | \$110,408 |

| Mason Enterprise Parke TIF | Tylersville Road TIF | I-71 Corridor TIF | Everybody's Farm TIF | JW Harris TIF | Total Nonmajor Special Revenue Funds |
|----------------------------------|-------------------------|----------------------|-------------------------|------------------|-----------------------------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$27,942 |
| 0 | 0 | 0 | 0 | 0 | 2,988,074 |
| 0 | 0 | 0 | 0 | 0 | 893,307 |
| 116,220 | 203,983 | 37,257 | 478,332 | 179,209 | 1,193,794 |
| 0 | 0 | 0 | 0 | 0 | 74,319 |
| <u>116,220</u> | <u>203,983</u> | <u>37,257</u> | <u>478,332</u> | <u>179,209</u> | <u>5,177,436</u> |
| 0 | 0 | 0 | 0 | 0 | 458,507 |
| 35,273 | 83,817 | 13,447 | 355,977 | 0 | 655,009 |
| 0 | 0 | 0 | 0 | 69,450 | 1,251,013 |
| 0 | 0 | 0 | 33,337 | 0 | 2,470,228 |
| 35,000 | 190,000 | 0 | 25,000 | 0 | 256,250 |
| 14,525 | 19,350 | 0 | 100,625 | 0 | 134,500 |
| <u>84,798</u> | <u>293,167</u> | <u>13,447</u> | <u>514,939</u> | <u>69,450</u> | <u>5,225,507</u> |
| <u>31,422</u> | <u>(89,184)</u> | <u>23,810</u> | <u>(36,607)</u> | <u>109,759</u> | <u>(48,071)</u> |
| 0 | 0 | 0 | 0 | 0 | 255,300 |
| 0 | 0 | 0 | 0 | 0 | (479,144) |
| 0 | 0 | 0 | 0 | 0 | (223,844) |
| 31,422 | (89,184) | 23,810 | (36,607) | 109,759 | (271,915) |
| 35,762 | 197,176 | 123,804 | 493,167 | 8,848 | 6,729,065 |
| <u>\$67,184</u> | <u>\$107,992</u> | <u>\$147,614</u> | <u>\$456,560</u> | <u>\$118,607</u> | <u>\$6,457,150</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Street Construction, Maintenance and Repair Fund | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$2,931,419 | \$2,941,209 | \$9,790 |
| Investment Earnings | 12,000 | 15,314 | 3,314 |
| Revenue in Lieu of Taxes | 0 | 107,557 | 107,557 |
| Other Revenues | 107,557 | 0 | (107,557) |
| Total Revenues | <u>3,050,976</u> | <u>3,064,080</u> | <u>13,104</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | 1,200,000 | 1,452,193 | (252,193) |
| Capital Outlay | 7,058,599 | 4,382,584 | 2,676,015 |
| Total Expenditures | <u>8,258,599</u> | <u>5,834,776</u> | <u>2,423,823</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(5,207,623)</u> | <u>(2,770,696)</u> | <u>2,436,927</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 240,300 | 240,300 | 0 |
| Transfers (Out) | (165,000) | (164,850) | 150 |
| Total Other Financing Sources (Uses) | <u>75,300</u> | <u>75,450</u> | <u>150</u> |
| Net Change in Fund Balance | (5,132,323) | (2,695,246) | 2,437,077 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>4,524,830</u> | <u>4,524,830</u> | <u>0</u> |
| Fund Balance End of Year | <u>(\$607,493)</u> | <u>\$1,829,584</u> | <u>\$2,437,077</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | State Highway Improvement Fund | | |
|-----------------------------------------------------------------------------------|-----------------------------------------|-------------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$100,000 | \$115,989 | \$15,989 |
| Investment Earnings | 0 | 620 | 620 |
| Total Revenues | <u>100,000</u> | <u>116,609</u> | <u>16,609</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | <u>3,701</u> | <u>3,701</u> | <u>0</u> |
| Total Expenditures | <u>3,701</u> | <u>3,701</u> | <u>0</u> |
| Excess of Revenues Over (Under) Expenditures | <u>96,299</u> | <u>112,908</u> | <u>16,609</u> |
| Other Financing Sources (Uses): | | | |
| Transfers (Out) | <u>(124,000)</u> | <u>(123,994)</u> | <u>6</u> |
| Total Other Financing Sources (Uses) | <u>(124,000)</u> | <u>(123,994)</u> | <u>6</u> |
| Net Change in Fund Balance | (27,701) | (11,086) | 16,615 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>169,074</u> | <u>169,074</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$141,373</u></u> | <u><u>\$157,988</u></u> | <u><u>\$16,615</u></u> |

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | Street Subdivision Fund | | |
|-----------------------------------------------------------------------------------|-------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$0 | \$74,091 | \$74,091 |
| Total Revenues | 0 | 74,091 | 74,091 |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | 7,680 | 7,680 | 0 |
| Total Expenditures | 7,680 | 7,680 | 0 |
| Excess of Revenues Over (Under) Expenditures | (7,680) | 66,411 | 74,091 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 0 | 15,000 | 15,000 |
| Transfers (Out) | (450,000) | (240,300) | 209,700 |
| Total Other Financing Sources (Uses) | (450,000) | (225,300) | 224,700 |
| Net Change in Fund Balance | (457,680) | (158,889) | 298,791 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 528,181 | 528,181 | 0 |
| Fund Balance End of Year | <u>\$70,501</u> | <u>\$369,292</u> | <u>\$298,791</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Police Officer Training Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------------|---------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$3,200 | \$3,200 |
| Total Revenues | 0 | 3,200 | 3,200 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 |
| Net Change in Fund Balance | 0 | 3,200 | 3,200 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$3,200 | \$3,200 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Parks and Recreation Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$20,000 | \$156,940 | \$136,940 |
| Investment Earnings | 0 | 658 | 658 |
| Total Revenues | 20,000 | 157,598 | 137,598 |
| Expenditures: | | | |
| Capital Outlay | 90,000 | 90,000 | 0 |
| Total Expenditures | 90,000 | 90,000 | 0 |
| Net Change in Fund Balance | (70,000) | 67,598 | 137,598 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 96,278 | 96,278 | 0 |
| Fund Balance End of Year | \$26,278 | \$163,876 | \$137,598 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Police Crime Prevention Fund | | |
|-----------------------------------------------------------------------------------|------------------------------------|--------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$0 | \$0 |
| Total Revenues | 0 | 0 | 0 |
| Expenditures: | | | |
| Public Safety | 500 | 0 | 500 |
| Total Expenditures | 500 | 0 | 500 |
| Net Change in Fund Balance | (500) | 0 | 500 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 686 | 686 | 0 |
| Fund Balance End of Year | <u>\$186</u> | <u>\$686</u> | <u>\$500</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Drug Law Enforcement Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$1,000 | \$2,435 | \$1,435 |
| Total Revenues | 1,000 | 2,435 | 1,435 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 20,000 | 0 | 20,000 |
| Total Expenditures | 20,000 | 0 | 20,000 |
| Net Change in Fund Balance | (19,000) | 2,435 | 21,435 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 23,817 | 23,817 | 0 |
| Fund Balance End of Year | \$4,817 | \$26,252 | \$21,435 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Law Enforcement and Education Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------------------|----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$500 | \$1,025 | \$525 |
| Total Revenues | 500 | 1,025 | 525 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 2,000 | 0 | 2,000 |
| Total Expenditures | 2,000 | 0 | 2,000 |
| Net Change in Fund Balance | (1,500) | 1,025 | 2,525 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 2,994 | 2,994 | 0 |
| Fund Balance End of Year | <u>\$1,494</u> | <u>\$4,019</u> | <u>\$2,525</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Indigent Driver Fund | | |
|-----------------------------------------------------------------------------------|----------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$1,000 | \$16,016 | \$15,016 |
| Total Revenues | 1,000 | 16,016 | 15,016 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 66,045 | 36,576 | 29,469 |
| Total Expenditures | 66,045 | 36,576 | 29,469 |
| Net Change in Fund Balance | (65,045) | (20,560) | 44,485 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 76,981 | 76,981 | 0 |
| Fund Balance End of Year | <u>\$11,936</u> | <u>\$56,421</u> | <u>\$44,485</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Municipal Court Computer Costs Fund | | |
|-----------------------------------------------------------------------------------|----------------------------------------------|-------------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$50,000 | \$95,252 | \$45,252 |
| Other Revenues | 0 | 5,057 | 5,057 |
| Total Revenues | <u>50,000</u> | <u>100,309</u> | <u>50,309</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 71,600 | 49,360 | 22,240 |
| Capital Outlay | 17,000 | 12,000 | 5,000 |
| Total Expenditures | <u>88,600</u> | <u>61,360</u> | <u>27,240</u> |
| Net Change in Fund Balance | (38,600) | 38,949 | 77,549 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>183,169</u> | <u>183,169</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$144,569</u></u> | <u><u>\$222,118</u></u> | <u><u>\$77,549</u></u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Municipal Court Computer Education Fund | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$20,000 | \$33,948 | \$13,948 |
| Total Revenues | 20,000 | 33,948 | 13,948 |
| Expenditures: | | | |
| Capital Outlay | 52,000 | 51,842 | 158 |
| Total Expenditures | 52,000 | 51,842 | 158 |
| Net Change in Fund Balance | (32,000) | (17,894) | 14,106 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 113,560 | 113,560 | 0 |
| Fund Balance End of Year | \$81,560 | \$95,666 | \$14,106 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Municipal Court Improvement Fund | | |
|-----------------------------------------------------------------------------------|-------------------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$180,000 | \$182,892 | \$2,892 |
| Total Revenues | 180,000 | 182,892 | 2,892 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 203,014 | 163,892 | 39,122 |
| Capital Outlay | 12,000 | 11,437 | 563 |
| Total Expenditures | 215,014 | 175,329 | 39,685 |
| Net Change in Fund Balance | (35,014) | 7,563 | 42,577 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 222,992 | 222,992 | 0 |
| Fund Balance End of Year | \$187,978 | \$230,555 | \$42,577 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Vehicle Immobilization Fee Fund | | |
|-----------------------------------------------------------------------------------|------------------------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$0 | \$35 | \$35 |
| Total Revenues | 0 | 35 | 35 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 500 | 0 | 500 |
| Total Expenditures | 500 | 0 | 500 |
| Net Change in Fund Balance | (500) | 35 | 535 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 17,363 | 17,363 | 0 |
| Fund Balance End of Year | <u>\$16,863</u> | <u>\$17,398</u> | <u>\$535</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Municipal Court Probation Services Fund | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$190,000 | \$187,475 | (\$2,525) |
| Total Revenues | 190,000 | 187,475 | (2,525) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 245,865 | 229,798 | 16,067 |
| Total Expenditures | 245,865 | 229,798 | 16,067 |
| Net Change in Fund Balance | (55,865) | (42,323) | 13,542 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 95,556 | 95,556 | 0 |
| Fund Balance End of Year | <u>\$39,691</u> | <u>\$53,233</u> | <u>\$13,542</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Municipal Court Indigent Driver IDAM Fund | | |
|-----------------------------------------------------------------------------------|----------------------------------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$1,000 | \$8,366 | \$7,366 |
| Total Revenues | 1,000 | 8,366 | 7,366 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 5,816 | 3,140 | 2,676 |
| Total Expenditures | 5,816 | 3,140 | 2,676 |
| Net Change in Fund Balance | (4,816) | 5,226 | 10,042 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 36,383 | 36,383 | 0 |
| Fund Balance End of Year | \$31,567 | \$41,609 | \$10,042 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Subdivision Inspection Fund | | |
|-----------------------------------------------------------------------------------|-----------------------------------|-------------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Fines, Licenses and Permits | \$100,000 | \$127,148 | \$27,148 |
| Other Revenues | 0 | 879 | 879 |
| Total Revenues | <u>100,000</u> | <u>128,027</u> | <u>28,027</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 99,650 | 98,366 | 1,284 |
| Total Expenditures | <u>99,650</u> | <u>98,366</u> | <u>1,284</u> |
| Net Change in Fund Balance | 350 | 29,661 | 29,311 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>117,641</u> | <u>117,641</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$117,991</u></u> | <u><u>\$147,302</u></u> | <u><u>\$29,311</u></u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Central Parke TIF Fund | | |
|-----------------------------------------------------------------------------------|------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$125,000 | \$178,793 | \$53,793 |
| Total Revenues | 125,000 | 178,793 | 53,793 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 80,000 | 69,295 | 10,705 |
| Total Expenditures | 80,000 | 69,295 | 10,705 |
| Net Change in Fund Balance | 45,000 | 109,498 | 64,498 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 911 | 911 | 0 |
| Fund Balance End of Year | \$45,911 | \$110,409 | \$64,498 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Mason Enterprise Parke TIF Fund | | |
|-----------------------------------------------------------------------------------|------------------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$90,000 | \$116,220 | \$26,220 |
| Total Revenues | 90,000 | 116,220 | 26,220 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 75,475 | 35,273 | 40,202 |
| Debt Service: | | | |
| Principal Retirement | 35,000 | 35,000 | 0 |
| Interest and Fiscal Charges | 14,525 | 14,525 | 0 |
| Total Expenditures | 125,000 | 84,798 | 40,202 |
| Net Change in Fund Balance | (35,000) | 31,422 | 66,422 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 35,764 | 35,764 | 0 |
| Fund Balance End of Year | \$764 | \$67,186 | \$66,422 |

