

**CITY OF MASON, OHIO**



**Yellow Book Report**

**December 31, 2019**

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of 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 January 1, 2019 through December 31, 2019. 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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 19, 2020

**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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2020.

**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*.

## 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

August 31, 2020

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# Comprehensive Annual Financial Report



City of Mason  
Mason, Ohio 45040  
Year Ended December 31, 2019

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# CITY OF MASON, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Prepared by:  
Finance Department

Joseph Reigelsperger  
Finance Director

Produced by the City of Mason  
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## Table of Contents

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	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officials	xv
City Organizational Chart	xvi
Certificate of Achievement for Excellence in Financial Reporting	xvii
<b>FINANCIAL SECTION</b>	
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	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position - Fiduciary Fund	25
Notes to the Basic Financial Statements	26
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability - OPERS	74
Schedule of the City's Proportionate Share of the Net Pension Liability - OPF	75
Schedule of City Contributions for Net Pension Liability - OPERS	76
Schedule of City Contributions for Net Pension Liability- OPF	77
Schedule of the City's Proportionate Share of the Net OPEB Liability - OPERS	78
Schedule of the City's Proportionate Share of the Net OPEB Liability - OPF	79
Schedule of City Contributions for Net OPEB Liability- OPERS	80
Schedule of City Contributions for Net OPEB Liability - OPF	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Safety Fund	84
Notes to the Required Supplementary Information	85
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Fund Descriptions	90
Combining Balance Sheet	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	92
Nonmajor Special Revenue Funds:	
Fund Descriptions	93
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	100

**Table of Contents (Continued)**

	<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	104
State Highway Improvement Fund	105
Street Subdivision Fund	106
Police Officer Training Fund	107
Parks and Recreation Fund	108
Police Crime Prevention Fund	109
Drug Law Enforcement Fund	110
Law Enforcement and Education Fund	111
Indigent Driver Fund	112
Municipal Court Computer Costs Fund	113
Municipal Court Computer Education Fund	114
Municipal Court Improvement Fund	115
Vehicle Immobilization Fee Fund	116
Municipal Court Probation Services Fund	117
Municipal Court Indigent Driver IDAM Fund	118
JW Harris TIF Fund	119
Central Parke TIF Fund	120
Mason Enterprise Parke TIF Fund	121
Tylersville Road TIF Fund	122
I-71 Corridor TIF Fund	123
Everybody's Farm TIF	124
Subdivision Inspection Fund	125
Nonmajor Debt Service Funds:	
Fund Descriptions	126
Combining Balance Sheet	127
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	128
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Obligation Bond Retirement Fund	129
Special Assessment Bond Retirement Fund	130
Government Center Bond Retirement Fund	131
Nonmajor Capital Project Fund:	
Fund Description	132
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Common