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | Tylersville Road TIF Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$200,000 | \$203,983 | \$3,983 |
| Total Revenues | 200,000 | 203,983 | 3,983 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 85,650 | 83,817 | 1,833 |
| Debt Service: | | | |
| Principal Retirement | 190,000 | 190,000 | 0 |
| Interest and Fiscal Charges | 19,350 | 19,350 | 0 |
| Total Expenditures | 295,000 | 293,167 | 1,833 |
| Net Change in Fund Balance | (95,000) | (89,184) | 5,816 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 197,177 | 197,177 | 0 |
| Fund Balance End of Year | \$102,177 | \$107,993 | \$5,816 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | I-71 Corridor TIF Fund | | |
|-----------------------------------------------------------------------------------|------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$35,000 | \$37,257 | \$2,257 |
| Total Revenues | 35,000 | 37,257 | 2,257 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 35,000 | 13,447 | 21,553 |
| Total Expenditures | 35,000 | 13,447 | 21,553 |
| Net Change in Fund Balance | 0 | 23,810 | 23,810 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 123,805 | 123,805 | 0 |
| Fund Balance End of Year | <u>\$123,805</u> | <u>\$147,615</u> | <u>\$23,810</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Everybody's Farm TIF Fund | | |
|-----------------------------------------------------------------------------------|---------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$400,000 | \$478,332 | \$78,332 |
| Total Revenues | 400,000 | 478,332 | 78,332 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | 356,375 | 355,977 | 398 |
| Capital Outlay | 34,000 | 33,337 | 663 |
| Debt Service: | | | |
| Principal Retirement | 25,000 | 25,000 | 0 |
| Interest and Fiscal Charges | 100,625 | 100,625 | 0 |
| Total Expenditures | 516,000 | 514,939 | 1,061 |
| Net Change in Fund Balance | (116,000) | (36,607) | 79,393 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 493,168 | 493,168 | 0 |
| Fund Balance End of Year | <u>\$377,168</u> | <u>\$456,561</u> | <u>\$79,393</u> |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | JW Harris TIF Fund | | |
|-----------------------------------------------------------------------------------|--------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$170,000 | \$179,209 | \$9,209 |
| Total Revenues | 170,000 | 179,209 | 9,209 |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | 75,000 | 69,450 | 5,550 |
| Total Expenditures | 75,000 | 69,450 | 5,550 |
| Net Change in Fund Balance | 95,000 | 109,759 | 14,759 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 8,850 | 8,850 | 0 |
| Fund Balance End of Year | <u>\$103,850</u> | <u>\$118,609</u> | <u>\$14,759</u> |

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NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

General Obligation Bond Retirement - To accumulate monies for the payment of long-term and short-term debt issued without a vote of the people.

Special Assessment Bond Retirement - To account for payment of bonds issued for improvements deemed to benefit specific properties against which assessments are levied.

Government Center Bond Retirement - This fund is used to account for the financial resources and expenditures (debt principal and interest payments) related to the construction of the Mason Municipal Center.

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Government Center Bond Retirement | Total Nonmajor Debt Service Funds |
|--------------------------------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$830,279 | \$19,538 | \$344,816 | \$1,194,633 |
| Restricted Cash | 0 | 0 | 1,632,763 | 1,632,763 |
| Receivables (Net): | | | | |
| Taxes | 1,621,504 | 0 | 0 | 1,621,504 |
| Interest | 0 | 0 | 2,878 | 2,878 |
| Intergovernmental | 108,922 | 0 | 0 | 108,922 |
| Total Assets | 2,560,705 | 19,538 | 1,980,457 | 4,560,700 |
| Liabilities: | | | | |
| Accounts Payable | 0 | 0 | 660 | 660 |
| Total Liabilities | 0 | 0 | 660 | 660 |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 1,621,504 | 0 | 0 | 1,621,504 |
| Grants and Other Taxes | 108,922 | 0 | 0 | 108,922 |
| Investment Earnings | 0 | 0 | 2,878 | 2,878 |
| Total Deferred Inflows of Resources | 1,730,426 | 0 | 2,878 | 1,733,304 |
| Fund Balances: | | | | |
| Restricted | 830,279 | 19,538 | 0 | 849,817 |
| Assigned | 0 | 0 | 1,976,919 | 1,976,919 |
| Total Fund Balances | 830,279 | 19,538 | 1,976,919 | 2,826,736 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$2,560,705 | \$19,538 | \$1,980,457 | \$4,560,700 |

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2014

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Government Center Bond Retirement | Total Nonmajor Debt Service Funds |
|----------------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------|
| Revenues: | | | | |
| Property and Other Taxes | \$1,538,376 | \$0 | \$0 | \$1,538,376 |
| Investment Earnings | \$0 | \$0 | \$12,806 | \$12,806 |
| Intergovernmental | 217,119 | 0 | 0 | 217,119 |
| Special Assessments | 0 | 6,477 | 0 | 6,477 |
| Total Revenues | 1,755,495 | 6,477 | 12,806 | 1,774,778 |
| Expenditures: | | | | |
| Current: | | | | |
| Debt Service: | | | | |
| Principal | 1,175,000 | 0 | 940,000 | 2,115,000 |
| Interest and Other Charges | 724,108 | 595 | 657,685 | 1,382,388 |
| Total Expenditures | 1,899,108 | 595 | 1,597,685 | 3,497,388 |
| Excess of Revenues Over (Under) Expenditures | (143,613) | 5,882 | (1,584,879) | (1,722,610) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 238,844 | 0 | 1,600,000 | 1,838,844 |
| Transfers (Out) | 0 | (7,000) | 0 | (7,000) |
| Total Other Financing Sources (Uses) | 238,844 | (7,000) | 1,600,000 | 1,831,844 |
| Net Change in Fund Balance | 95,231 | (1,118) | 15,121 | 109,234 |
| Fund Balance - Beginning of Year, Restated | 735,048 | 20,656 | 1,961,798 | 2,717,502 |
| Fund Balance - End of Year | <u>\$830,279</u> | <u>\$19,538</u> | <u>\$1,976,919</u> | <u>\$2,826,736</u> |

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | General Obligation Bond Retirement Fund | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Taxes | \$1,515,000 | \$1,538,376 | \$23,376 |
| Intergovernmental | 175,000 | 217,119 | 42,119 |
| Total Revenues | 1,690,000 | 1,755,494 | 65,494 |
| Expenditures: | | | |
| Current: | | | |
| Debt Service: | | | |
| Principal Retirement | 1,175,000 | 1,175,000 | 0 |
| Interest and Fiscal Charges | 725,000 | 724,108 | 892 |
| Total Expenditures | 1,900,000 | 1,899,108 | 892 |
| Excess of Revenues Over (Under) Expenditures | (210,000) | (143,614) | 66,386 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 238,000 | 238,844 | 844 |
| Total Other Financing Sources (Uses) | 238,000 | 238,844 | 844 |
| Net Change in Fund Balance | 28,000 | 95,230 | 67,230 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 735,049 | 735,049 | 0 |
| Fund Balance End of Year | \$763,049 | \$830,279 | \$67,230 |

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Special Assessment Bond Retirement Fund | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Special Assessments | \$0 | \$6,477 | \$6,477 |
| Total Revenues | 0 | 6,477 | 6,477 |
| Expenditures: | | | |
| Current: | | | |
| Debt Service: | | | |
| Principal Retirement | 7,000 | 7,000 | 0 |
| Interest and Fiscal Charges | 1,088 | 683 | 405 |
| Total Expenditures | 8,088 | 7,683 | 405 |
| Net Change in Fund Balance | (8,088) | (1,206) | 6,882 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 20,745 | 20,745 | 0 |
| Fund Balance End of Year | \$12,657 | \$19,539 | \$6,882 |

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | Government Center Bond Retirement Fund | | |
|-----------------------------------------------------------------------------------|-------------------------------------------------|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$0 | \$19,305 | \$19,305 |
| Total Revenues | 0 | 19,305 | 19,305 |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 940,000 | 940,000 | 0 |
| Interest and Fiscal Charges | 660,700 | 659,125 | 1,575 |
| Total Expenditures | 1,600,700 | 1,599,125 | 1,575 |
| Excess of Revenues Over (Under) Expenditures | (1,600,700) | (1,579,820) | 20,880 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 1,600,000 | 1,600,000 | 0 |
| Total Other Financing Sources (Uses) | 1,600,000 | 1,600,000 | 0 |
| Net Change in Fund Balance | (700) | 20,180 | 20,880 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,971,650 | 1,971,650 | 0 |
| Fund Balance End of Year | <u>\$1,970,950</u> | <u>\$1,991,830</u> | <u>\$20,880</u> |

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

Fund Descriptions

General Capital Improvement - To account as a separate division of the General Fund to reserve resources for capital improvements identified through the City's capital improvement plan and to reserve funds for payment of short-term debt.

Employee Medical Insurance – To account for resources and expenditures for employee health, life, and disability benefits.

City Contributions – To account for donations and contributions given to the City of Mason for specific and restrictive use.

Unclaimed Monies –To account for funds not claimed by the owner of the funds. Most unclaimed funds is the result of outstanding checks issued by the City of Mason.

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

| | General Capital Improvement Fund (1) | | |
|-----------------------------------------------------------------------------------|--------------------------------------------|---------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$9,720 | \$9,720 |
| Other Revenues | 0 | 678,405 | 678,405 |
| Total Revenues | 0 | 688,125 | 688,125 |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | 13,267,491 | 12,689,742 | 577,749 |
| Debt Service: | | | |
| Principal Retirement | 11,100,000 | 11,055,000 | 45,000 |
| Interest and Fiscal Charges | 247,400 | 173,001 | 74,399 |
| Total Expenditures | 24,614,891 | 23,917,743 | 697,148 |
| Excess of Revenues Over (Under) Expenditures | (24,614,891) | (23,229,618) | 1,385,273 |
| Other Financing Sources (Uses): | | | |
| Issuance of Debt | 7,250,000 | 8,551,968 | 1,301,968 |
| Transfers In | 10,050,000 | 10,050,000 | 0 |
| Transfers (Out) | (7,750,000) | (7,729,000) | 21,000 |
| Total Other Financing Sources (Uses) | 9,550,000 | 10,872,968 | 1,322,968 |
| Net Change in Fund Balance | (15,064,891) | (12,356,650) | 2,708,241 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 22,435,068 | 22,435,068 | 0 |
| Fund Balance End of Year | \$7,370,177 | \$10,078,418 | \$2,708,241 |

(1) This fund is combined with the General fund in GAAP Statements.

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Employee Medical Insurance Fund (1) | | |
|--------------------------------------------------------------------------------|-------------------------------------|-------------|----------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Charges for Services | \$1,334,784 | \$1,317,786 | (\$16,998) |
| Other Revenues | 0 | 446,437 | 446,437 |
| Total Revenues | 1,334,784 | 1,764,223 | 429,439 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 410,267 | 346,813 | 63,454 |
| Public Safety | 722,500 | 722,500 | 0 |
| Leisure Time Activities | 205,700 | 205,700 | 0 |
| Community Development | 17,000 | 17,000 | 0 |
| Basic Utility | 283,336 | 283,336 | 0 |
| Total Expenditures | 1,638,803 | 1,575,349 | 63,454 |
| Net Change in Fund Balance | (304,019) | 188,874 | 492,893 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,352,597 | 1,352,597 | 0 |
| Fund Balance End of Year | \$1,048,578 | \$1,541,471 | \$492,893 |

(1) This fund is combined with the General fund in GAAP Statements.

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | City Contributions Fund (1) | | |
|-----------------------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Other Revenues | \$0 | \$0 | \$0 |
| Total Revenues | 0 | 0 | 0 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 120,000 | 0 | 120,000 |
| Total Expenditures | 120,000 | 0 | 120,000 |
| Net Change in Fund Balance | (120,000) | 0 | 120,000 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 120,206 | 120,206 | 0 |
| Fund Balance End of Year | <u>\$206</u> | <u>\$120,206</u> | <u>\$120,000</u> |

(1) This fund is combined with the General fund in GAAP Statements.

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

| | Unclaimed Monies Fund (1) | | |
|-----------------------------------------------------------------------------------|---------------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Other Revenues | \$0 | \$11,946 | \$11,946 |
| Total Revenues | 0 | 11,946 | 11,946 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 45,000 | 0 | 45,000 |
| Total Expenditures | 45,000 | 0 | 45,000 |
| Net Change in Fund Balance | (45,000) | 11,946 | 56,946 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 60,001 | 60,001 | 0 |
| Fund Balance End of Year | <u>\$15,001</u> | <u>\$71,947</u> | <u>\$56,946</u> |

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Fiduciary Funds: Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Fund Descriptions

Agency Fund - Municipal Court - To account for amounts held on behalf of other governments and bonds deposited with the court pending final disposition of various causes.

Agency Fund - Mason Port Authority - To enhance future development opportunities in the City, to support the economic development strategies of the City and to promote participation in activities that will have a positive impact on the general economic wealth of Mason.

Agency Fund - Community Improvement Corporation - To account for custodial transactions related to community improvement.

City of Mason, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

| | Municipal Court | | | Ending Balance |
|---------------------------------------|----------------------|--------------------|--------------------|-------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$97,798 | \$2,029,945 | \$2,073,351 | \$54,392 |
| Total Assets | <u>97,798</u> | <u>2,029,945</u> | <u>2,073,351</u> | <u>54,392</u> |
| Liabilities: | | | | |
| Due to Others | 97,798 | 2,029,945 | 2,073,351 | 54,392 |
| Total Liabilities | <u>\$97,798</u> | <u>\$2,029,945</u> | <u>\$2,073,351</u> | <u>\$54,392</u> |

| | Mason Port Authority | | | Ending Balance |
|---------------------------------------|-------------------------|------------------|-----------------|-------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$558,511 | \$425,506 | \$16,863 | \$967,154 |
| Receivables (Net): | | | | |
| Accounts | 60,000 | 0 | 60,000 | 0 |
| Total Assets | <u>618,511</u> | <u>425,506</u> | <u>76,863</u> | <u>967,154</u> |
| Liabilities: | | | | |
| Due to Others | 618,511 | 425,506 | 76,863 | 967,154 |
| Total Liabilities | <u>\$618,511</u> | <u>\$425,506</u> | <u>\$76,863</u> | <u>\$967,154</u> |

| | Community Improvement Corporation | | | Ending Balance |
|---------------------------------------|-----------------------------------------|-----------------|-----------------|-------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$274,519 | \$16,476 | \$23,656 | \$267,339 |
| Total Assets | <u>274,519</u> | <u>16,476</u> | <u>23,656</u> | <u>267,339</u> |
| Liabilities: | | | | |
| Accounts Payable | 0 | 654 | 0 | 654 |
| Due to Others | 274,519 | 15,822 | 23,656 | 266,685 |
| Total Liabilities | <u>\$274,519</u> | <u>\$16,476</u> | <u>\$23,656</u> | <u>\$267,339</u> |

Continued

City of Mason, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

| | Total All Agency Funds | | | Ending Balance |
|---------------------------------------|------------------------|--------------------|--------------------|--------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$930,828 | \$2,471,927 | \$2,113,870 | \$1,288,885 |
| Receivables (Net): | | | | |
| Accounts | 60,000 | 0 | 60,000 | 0 |
| Total Assets | 990,828 | 2,471,927 | 2,173,870 | 1,288,885 |
| Liabilities: | | | | |
| Accounts Payable | 0 | 654 | 0 | 654 |
| Due to Others | 990,828 | 2,471,273 | 2,173,870 | 1,288,231 |
| Total Liabilities | \$990,828 | \$2,471,927 | \$2,173,870 | \$1,288,885 |

STATISTICAL SECTION



This part of the City'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.

Contents

Financial Trends: These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity: These schedules contain information to help the reader understand and assess the City's most significant local revenue sources, income tax and property tax.

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.

Economic and Demographic Information: These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

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 services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Mason, Ohio
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Table 1

| | Fiscal Year | | | | | | | | | |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$89,318,991 | \$96,275,726 | \$104,293,216 | \$110,110,444 | \$117,869,403 | \$120,098,234 | \$122,687,025 | \$129,162,686 | \$128,860,388 | \$137,675,713 |
| Restricted | 14,336,740 | 14,692,178 | 16,202,333 | 20,076,208 | 18,245,889 | 16,361,953 | 16,842,649 | 13,822,941 | 14,942,529 | 15,932,379 |
| Unrestricted | 28,401,484 | 34,803,772 | 34,036,236 | 30,968,181 | 25,722,145 | 30,227,053 | 33,233,298 | 41,380,921 | 51,370,384 | 50,379,969 |
| Total Governmental Activities Net Position | \$132,057,215 | \$145,771,676 | \$154,531,785 | \$161,154,833 | \$161,837,437 | \$166,687,240 | \$172,762,972 | \$184,366,548 | \$195,173,301 | \$203,988,061 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$73,165,544 | \$66,801,441 | \$69,332,672 | \$72,445,005 | \$77,388,687 | \$81,821,259 | \$81,978,537 | \$88,637,940 | \$88,126,890 | \$89,504,980 |
| Restricted | 11,290,444 | 10,055,068 | 10,283,063 | 8,331,342 | 4,069,854 | 4,107,379 | 4,135,486 | 784,933 | 786,591 | 788,035 |
| Unrestricted | 6,610,919 | 7,280,452 | 8,109,114 | 8,494,022 | 15,260,353 | 10,898,229 | 10,851,775 | 10,148,188 | 11,896,384 | 15,094,142 |
| Total Business-Type Activities Net Position | \$91,066,907 | \$84,136,961 | \$87,724,849 | \$89,270,369 | \$96,718,894 | \$96,826,867 | \$96,965,798 | \$99,571,061 | \$100,809,865 | \$105,387,157 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$162,484,535 | \$163,077,167 | \$173,625,888 | \$182,555,449 | \$195,258,090 | \$201,919,493 | \$204,665,562 | \$217,800,626 | \$216,987,278 | \$227,180,693 |
| Restricted | 25,627,184 | 24,747,246 | 26,485,396 | 28,407,550 | 22,315,743 | 20,469,332 | 20,978,135 | 14,607,874 | 15,729,120 | 16,720,414 |
| Unrestricted | 35,012,403 | 42,084,224 | 42,145,350 | 39,462,203 | 40,982,498 | 41,125,282 | 44,085,073 | 51,529,109 | 63,266,768 | 65,474,111 |
| Total Governmental Activities Net Position | \$223,124,122 | \$229,908,637 | \$242,256,634 | \$250,425,202 | \$258,556,331 | \$263,514,107 | \$269,728,770 | \$283,937,609 | \$295,983,166 | \$309,375,218 |

Source: City of Mason, Ohio, Department of Finance

City of Mason, Ohio
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table 2

| | Fiscal Year | | | | | | | | | |
|------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$10,055,191 | \$8,304,944 | \$8,820,685 | \$8,797,340 | \$8,969,554 | \$8,418,723 | \$8,793,043 | \$8,831,767 | \$6,893,775 | \$8,253,186 |
| Public Safety | 7,647,086 | 10,239,722 | 12,057,909 | 12,041,878 | 11,758,497 | 11,753,670 | 12,287,188 | 12,023,613 | 12,986,006 | 13,513,159 |
| Leisure Time Activities | 1,927,193 | 2,345,289 | 2,643,993 | 2,884,015 | 2,860,505 | 2,426,474 | 2,301,816 | 2,314,310 | 2,198,219 | 2,882,829 |
| Community Development | 1,219,316 | 1,682,201 | 1,669,502 | 1,453,739 | 1,831,149 | 2,016,271 | 2,463,108 | 2,676,490 | 2,508,451 | 2,425,668 |
| Basic Utility Service | 0 | 513,694 | 252,588 | 251,649 | 233,714 | 224,627 | 295,972 | 277,539 | 281,729 | 283,225 |
| Transportation and Street Repair | 3,433,612 | 4,163,181 | 6,495,013 | 5,928,246 | 4,156,093 | 4,691,128 | 5,542,878 | 6,231,801 | 8,183,460 | 7,324,935 |
| Interest and Fiscal Charges | 1,685,015 | 1,821,938 | 2,259,101 | 2,214,589 | 1,981,386 | 1,459,621 | 1,830,059 | 1,826,561 | 1,659,947 | 1,581,121 |
| Total Governmental Activities Expenses | 25,967,413 | 29,070,969 | 34,198,791 | 33,571,456 | 31,790,898 | 30,990,514 | 33,514,064 | 34,182,081 | 34,711,587 | 36,264,123 |
| Business-type activities | | | | | | | | | | |
| Sewer | 3,838,763 | 5,511,880 | 6,308,598 | 6,467,230 | 6,287,295 | 6,335,376 | 6,400,635 | 5,962,355 | 6,248,535 | 5,743,995 |
| Waste Collection | 1,067,929 | 1,129,056 | 1,269,478 | 1,390,404 | 1,437,256 | 1,498,606 | 1,558,320 | 1,440,349 | 1,384,282 | 1,413,025 |
| Stormwater Utility | 1,051,464 | 1,067,755 | 1,073,116 | 1,097,373 | 1,011,631 | 1,062,423 | 1,134,861 | 1,165,556 | 1,142,284 | 1,117,558 |
| Community Center | 3,112,769 | 2,439,545 | 3,039,852 | 3,041,733 | 3,332,634 | 3,905,317 | 4,611,276 | 5,372,732 | 5,898,548 | 6,483,630 |
| Golf Course | 0 | 0 | 3,145,633 | 3,864,928 | 3,246,476 | 3,158,462 | 3,239,390 | 2,665,088 | 2,651,261 | 2,811,835 |
| Total business-type activities expenses | 9,070,925 | 10,148,236 | 14,836,677 | 15,861,668 | 15,315,292 | 15,960,184 | 16,944,482 | 16,606,080 | 17,324,910 | 17,570,043 |
| Total primary government expenses | \$35,038,338 | \$39,219,205 | \$49,035,468 | \$49,433,124 | \$47,106,190 | \$46,950,698 | \$50,458,546 | \$50,788,161 | \$52,036,497 | \$53,834,166 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$1,211,763 | \$1,491,615 | \$1,319,112 | \$2,047,656 | \$2,088,882 | \$2,258,954 | \$1,931,606 | \$2,122,272 | \$2,057,346 | \$2,793,861 |
| Public Safety | 1,551,532 | 1,747,817 | 1,704,048 | 1,048,709 | 1,321,832 | 1,251,431 | 1,321,705 | 1,542,684 | 1,236,491 | 1,410,863 |
| Leisure Time Activities | 407,548 | 514,992 | 585,664 | 561,063 | 564,185 | 555,017 | 452,927 | 443,332 | 432,908 | 589,526 |
| Community Development | 489,196 | 391,088 | 442,307 | 513,136 | 306,726 | 354,236 | 472,771 | 503,782 | 599,799 | 1,047,156 |
| Basic Utility Service | 0 | 228,738 | 276,203 | 286,189 | 263,341 | 255,781 | 303,507 | 319,006 | 298,529 | 316,009 |
| Transportation and Street Repair | 0 | 13,969 | 9,865 | 7,600 | 6,400 | 17,248 | 12,245 | 10,400 | 26,679 | 73,791 |
| Interest and Fiscal Charges | 6,022 | 963 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Grants and Contributions | 1,847,807 | 2,352,269 | 2,567,109 | 2,935,939 | 3,469,094 | 3,081,227 | 863,594 | 783,868 | 3,562,350 | 2,568,802 |
| Capital Grants and Contributions | 3,175,748 | 2,914,592 | 3,080,139 | 2,243,632 | 2,060,510 | 2,568,453 | 4,136,353 | 6,139,061 | 1,712,043 | 2,501,501 |
| Total Governmental Activities Program Revenues | 8,689,616 | 9,656,043 | 9,984,447 | 9,643,924 | 10,080,970 | 10,342,347 | 9,494,708 | 11,864,405 | 9,926,145 | 11,101,509 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Sewer | 5,288,919 | 5,342,578 | 5,529,145 | 5,486,608 | 5,413,042 | 5,370,169 | 5,457,968 | 5,934,351 | 6,100,178 | 6,511,953 |
| Waste Collection | 1,028,451 | 1,075,574 | 1,257,739 | 1,392,019 | 1,427,989 | 1,501,222 | 1,484,311 | 1,580,927 | 1,582,570 | 1,595,826 |

City of Mason, Ohio
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table 2 (Continued)

| | Fiscal Year | | | | | | | | | |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Charges for Services: (continued) | | | | | | | | | | |
| Stormwater Utility | 788,602 | 793,059 | 808,253 | 836,751 | 832,872 | 838,534 | 964,294 | 1,078,126 | 1,142,264 | 1,472,169 |
| Community Center | 2,537,560 | 2,749,431 | 2,518,080 | 2,074,846 | 1,839,654 | 2,416,729 | 4,530,466 | 5,985,612 | 6,445,131 | 6,653,029 |
| Golf Course | 0 | 0 | 2,385,062 | 2,408,790 | 2,225,669 | 2,107,523 | 1,978,633 | 1,966,766 | 1,871,546 | 1,936,890 |
| Operating Grants and Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 |
| Capital Grants and Contributions | 3,807,321 | 3,167,731 | 3,516,835 | 762,214 | 642,683 | 519,910 | 963,382 | 1,572,077 | 779,644 | 2,786,840 |
| Total Business-Type Activities Program Revenues | 13,450,853 | 13,128,373 | 16,015,114 | 12,961,228 | 12,381,909 | 12,754,087 | 15,379,054 | 18,137,859 | 17,921,333 | 20,956,707 |
| Total Primary Government Program Revenues | \$22,140,469 | \$22,784,416 | \$25,999,561 | \$22,605,152 | \$22,462,879 | \$23,096,434 | \$24,873,762 | \$30,002,264 | \$27,847,478 | \$32,058,216 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (\$17,277,797) | (\$19,414,926) | (\$24,214,344) | (\$23,927,532) | (\$21,709,928) | (\$20,648,167) | (\$24,019,356) | (\$22,317,676) | (\$24,785,442) | (\$25,162,614) |
| Business-Type Activities | 4,379,928 | 2,980,137 | 1,178,437 | (2,900,440) | (2,933,383) | (3,206,097) | (1,565,428) | 1,531,779 | 596,423 | 3,386,664 |
| Total Primary Government Net Expense | (\$12,897,869) | (\$16,434,789) | (\$23,035,907) | (\$26,827,972) | (\$24,643,311) | (\$23,854,264) | (\$25,584,784) | (\$20,785,897) | (\$24,189,019) | (\$21,775,950) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Income Taxes | \$19,803,888 | \$21,324,631 | \$20,514,861 | \$22,265,663 | \$20,749,797 | \$18,823,241 | \$20,615,343 | \$22,957,701 | \$26,314,564 | \$25,867,801 |
| Property Taxes Levied for: | | | | | | | | | | |
| General Purposes | 1,861,088 | 2,068,561 | 2,116,689 | 1,294,885 | 1,196,087 | 498,141 | 583,084 | 542,228 | 611,485 | 423,801 |
| Special Revenue Purposes | 4,125,581 | 4,121,987 | 4,161,619 | 3,966,207 | 3,859,491 | 3,868,790 | 3,860,898 | 3,823,815 | 3,966,997 | 3,886,757 |
| Debt Service Purposes | 181,859 | 85,178 | 378,098 | 380,224 | 1,385,822 | 1,625,282 | 1,547,804 | 1,536,649 | 1,523,714 | 1,541,012 |
| Capital Project Purposes | 217,918 | 275,675 | 440,642 | 546,268 | 509,685 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted Grants and Entitlements | 1,915,791 | 3,208,505 | 3,103,589 | 3,149,438 | 2,787,157 | 2,367,375 | 2,870,852 | 2,514,375 | 2,608,730 | 1,337,037 |
| Payment in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 | 818,970 | 1,026,869 | 2,398,676 | 1,007,338 | 1,192,962 |
| Investment Earnings | 910,574 | 1,928,561 | 2,725,268 | 1,997,266 | 208,558 | 151,128 | 211,821 | 257,148 | 105,613 | 318,366 |
| Other Revenues | 375,644 | 558,488 | 820,723 | 665,897 | 921,424 | 567,068 | 964,417 | 887,160 | 985,437 | 455,638 |
| Transfers-Internal Activities | (1,345,662) | 326,510 | (1,287,036) | (3,715,268) | (9,038,489) | (3,222,025) | (1,586,000) | (996,500) | (1,054,000) | (1,046,000) |
| Total Governmental Activities | 28,046,681 | 33,898,096 | 32,974,453 | 30,550,580 | 22,579,532 | 25,497,970 | 30,095,088 | 33,921,252 | 36,069,878 | 33,977,374 |
| Business-Type Activities | | | | | | | | | | |
| Investment Earnings | 898,940 | 980,492 | 1,121,249 | 720,066 | 83,653 | 62,180 | 97,787 | 63,321 | 29,511 | 83,495 |
| Other Revenues | 12,077 | 16,542 | 1,166 | 10,626 | 0 | 29,865 | 20,572 | 13,663 | 26,313 | 61,133 |
| Transfers-Internal Activities | 1,345,662 | (326,510) | 1,287,036 | 3,715,268 | 9,038,489 | 3,222,025 | 1,586,000 | 996,500 | 1,054,000 | 1,046,000 |
| Special Item | 0 | (10,580,607) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business-Type Activities | 2,256,679 | (9,910,083) | 2,409,451 | 4,445,960 | 9,122,142 | 3,314,070 | 1,704,359 | 1,073,484 | 1,109,824 | 1,190,628 |
| Total Primary Government | \$30,303,360 | \$23,988,013 | \$35,383,904 | \$34,996,540 | \$31,701,674 | \$28,812,040 | \$31,799,447 | \$34,994,736 | \$37,179,702 | \$35,168,002 |

City of Mason, Ohio
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Table 2 (Continued)

| | Fiscal Year | | | | | | | | | |
|--------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | \$10,768,884 | \$14,483,170 | \$8,760,109 | \$6,623,048 | \$869,604 | \$4,849,803 | \$6,075,732 | \$11,603,576 | \$11,284,436 | \$8,814,760 |
| Business-Type Activities | 6,636,607 | (6,929,946) | 3,587,888 | 1,545,520 | 6,188,759 | 107,973 | 138,931 | 2,605,263 | 1,706,247 | 4,577,292 |
| Total Primary Government | \$17,405,491 | \$7,553,224 | \$12,347,997 | \$8,168,568 | \$7,058,363 | \$4,957,776 | \$6,214,663 | \$14,208,839 | \$12,990,683 | \$13,392,052 |

Source: City of Mason, Ohio, Department of Finance

City of Mason, Ohio
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Table 3

| Fiscal Year | Income Tax | Property taxes levied for: | | | | | Total |
|-------------|--------------|----------------------------|-----------------|--------------|----------------------|--------------|-------|
| | | General | Special Revenue | Debt Service | Total Property Taxes | | |
| 2005 | \$19,803,888 | \$1,861,088 | \$4,125,581 | \$399,777 | \$6,386,446 | \$26,190,334 | |
| 2006 | 21,324,631 | 2,068,561 | 4,121,987 | 360,853 | 6,551,401 | 27,876,032 | |
| 2007 | 20,514,861 | 2,116,689 | 4,161,619 | 818,740 | 7,097,048 | 27,611,909 | |
| 2008 | 22,265,663 | 1,294,885 | 3,966,207 | 926,492 | 6,187,584 | 28,453,247 | |
| 2009 | 20,749,797 | 1,196,087 | 3,859,491 | 1,895,507 | 6,951,085 | 27,700,882 | |
| 2010 | 18,823,241 | 498,141 | 3,868,790 | 1,625,282 | 5,992,213 | 24,815,454 | |
| 2011 | 20,615,343 | 583,084 | 3,860,898 | 1,547,804 | 5,991,786 | 26,607,129 | |
| 2012 | 22,957,701 | 542,228 | 3,823,815 | 1,536,649 | 5,902,692 | 28,860,393 | |
| 2013 | 26,314,564 | 611,485 | 3,966,997 | 1,523,714 | 6,102,196 | 32,416,760 | |
| 2014 | 25,867,801 | 423,801 | 3,886,757 | 1,541,012 | 5,851,570 | 31,719,371 | |

Source: City of Mason, Ohio, Department of Finance

City of Mason, Ohio
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 4

| | Fiscal Year | | | | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 (1) | 2012 | 2013 | 2014 |
| General Fund | | | | | | | | | | |
| Nonspendable | | | | | | | \$324,731 | \$282,460 | \$282,398 | \$344,898 |
| Assigned | | | | | | | 19,081,712 | 22,788,806 | 22,794,902 | 20,543,640 |
| Reserved | \$10,729,834 | \$12,032,677 | \$7,511,771 | \$11,959,422 | \$8,243,141 | \$8,724,982 | 5,460,148 | 7,334,177 | 12,876,440 | 17,623,466 |
| Unassigned | | | | | | | | | | |
| Unreserved | 5,580,027 | 6,524,041 | 15,222,929 | 12,693,451 | 10,650,144 | 13,044,258 | | | | |
| Total General Fund | \$16,309,861 | \$18,556,718 | \$22,734,700 | \$24,652,873 | \$18,893,285 | \$21,769,240 | \$24,866,591 | \$30,405,443 | \$35,953,740 | \$38,512,004 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | | | | | 32,267 | 31,565 | 26,839 | 18,997 |
| Restricted | | | | | | | 14,956,736 | 12,786,546 | 13,722,199 | 14,283,876 |
| Committed | | | | | | | 686 | 686 | 686 | 686 |
| Assigned | | | | | | | 2,000,407 | 2,026,338 | 2,074,188 | 2,120,201 |
| Reserved | 1,633,574 | 7,375,036 | 4,593,699 | 2,948,109 | 7,468,085 | 4,654,587 | | | | |
| Unassigned | | | | | | | | (238,084) | (215,251) | (172,219) |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Funds | 8,460,746 | 4,582,009 | 9,674,826 | 9,860,224 | 5,711,471 | 8,762,011 | | | | |
| Debt Service Funds | 335,878 | 54,128 | 90,938 | 145,176 | 2,483,332 | 1,022,104 | | | | |
| Capital Projects Funds | 2,132,108 | 999,083 | 4,233,983 | 5,402,670 | 0 | 0 | | | | |
| Total All Other Governmental Funds | \$12,562,306 | \$13,010,256 | \$18,593,446 | \$18,356,179 | \$15,662,888 | \$14,438,702 | \$16,990,096 | \$14,607,051 | \$15,608,661 | \$16,251,541 |

Source: City of Mason, Ohio, Department of Finance

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements

City of Mason, Ohio
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 5

| | Fiscal Year | | | | | | | | | |
|---------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Revenues | | | | | | | | | | |
| Taxes | \$25,337,338 | \$28,120,047 | \$29,086,348 | \$28,224,092 | \$28,023,892 | \$25,891,786 | \$26,962,137 | \$29,277,581 | \$32,703,069 | \$33,711,798 |
| Fines, Licenses & Permits | 2,285,087 | 2,208,160 | 2,102,920 | 2,210,168 | 1,993,982 | 2,161,872 | 2,011,841 | 2,238,725 | 2,328,919 | 3,003,599 |
| Charges for Services | 978,335 | 1,842,446 | 1,965,830 | 1,926,084 | 2,158,383 | 1,997,882 | 2,092,708 | 2,076,044 | 2,174,388 | 2,135,411 |
| Investment Earning | 950,697 | 1,758,873 | 2,625,347 | 2,204,775 | 244,519 | 153,341 | 220,863 | 236,004 | 91,918 | 307,704 |
| Intergovernmental | 3,628,520 | 5,230,246 | 5,419,535 | 5,914,718 | 5,698,095 | 7,839,983 | 6,533,427 | 7,793,877 | 5,885,803 | 4,612,903 |
| Special Assessments | 137,175 | 93,272 | 99,374 | 93,501 | 69,847 | 86,162 | 62,767 | 13,364 | 13,426 | 6,477 |
| Other Revenue | 706,464 | 944,165 | 1,148,050 | 996,019 | 1,311,066 | 1,926,875 | 2,267,578 | 3,645,661 | 2,518,816 | 3,386,979 |
| Total Revenues | 34,023,616 | 40,197,209 | 42,447,404 | 41,569,357 | 39,499,784 | 40,057,901 | 40,151,321 | 45,281,256 | 45,716,339 | 47,164,871 |
| Expenditures | | | | | | | | | | |
| General Government | 8,186,487 | 8,101,110 | 8,179,399 | 8,068,369 | 8,507,087 | 7,718,852 | 7,938,713 | 8,245,266 | 6,287,335 | 7,598,473 |
| Public Safety | 7,107,465 | 10,084,749 | 11,442,311 | 11,343,794 | 11,312,988 | 11,054,466 | 11,766,834 | 11,717,593 | 12,381,894 | 13,017,332 |
| Leisure Time Activities | 1,736,255 | 2,117,159 | 2,391,309 | 2,488,160 | 2,362,857 | 1,787,595 | 1,835,718 | 1,722,418 | 1,710,742 | 1,959,721 |
| Community Development | 977,332 | 1,670,017 | 1,493,853 | 1,452,353 | 1,813,014 | 2,010,136 | 2,451,462 | 2,423,239 | 2,498,610 | 2,904,994 |
| Basic Utility Service | 0 | 513,694 | 252,588 | 251,649 | 233,714 | 224,627 | 295,972 | 277,539 | 281,729 | 283,225 |
| Transportation and Street Repair | 2,251,292 | 3,153,016 | 4,043,848 | 3,543,548 | 3,202,238 | 2,753,102 | 3,536,095 | 3,084,414 | 3,467,723 | 4,998,074 |
| Capital Outlay | 6,767,208 | 8,892,757 | 13,392,267 | 10,552,105 | 7,241,907 | 9,280,897 | 3,750,585 | 9,189,762 | 7,156,134 | 8,248,954 |
| Debt Service | | | | | | | | | | |
| Principal Retirement | 1,163,420 | 1,011,000 | 1,077,000 | 13,921,000 | 2,147,000 | 1,240,000 | 4,455,000 | 3,080,000 | 2,681,250 | 2,371,250 |
| Interest and Fiscal Charges | 1,471,650 | 2,038,266 | 2,013,111 | 2,412,382 | 1,992,095 | 1,556,820 | 1,863,741 | 1,791,037 | 1,657,718 | 1,578,415 |
| Total Expenditures | 29,661,109 | 37,581,768 | 44,285,686 | 54,033,360 | 38,812,900 | 37,626,495 | 37,894,120 | 41,531,268 | 38,123,135 | 42,960,438 |
| Excess of Revenues Over (Under) Expenditures | 4,362,507 | 2,615,441 | (1,838,282) | (12,464,003) | 686,884 | 2,431,406 | 2,257,201 | 3,749,988 | 7,593,204 | 4,204,433 |

City of Mason, Ohio
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Table 5 (Continued)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------------------------|-------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfer In | 5,372,100 | 3,441,338 | 7,107,110 | 2,369,200 | 5,549,055 | 1,765,820 | 1,773,664 | 1,828,365 | 4,293,511 | 4,114,144 |
| Transfer Out | (5,375,100) | (3,445,338) | (7,978,110) | (5,786,700) | (14,587,544) | (3,372,367) | (3,359,664) | (2,824,865) | (5,347,511) | (5,160,144) |
| Issuance of Long-Term Capital-Related Debt | 0 | 0 | 12,450,000 | 17,570,000 | 0 | 974,672 | 4,936,009 | 450,000 | 0 | 0 |
| Capital Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 | 0 |
| Total Other Financing Sources (Uses) | (3,000) | (4,000) | 11,579,000 | 14,152,500 | (9,038,489) | (631,875) | 3,350,009 | (546,500) | (1,029,000) | (1,046,000) |
| Net Change in Fund Balances | \$4,359,507 | \$2,611,441 | \$9,740,718 | \$1,688,497 | (\$8,351,605) | \$1,799,531 | \$5,607,210 | \$3,203,488 | \$6,564,204 | \$3,158,433 |
| Debt Service as a Percentage of Noncapital Expenditures | 12.5% | 12.5% | 10.4% | 38.4% | 14.0% | 9.2% | 18.9% | 14.9% | 13.2% | 11.3% |

Source: City of Mason, Ohio, Department of Finance

City of Mason, Ohio
 Income Tax Revenue by Payer Type
 Last Ten Fiscal Years
 (budget (cash) basis of accounting)
 Table 6

| Fiscal Year | Withholding | | | Business | | | Individual | | | Total | | | Percentage of Total | | | |
|-------------|--------------|-------------|-------------|--------------|----------|------------|-------------|----------|------------|-------------|----------|------------|---------------------|----------|------------|-------|
| | Withholding | Business | Individual | Withholding | Business | Individual | Withholding | Business | Individual | Withholding | Business | Individual | Withholding | Business | Individual | Total |
| 2005 | \$11,164,670 | \$2,961,019 | \$4,868,994 | \$18,994,683 | 58.8% | 15.6% | 25.6% | 100.0% | | | | | | | | |
| 2006 | 13,513,267 | 4,232,817 | 4,925,272 | 22,671,356 | 59.6% | 18.7% | 21.7% | 100.0% | | | | | | | | |
| 2007 | 13,167,588 | 2,779,420 | 5,280,262 | 21,227,270 | 62.0% | 13.1% | 24.9% | 100.0% | | | | | | | | |
| 2008 | 13,264,394 | 4,093,299 | 4,338,073 | 21,695,766 | 61.1% | 18.9% | 20.0% | 100.0% | | | | | | | | |
| 2009 | 12,384,345 | 3,817,042 | 4,137,703 | 20,339,090 | 60.9% | 18.8% | 20.3% | 100.0% | | | | | | | | |
| 2010 | 12,894,530 | 2,630,463 | 3,708,784 | 19,233,777 | 67.0% | 13.7% | 19.3% | 100.0% | | | | | | | | |
| 2011 | 13,368,319 | 2,885,625 | 4,044,183 | 20,298,127 | 65.9% | 14.2% | 19.9% | 100.0% | | | | | | | | |
| 2012 | 15,036,406 | 3,354,868 | 3,746,111 | 22,137,385 | 67.9% | 15.2% | 16.9% | 100.0% | | | | | | | | |
| 2013 | 17,387,727 | 3,732,510 | 4,577,195 | 25,697,432 | 67.7% | 14.5% | 17.8% | 100.0% | | | | | | | | |
| 2014 | 18,462,999 | 3,823,889 | 4,266,319 | 26,553,207 | 69.5% | 14.4% | 16.1% | 100.0% | | | | | | | | |

General Governmental Income Tax Revenue by Tax Year
 Last Ten Fiscal Years
 (budget (cash) basis of accounting)

| Fiscal Year | Delinquent | Penalties | Prior Year | Current Year | Total |
|-------------|------------|-----------|-------------|--------------|--------------|
| 2005 | \$473,596 | \$211,910 | \$6,251,436 | \$12,057,741 | \$18,994,683 |
| 2006 | 294,034 | 135,615 | 6,512,430 | 15,729,277 | 22,671,356 |
| 2007 | 778,880 | 211,143 | 4,396,944 | 15,840,303 | 21,227,270 |
| 2008 | 284,367 | 158,728 | 4,977,407 | 16,248,783 | 21,669,285 |
| 2009 | 379,196 | 226,848 | 4,669,926 | 15,063,120 | 20,339,090 |
| 2010 | 202,084 | 215,264 | 4,074,582 | 14,741,847 | 19,233,777 |
| 2011 | (163,665) | 295,257 | 5,125,946 | 15,040,589 | 20,298,127 |
| 2012 | 308,741 | 256,627 | 4,411,346 | 17,160,671 | 22,137,385 |
| 2013 | (51,451) | 253,618 | 5,622,577 | 19,872,688 | 25,697,432 |
| 2014 | 253,419 | 195,400 | 4,976,987 | 21,127,401 | 26,553,207 |

Source: City of Mason, Ohio, Department of Finance

City of Mason, Ohio
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Table 7

| Tax Year | Real Property | | Public Utility | | Tangible Personal Property (1) | | Total | | Total Direct Tax Rate | Assessed Value as a Percentage of Total Estimated Actual Value |
|----------|----------------|------------------------|----------------|------------------------|--------------------------------|------------------------|----------------|------------------------|-----------------------|----------------------------------------------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | |
| 2005 | \$861,180,630 | \$2,460,516,085 | \$16,252,830 | \$18,469,125 | \$110,500,187 | \$442,000,748 | \$987,933,647 | \$2,920,985,958 | 7.32 | 33.82% |
| 2006 | 1,004,936,080 | 2,871,245,942 | 16,147,840 | 18,349,818 | 77,362,457 | 412,599,770 | 1,098,446,377 | 3,302,195,530 | 7.32 | 33.26% |
| 2007 | 1,035,101,280 | 2,957,432,230 | 13,021,700 | 14,797,390 | 36,731,160 | 587,698,560 | 1,084,854,140 | 3,559,928,180 | 7.32 | 30.47% |
| 2008 | 1,063,362,220 | 3,038,177,771 | 13,457,340 | 15,292,431 | 4,651,040 | 74,416,640 | 1,081,470,600 | 3,127,886,842 | 7.32 | 34.58% |
| 2009 | 1,001,908,990 | 2,862,597,114 | 14,371,800 | 16,331,590 | 3,048,210 | 48,771,360 | 1,019,329,000 | 2,927,700,064 | 7.32 | 34.82% |
| 2010 | 1,006,303,280 | 2,875,152,229 | 15,153,830 | 17,220,261 | 0 | 0 | 1,021,457,110 | 2,892,372,490 | 7.32 | 35.32% |
| 2011 | 1,016,440,490 | 2,904,115,685 | 12,955,190 | 14,721,806 | 0 | 0 | 1,029,395,680 | 2,918,837,491 | 7.32 | 35.27% |
| 2012 | 961,184,410 | 2,746,241,171 | 16,625,240 | 18,892,318 | 0 | 0 | 977,809,650 | 2,765,133,489 | 7.32 | 35.36% |
| 2013 | 969,297,620 | 2,769,421,771 | 18,094,150 | 20,561,534 | 0 | 0 | 987,391,770 | 2,789,983,305 | 6.72 | 35.39% |
| 2014 | 980,478,870 | 2,801,371,057 | 19,495,730 | 22,154,238 | 0 | 0 | 999,974,600 | 2,823,525,295 | 6.72 | 35.42% |

Source: Warren County Auditor's Office

(1) Tangible Personal Property Tax was phased out

City of Mason, Ohio
Property Tax Rates -
Direct and Overlapping Governments
Last Ten Fiscal Years
Table 8

| Tax Year | City of Mason | | | | Overlapping Rates | | | | |
|----------|---------------|--------------------|--------------|-------|----------------------------|---------------|-------------------|------------------|---------|
| | General Fund | Fire Operating (2) | Debt Service | Total | Mason City School District | Warren County | Joint Voc. School | Special District | Total |
| 2005 | 2.11% | 5.00% | 0.21% | 7.32% | 80.65% | 6.46% | 2.70% | 1.50% | 98.63% |
| 2006 | 1.96% | 5.00% | 0.36% | 7.32% | 81.76% | 6.71% | 2.70% | 1.50% | 99.99% |
| 2007 | 1.96% | 5.00% | 0.36% | 7.32% | 83.45% | 6.71% | 2.70% | 1.50% | 101.68% |
| 2008 | 0.88% | 5.00% | 1.44% | 7.32% | 83.45% | 5.21% | 2.70% | 1.50% | 100.18% |
| 2009 | 0.58% | 5.00% | 1.74% | 7.32% | 83.45% | 5.78% | 2.70% | 1.50% | 100.75% |
| 2010 | 0.58% | 5.00% | 1.74% | 7.32% | 83.45% | 5.78% | 2.70% | 2.25% | 101.50% |
| 2011 | 0.58% | 5.00% | 1.74% | 7.32% | 83.45% | 7.78% | 2.70% | 2.25% | 103.50% |
| 2012 | 0.58% | 5.00% | 1.74% | 7.32% | 83.97% | 7.78% | 2.70% | 2.25% | 104.02% |
| 2013 | 0.58% | 4.40% | 1.74% | 6.72% | 83.97% | 7.78% | 2.70% | 2.25% | 103.42% |
| 2014 | 0.58% | 4.40% | 1.74% | 6.72% | 83.97% | 7.78% | 2.70% | 2.25% | 103.42% |

Source: Warren County Auditor's Office

(1) Rates equivalent to \$1 in tax per \$1,000 of assessed valuation.

(2) Tax year 2013 was first year for levy approved by charter amendment for fire, emergency medical and safety services. Charter allows up to 5 mills (5% per \$1,000).

City of Mason, Ohio
Principal Property Taxpayers
December 31, 2014
Table 9

| Taxpayer | Fiscal Year 2014 | | | Fiscal Year 2004 | | |
|---------------------------------|---------------------------|------|----------------------------------------------|-----------------------|------|----------------------------------------------|
| | Assessed Valuation (1) | Rank | Percentage Of Total Assessed Valuation | Assessed Valuation | Rank | Percentage Of Total Assessed Valuation |
| Kings Island Company | \$20,158,260 | 1 | 2.06% | \$34,561,270 | 1 | 3.53% |
| Duke Energy Ohio Inc. | 19,210,030 | 2 | 1.96% | 9,930,440 | 6 | 1.01% |
| Twin Fountains of Mason | 8,044,720 | 3 | 0.82% | | | 0.00% |
| Tennis for Charity | 5,941,480 | 4 | 0.61% | | | |
| LM Development Co LTD/Makino | 4,724,780 | 5 | 0.44% | 6,927,740 | 7 | 0.71% |
| Cintas Sales Corporation | 4,340,060 | 6 | 0.30% | | | |
| Mitsubishi Electric Auto | 4,179,790 | 7 | 0.48% | 16,732,140 | 2 | 1.71% |
| Mason Christian Village | 2,899,300 | 8 | 0.43% | 6,094,360 | 8 | 0.62% |
| H J Heinz Co LLP | 2,762,290 | 9 | 0.28% | 4,991,140 | 10 | 0.51% |
| Optimus Mason II LLC | 2,443,690 | 10 | 0.25% | | | |
| Procter & Gamble Company | | | | 13,272,740 | 3 | 1.36% |
| Cintas Corporation #2 | | | | 12,794,510 | 4 | 1.31% |
| UBE Automotive | | | | 12,132,590 | 5 | 1.24% |
| Blackhawk Automotive | | | | 6,026,030 | 9 | 0.62% |
| All Others | 905,774,470 | | 92.38% | 855,239,450 | | 87.39% |
| Total Assessed Valuation | \$980,478,870 | | 100.00% | \$978,702,410 | | 100.00% |

(1) Assessed valuation declined since tangible personal property tax was phased out in 2011 for inventory, machinery and equipment.

Source: Warren County Auditor's Office

City of Mason, Ohio
Property Tax Levies and Collections -
Real, Public Utility and Tangible Personal Property
Table 10

| Tax Year: Fiscal Year: | 2004/2005 2005 | 2005/2006 2006 | 2006/2007 2007 | 2007/2008 2008 | 2008/2009 2009 | 2009/2010 2010 | 2010/2011 2011 | 2011/2012 2012 | 2012/2013 2013 | 2013/2014 2014 |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current Tax Levy | \$6,932,404 | \$6,803,940 | \$7,010,538 | \$7,194,535 | \$6,829,232 | \$6,710,366 | \$6,680,693 | \$6,846,621 | \$6,714,798 | \$6,623,235 |
| Current Tax Collections | 6,657,907 | 6,580,586 | 6,813,112 | 6,932,137 | 6,605,764 | 6,365,555 | 6,431,397 | 6,707,544 | 6,606,807 | 6,530,015 |
| Percent of Levy Collected | 96.04% | 96.72% | 97.18% | 96.35% | 96.73% | 94.86% | 96.27% | 97.97% | 98.39% | 98.59% |
| Delinquent Tax Collections (1) | 167,596 | 125,232 | 221,301 | 176,537 | 176,271 | 152,780 | 142,457 | 414,651 | 188,875 | 128,004 |
| Total Tax Collections | 6,825,503 | 6,705,818 | 7,034,413 | 7,108,674 | 6,782,035 | 6,518,335 | 6,573,854 | 7,122,195 | 6,795,682 | 6,658,019 |
| Ratio of Total Tax Collections to Current Taxes Levied | 98.46% | 98.56% | 100.34% | 98.81% | 99.31% | 97.14% | 98.40% | 104.02% | 101.20% | 100.53% |

Source: Warren County Auditor's Office

(1) Delinquent Tax Collections by levy year are not available. Only Delinquent Tax Collections by collection year are available and presented.
The County does not identify delinquent collections by the year for which the tax was levied.

City of Mason, Ohio
Special Assessment Billings and Collections
Last Ten Fiscal Years
Table 1.1

| Tax Year | Current Assessments Billings | Current Assessments Collected | Ratio of Collection To Amount Billed |
|----------|------------------------------|-------------------------------|--------------------------------------|
| 2004 | \$135,244 | \$124,578 | 92.11% |
| 2005 | 109,086 | 93,272 | 85.50% |
| 2006 | 89,047 | 81,902 | 91.98% |
| 2007 | 85,635 | 54,338 | 63.45% |
| 2008 | 78,433 | 66,741 | 85.09% |
| 2009 | 75,692 | 74,226 | 98.06% |
| 2010 | 63,322 | 60,878 | 96.14% |
| 2011 | 10,833 | 10,833 | 100.00% |
| 2012 | 14,852 | 14,011 | 94.34% |
| 2013 | 7,544 | 6,160 | 81.65% |

Source: Warren County Auditor's Office

Note: Tax Year 2013 is billed and due in 2014

City of Mason, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Table 12

| Fiscal Year | Governmental Activities | | | | | | | | | | | Total Governmental Activities |
|-------------|--------------------------|-------------------------|-------------------------|-------------------------------|---------------------------|----------------------|----------------|--|--|--|--------|-------------------------------|
| | General Obligation Bonds | Bond Anticipation Notes | Tax Increment Financing | Certificates of Participation | Special Assessments Bonds | Taxable Revenue Note | Capital Leases | | | | | |
| 2005 | \$3,640,000 | \$9,400,000 | \$3,405,000 | \$21,650,000 | \$551,000 | \$0 | \$0 | | | | \$0 | \$38,646,000 |
| 2006 | 3,425,000 | 19,700,000 | 3,350,000 | 21,005,000 | 455,000 | 0 | 0 | | | | 0 | 47,935,000 |
| 2007 | 3,200,000 | 20,350,000 | 3,265,000 | 20,335,000 | 358,000 | 0 | 0 | | | | 0 | 47,508,000 |
| 2008 | 20,215,000 | 4,200,000 | 3,140,000 | 19,640,000 | 262,000 | 0 | 0 | | | | 0 | 47,457,000 |
| 2009 | 19,320,000 | 6,300,000 | 2,710,000 | 18,915,000 | 165,000 | 0 | 0 | | | | 0 | 47,410,000 |
| 2010 | 20,530,000 | 3,800,000 | 2,495,000 | 18,325,000 | 70,000 | 3,025,000 | 0 | | | | 0 | 48,245,000 |
| 2011 | 20,315,000 | 3,500,000 | 3,865,000 | 17,470,000 | 0 | 3,070,000 | 0 | | | | 0 | 48,220,000 |
| 2012 | 19,215,000 | 3,200,000 | 3,230,000 | 16,575,000 | 0 | 3,120,000 | 0 | | | | 0 | 45,340,000 |
| 2013 | 18,090,000 | 7,885,000 | 2,595,000 | 15,660,000 | 0 | 3,170,000 | 18,750 | | | | 18,750 | 47,418,750 |
| 2014 | 16,915,000 | 8,500,000 | 2,345,000 | 14,720,000 | 0 | 0 | 12,500 | | | | 12,500 | 42,492,500 |

| Fiscal Year | Business-Type Activities | | | | | | | | | | | Total Business-Type Activities | Total Primary Government | Percentage of Personal Income(1) | Per Capital(1) |
|-------------|--------------------------|------------------------|-------------------------|-------------------------------|---------------------------|--------------|--------------|-------|-------|--|--|--------------------------------|--------------------------|----------------------------------|----------------|
| | General Obligation Bonds | Mortgage Revenue Bonds | Bond Anticipation Notes | Certificates of Participation | Special Assessments Bonds | | | | | | | | | | |
| 2005 | \$0 | \$35,765,000 | \$3,165,000 | \$0 | \$46,000 | \$38,976,000 | \$77,622,000 | 7.63% | 2,728 | | | | | | |
| 2006 | 0 | 34,973,698 | 2,115,000 | 0 | 42,000 | 37,130,698 | 85,065,698 | 7.83% | 2,929 | | | | | | |
| 2007 | 0 | 33,745,000 | 11,010,000 | 0 | 38,000 | 44,793,000 | 92,301,000 | 8.16% | 3,135 | | | | | | |
| 2008 | 0 | 32,710,000 | 10,720,000 | 0 | 33,000 | 43,463,000 | 90,920,000 | 7.83% | 3,059 | | | | | | |
| 2009 | 0 | 31,640,000 | 10,195,000 | 11,335,000 | 29,000 | 53,199,000 | 100,609,000 | 8.79% | 3,354 | | | | | | |
| 2010 | 0 | 30,540,000 | 9,640,000 | 11,060,000 | 24,000 | 51,264,000 | 99,509,000 | 8.49% | 3,240 | | | | | | |
| 2011 | 8,815,000 | 29,395,000 | 0 | 10,765,000 | 18,000 | 48,993,000 | 97,213,000 | 7.87% | 3,121 | | | | | | |
| 2012 | 30,270,000 | 0 | 0 | 10,465,000 | 13,000 | 40,748,000 | 86,088,000 | 6.73% | 2,753 | | | | | | |
| 2013 | 28,780,000 | 0 | 0 | 10,155,000 | 7,000 | 38,942,000 | 86,360,750 | 6.32% | 2,746 | | | | | | |
| 2014 | 27,265,000 | 0 | 0 | 9,840,000 | 0 | 37,105,000 | 79,597,500 | 5.73% | 2,518 | | | | | | |

Source: City of Mason, Ohio, Department of Finance

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 18 for personal income and population data.

City of Mason, Ohio
Ratios of Net General Bonded Debt Outstanding
To Assessed Value and Net Bonded Debt Per Capita
Table 13

| Fiscal Year | Population ⁽¹⁾ | Assessed Value ⁽²⁾ | General Bonded Debt ⁽³⁾ | Less Debt Service Fund ⁽⁴⁾ | Net General Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|-------------|---------------------------|-------------------------------|------------------------------------|---------------------------------------|-------------------------|--------------------------------------------|----------------------------|
| 2005 | 28,455 | \$987,933,647 | \$3,640,000 | \$335,757 | \$3,304,243 | 0.33% | \$116 |
| 2006 | 29,041 | 1,098,446,377 | 3,425,000 | 52,975 | 3,372,025 | 0.31% | 116 |
| 2007 | 29,446 | 1,084,854,140 | 3,200,000 | 89,826 | 3,110,174 | 0.29% | 106 |
| 2008 | 29,723 | 1,081,470,600 | 20,215,000 | 140,707 | 20,074,293 | 1.86% | 675 |
| 2009 | 29,995 | 1,019,329,000 | 19,320,000 | 179,304 | 19,140,696 | 1.88% | 638 |
| 2010 | 30,712 | 1,021,457,110 | 20,530,000 | 407,512 | 20,122,488 | 1.97% | 655 |
| 2011 | 31,147 | 1,029,395,680 | 29,130,000 | 567,834 | 28,562,166 | 2.77% | 917 |
| 2012 | 31,269 | 977,809,650 | 49,485,000 | 601,897 | 48,883,103 | 5.00% | 1,563 |
| 2013 | 31,449 | 987,391,770 | 46,870,000 | 735,048 | 46,134,952 | 4.67% | 1,467 |
| 2014 | 31,613 | 999,974,600 | 44,180,000 | 830,279 | 43,349,721 | 4.34% | 1,371 |

Source: City of Mason, Ohio, Department of Finance

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) U.S. Census Bureau 2010

(2) Assessed Value from Warren County Auditor's Office

(3) Does not include Bond Anticipation Notes or Special Assessment debt with governmental commitment.

(4) Does not include debt service fund balances for Special Assessment debt with governmental commitment.

City of Mason, Ohio
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt (1)
To Total General Government Expenditures
Table 14

| Fiscal Year | Principal | Interest (2) | Total Debt Service | Total General Government Expenditures | Ratio of Debt Service To General Government Expenditures |
|-------------|-----------|--------------|--------------------|---------------------------------------|----------------------------------------------------------|
| 2005 | \$205,000 | \$153,317 | \$358,317 | \$8,186,487 | 4.38% |
| 2006 | 215,000 | 159,260 | 374,260 | 8,101,110 | 4.62% |
| 2007 | 225,000 | 150,768 | 375,768 | 8,179,399 | 4.59% |
| 2008 | 555,000 | 482,856 | 1,037,856 | 8,068,369 | 12.86% |
| 2009 | 895,000 | 804,709 | 1,699,709 | 8,507,087 | 19.98% |
| 2010 | 930,000 | 775,041 | 1,705,041 | 7,718,852 | 22.09% |
| 2011 | 1,010,000 | 791,001 | 1,801,001 | 7,938,713 | 22.69% |
| 2012 | 1,100,000 | 790,420 | 1,890,420 | 8,245,266 | 22.93% |
| 2013 | 1,125,000 | 759,670 | 1,884,670 | 6,287,335 | 29.98% |
| 2014 | 1,175,000 | 724,108 | 1,899,108 | 7,598,473 | 24.99% |

Source: City of Mason, Ohio, Department of Finance

(1) General obligation bonds reported in the enterprise funds and special assessment debt with governmental commitment have been excluded.

(2) Excludes bond issuance and other costs.

City of Mason, Ohio
 Direct and Overlapping Governmental General Obligation Debt
 As of December 31, 2014
 Table 15

| | Net General Obligations Bonded Debt Outstanding (1) | Percentage Applicable (2) to City | Amount Applicable to City |
|--------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|------------------------------------|
| Mason City School District | \$99,810,000 | 60.60% | \$60,484,860 |
| Kings Local School District | 41,025,000 | 11.98% | 4,914,795 |
| Great Oaks Career Center Joint Vocational School | 12,985,000 | 5.05% | 655,743 |
| Lebanon City School District | 51,784,754 | 0.22% | 113,926 |
| Deerfield Township | 10,724,000 | 0.41% | 43,968 |
| Warren County Career Center Jt. Voc. School | 600,000 | 2.23% | 13,380 |
| Warren County | 2,000,000 | 17.63% | 352,600 |
| Subtotal Overlapping Debt | 218,928,754 | | 66,579,272 |
| City of Mason - Direct Debt | \$42,492,500 | 100.00% | \$42,492,500 |
| Total Direct and Overlapping Debt | \$261,421,254 | | \$109,071,772 |

Source: Ohio Municipal Advisory Council

(1) - Includes Special Assessment and Self-Supporting Debt

(2) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Mason, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Table 16

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Debt Limit (1) | | | | | | | | | | |
| Total Debt Limit (10.5%) | \$103,733,033 | \$115,336,870 | \$113,909,685 | \$113,066,054 | \$107,029,545 | \$107,252,997 | \$108,086,546 | \$102,670,013 | \$103,676,136 | \$104,997,333 |
| Total Net Debt Applicable to Limits | 12,704,243 | 25,187,025 | 34,470,174 | 34,994,293 | 35,635,696 | 33,562,488 | 30,547,166 | 28,803,102 | 31,914,952 | 24,584,721 |
| Legal Debt Limit Margin | \$91,028,790 | \$90,149,845 | \$79,439,511 | \$78,071,761 | \$71,393,849 | \$73,690,509 | \$77,539,380 | \$73,866,911 | \$71,761,184 | \$80,412,612 |
| Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit | 12.25% | 21.84% | 30.26% | 30.95% | 33.30% | 31.29% | 28.26% | 28.05% | 30.78% | 23.41% |
| Total Unvoted Debt Limit (1) | | | | | | | | | | |
| Total Unvoted Debt Limit (5.5%) | 54,336,351 | 60,414,551 | 59,666,978 | 59,225,076 | 56,063,095 | 56,180,141 | 56,616,762 | 53,779,531 | 54,306,547 | 54,998,603 |
| Total Net Debt Applicable to Limits | 12,704,243 | 25,187,025 | 34,470,174 | 34,994,293 | 35,635,696 | 33,562,488 | 30,547,166 | 28,803,102 | 31,914,952 | 24,584,721 |
| Legal Unvoted Debt Limit Margin | \$41,632,108 | \$35,227,526 | \$25,196,804 | \$24,230,783 | \$20,427,399 | \$22,617,653 | \$26,069,596 | \$24,976,429 | \$22,391,595 | \$30,413,882 |
| Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit | 23.38% | 41.69% | 57.77% | 59.09% | 63.56% | 59.74% | 53.95% | 53.56% | 58.77% | 44.70% |

Legal Debt Margin Calculation for Fiscal Year 2014

| | |
|-----------------------------------------------|--------------------------|
| Net assessed valuation | Total Debt Limit |
| Statutory legal debt limitation (1) | \$999,974,600 |
| Total debt limitation | 10.5% |
| | \$104,997,333 |
| Debt applicable to limit: | Total Unvoted Debt Limit |
| Debt applicable to limit(2) | \$999,974,600 |
| Less: applicable debt service fund amounts(3) | 5.5% |
| | \$54,998,603 |
| Total net debt applicable to limit | 25,415,000 |
| Legal debt margin | (830,279) |
| | 24,584,721 |
| | \$80,412,612 |

Source: City of Mason, Ohio, Department of Finance

- (1) Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value. Total unvoted debt limit should not exceed 5.5% of net assessed property value.
- (2) City debt outstanding includes non self-supporting general obligation notes and bonds only. Enterprise debt is not considered in the computation of the legal debt margin.
- (3) Does not include debt service fund balances for Special Assessment debt with governmental commitment.

City of Mason, Ohio
Demographic and Economic Statistics
December 31, 2014
Table 17

| Year | Area (Square Miles) | Population (1) | Estimated Personal Income(2) | Per Capita Personal Income(3) | Median Age(4) | School Enrollment(5) | Unemployment Rates (6) | | |
|------|------------------------|----------------|------------------------------------|-------------------------------------|------------------|-------------------------|------------------------|-------|------------------|
| | | | | | | | Warren County | Ohio | United States |
| 2005 | 18.0 | 28,455 | \$1,017,095,520 | \$35,744 | 34.5 | 9,731 | 4.4% | 5.9% | 4.9% |
| 2006 | 18.0 | 29,041 | 1,087,033,671 | 37,431 | 34.5 | 10,269 | 4.2% | 5.4% | 4.3% |
| 2007 | 18.4 | 29,446 | 1,131,727,564 | 38,434 | 34.5 | 10,681 | 4.7% | 5.8% | 4.8% |
| 2008 | 18.6 | 29,723 | 1,161,158,718 | 39,066 | 34.5 | 10,752 | 6.2% | 7.6% | 7.1% |
| 2009 | 18.6 | 29,995 | 1,144,849,160 | 38,168 | 34.5 | 11,038 | 8.8% | 10.2% | 9.3% |
| 2010 | 18.6 | 30,712 | 1,172,215,616 | 38,168 | 38.4 | 10,747 | 8.4% | 9.3% | 9.1% |
| 2011 | 18.6 | 31,147 | 1,235,694,931 | 39,673 | 38.4 | 11,013 | 8.5% | 8.1% | 8.5% |
| 2012 | 18.6 | 31,269 | 1,279,464,942 | 40,918 | 38.4 | 10,991 | 5.6% | 7.0% | 7.5% |
| 2013 | 18.6 | 31,449 | 1,366,584,846 | 43,454 | 38.4 | 10,911 | 4.6% | 5.9% | 6.2% |
| 2014 | 18.6 | 31,613 | 1,388,537,799 | 43,923 | 38.9 | 10,773 | 3.7% | 5.2% | 5.4% |

Sources:

- (1) U.S. Census Bureau 2014 estimate
- (2) Population estimate times per capita person income
- (3) U.S. Department of Commerce, Bureau of Economic Analysis for the Cincinnati Metropolitan Statistical Area.
- (4) U.S. Census Bureau 2010 Census
- (5) Mason City Schools
- (6) Ohio Department of Job & Family Services, Office of Workforce Development, Bureau of Labor Market Information, seasonally adjusted. Information only available for Warren County

City of Mason, Ohio
Principal Employers
Current Year and Nine Years Ago (1)
Table 18

| Fiscal Year 2014 | | | | Fiscal Year 2005 | | | |
|---------------------------|--------------------------------------------|--------------------------------|------------------------------|--------------------------------------------|--------------------------------|-------------------------------------------|-------------------------------------------|
| <u>Employer</u> | <u>Business Activity</u> | <u>Full-time Employees (2)</u> | <u>Employer</u> | <u>Business Activity</u> | <u>Full-time Employees (2)</u> | <u>Income Tax Withholding Ranking (3)</u> | <u>Income Tax Withholding Ranking (3)</u> |
| Procter & Gamble Company | Healthcare research | 1,920 | Procter & Gamble Company | Healthcare research | 2,590 | 1 | 1 |
| Luxtotta (Lenscrafters) | Eyewear and lens | 1,742 | Cintas Corporation | Professional uniforms | 1,397 | 2 | 2 |
| Cintas Corporation | Professional uniforms | 1,479 | Luxtotta (Lenscrafters) | Eyewear and lens | 1,166 | 3 | 3 |
| Mason City Schools | Local school district | 1,463 | Mason City Schools | Local school district | 919 | 4 | 4 |
| L3 Cincinnati Electronics | Aerospace and defense industry electronics | 653 | Blackhawk Automotive | Plastic molding | 584 | 5 | 5 |
| Intelligent Systems LLC | Material handling solutions | 494 | H.J. Heinz/Portion Pac | Portion-controlled condiments | 519 | 6 | 6 |
| H.J. Heinz/Portion Pac | Portion-controlled condiments | 455 | Mitsubishi Electric | Automotive electrical components | 403 | 7 | 7 |
| Mitsubishi Electric | Automotive electrical components | 395 | L3 Cincinnati Electronics | Aerospace and defense industry electronics | 371 | 8 | 8 |
| Lindner Center of Hope | Mental health treatment center | 253 | J.W. Harris | Brazing, soldering and welding alloys | 252 | 9 | 9 |
| Great Wolf Lodge | Resort/ Indoor Waterpark | 231 | W/S Packaging-Superior Label | Print-pressured sensitive labels | 215 | 10 | 10 |
| | | | | | | | |
| <u>Employer</u> | <u>Business Activity</u> | <u>Full-time Employees (2)</u> | <u>Employer</u> | <u>Business Activity</u> | <u>Full-time Employees (2)</u> | <u>Income Tax Withholding Ranking (3)</u> | <u>Income Tax Withholding Ranking (3)</u> |
| Procter & Gamble Company | Healthcare research | 1 | Procter & Gamble Company | Healthcare research | 2,590 | 1 | 1 |
| Luxtotta (Lenscrafters) | Eyewear and lens | 2 | Luxtotta (Lenscrafters) | Eyewear and lens | 1,397 | 2 | 2 |
| Cintas Corporation | Professional uniforms | 3 | Cintas Corporation | Professional uniforms | 1,166 | 3 | 3 |
| Mason City Schools | Local school district | 4 | Mason City Schools | Local school district | 919 | 4 | 4 |
| L3 Cincinnati Electronics | Aerospace and defense industry electronics | 5 | Paramount Kings Island | Amusement Park | 584 | 5 | 5 |
| Intelligent Systems LLC | Material handling solutions | 6 | L3 Cincinnati Electronics | Aerospace and defense industry electronics | 519 | 6 | 6 |
| Kings Island | Amusement park | 7 | H.J. Heinz/Portion Pac | Portion-controlled condiments | 403 | 7 | 7 |
| Mitsubishi Electric | Automotive electrical components | 8 | UBE Automotive | Manufacture aluminum wheels | 371 | 8 | 8 |
| Makino | Machining manufacturer | 9 | Mitsubishi Electric | Automotive electrical components | 252 | 9 | 9 |
| Rhinestahl Corporation | Tooling equipment | 10 | Blackhawk Automotive | Plastic molding | 215 | 10 | 10 |

Source: Full-time employees from City of Mason Economic Development
Income tax withholding ranking from City of Mason Income Tax

- (1) Only current year and nine years ago information available. Information for ten years ago not available.
- (2) The employer's percentage of total employment for each principal employer was not available.
- (3) State law and city income tax ordinance prohibits the release of income tax information. The withholding amount could not be provided.

City of Mason, Ohio
 Full-time City of Mason Employee by Function
 Last Ten Fiscal Years
 Table 19

| Full-time position at December 31 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------------------|------|------|------|------|------|------|------|------|------|------|
| General Government | | | | | | | | | | |
| City Administration | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Council | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Engineering | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 |
| Finance | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Municipal Court | 22 | 22 | 22 | 22 | 22 | 20 | 20 | 20 | 20 | 20 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 37 | 39 | 41 | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Non-sworn | 15 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Fire | 23 | 32 | 32 | 33 | 33 | 33 | 33 | 36 | 42 | 42 |
| Leisure Time Activities | 19 | 20 | 21 | 22 | 22 | 22 | 22 | 22 | 22 | 16 |
| Park Maintenance | | | | | | | | | | 5 |
| Community Development | | | | | | | | | | |
| Planning | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Building Inspection | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Economic Development | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Basic Utility Service | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Billing | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Stormwater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transportation and Street Repair | 20 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 20 |
| Total Full-Time Positions | 193 | 198 | 204 | 208 | 208 | 206 | 206 | 209 | 215 | 215 |
| Total Part-Time Positions | 240 | 287 | 265 | 209 | 217 | 188 | 188 | 182 | 203 | 208 |

Source: City of Mason Annual Budget for full-time positions and City of Mason payroll for part-time positions

City of Mason, Ohio
 Operating Indicators and Capital Position Statistics
 Last Ten Fiscal Years
 Table 20

| | Fiscal Year | | | | | | | | | |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Police Protection: | | | | | | | | | | |
| Number of Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Marked Patrol Vehicles | 19 | 19 | 21 | 17 | 20 | 20 | 21 | 21 | 19 | 19 |
| Calls for Service | 12,564 | 14,804 | 19,878 | 26,087 | 24,810 | 33,735 | 27,448 | 31,545 | 36,635 | 41,193 |
| Moving Violation Citations | 2,628 | 2,779 | 3,742 | 3,426 | 3,175 | 3,797 | 2,460 | 2,638 | 2,502 | 2,226 |
| Arrests | 611 | 739 | 851 | 822 | 785 | 899 | 843 | 536 | 910 | 908 |
| Fire & Emergency Medical(1): | | | | | | | | | | |
| Fire Responses | 1,087 | 992 | 1,003 | 1,206 | 1,184 | 1,013 | 886 | 1,118 | 978 | 1,229 |
| Emergency Medical Responses | 2,287 | 2,257 | 2,704 | 2,611 | 2,431 | 2,570 | 2,516 | 2,601 | 2,477 | 2,767 |
| Number of Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Emergency Vehicles | 17 | 17 | 19 | 19 | 20 | 19 | 20 | 20 | 19 | 19 |
| Leisure Time Activities | | | | | | | | | | |
| Parks | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Park acreage (developed) | 242 | 279 | 279 | 296 | 296 | 296 | 296 | 296 | 296 | 296 |
| Swimming Pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community Center (opened in 2002) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community Development | | | | | | | | | | |
| Permits issued | 179 | 97 | 77 | 52 | 35 | 54 | 49 | 54 | 92 | 192 |
| Utility Services | | | | | | | | | | |
| Sanitary sewers (miles) | 123 | 129 | 132 | 133 | 134 | 135 | 136 | 137 | 137 | 138 |
| Storm sewers (miles) | 84 | 87 | 91 | 92 | 92 | 93 | 94 | 95 | 95 | 96 |
| Sewage Treatment capacity per day (million gallons) | 5.00 | 8.67 | 8.67 | 8.67 | 8.67 | 8.67 | 8.67 | 8.67 | 8.67 | 8.67 |
| Transportation & Street Repair | | | | | | | | | | |
| Number of Streets (dedicated) | 408 | 420 | 433 | 440 | 445 | 446 | 448 | 452 | 452 | 454 |
| Lane Miles | 341 | 343 | 351 | 354 | 355 | 355 | 356 | 357 | 357 | 359 |
| Traffic Signals | 39 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Bike Paths (miles) | 11 | 12 | 14 | 17 | 17 | 19 | 19 | 19 | 19 | 19 |

Source: City of Mason, Ohio, Department of Finance

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CITY OF MASON, OHIO



Single Audit Reports

December 31, 2014

PLATTENBURG
Certified Public Accountants

**CITY OF MASON, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <u>Federal Grantor/Pass - Through Grantor, Program Title</u> | <u>Pass Through Entity Number</u> | <u>CFDA</u> | <u>Disbursements</u> |
|------------------------------------------------------------------|-------------------------------------------|-------------|---------------------------|
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Direct Funding | | | |
| Bulletproof Vest Partnership | 2014-BVP | 16.710 | <u>7,150</u> |
| <i>Pass-Through Ohio Department of Justice:</i> | | | |
| Justice Assistance Grant | 2014-JG-LLE-5293 | 16.804 | <u>9,720</u> |
| Subtotal - Department of Justice | | | <u>16,870</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| <u>FEDERAL HIGHWAY ADMINISTRATION</u> | | | |
| <i>Pass-Through Ohio Department of Transportation</i> | | | |
| Congestion Mitigation Program: | | | |
| Mason-Montgomery Road/Bethany Road Round About | PID 89179 | 20.205 | 1,228,524 |
| Kings Island Drive Safety Improvements | PID 89180 | 20.205 | 12,093 |
| Subtotal - Department of Transportation | | | <u>1,240,617</u> |
| <u>US DEPARTMENT OF HOMELAND SECURITY -</u> | | | |
| <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u> | | | |
| Direct Funding | | | |
| SAFER Grant | EMW-2011-FH-00823 | 97.044 | <u>553,200</u> |
| Subtotal - Department of HOMELAND SECURITY | | | <u>553,200</u> |
| | | | <u><u>\$1,810,687</u></u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs.
The schedule has been prepared using the cash basis of accounting.

**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***

City Council
City of Mason
Warren County
6000 Mason-Montgomery Road
Mason, Ohio 45040

We have audited, in accordance with the 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 the City of Mason, Ohio (the City), as of and for the year ended December 31, 2014, 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 23, 2015.

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.

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 23, 2015.

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 results 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.

Plattenburg & Associates, Inc.

Cincinnati, Ohio
June 23, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

City Council
City of Mason
Warren County
6000 Mason-Montgomery Road
Mason, Ohio 45040

Report on Compliance for Each Major Federal Program

We have audited the City of Mason, Ohio's (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, 2014. 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, 2014.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 23, 2015, 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Cincinnati, Ohio
June 23, 2015

CITY OF MASON, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

Section I – Summary of Auditor’s Results

| | | |
|---------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unmodified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weakness conditions reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were the any other significant control deficiencies reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unmodified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under Section .510?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs (list):</i> | Congestion Mitigation Program CFDA# 20.205 |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: > \$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee?</i> | No |

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**CITY OF MASON
DECEMBER 31, 2014**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
*OMB CIRCULAR A-133***

None Noted.

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Dave Yost • Auditor of State

CITY OF MASON

WARREN 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
OCTOBER 15, 2015**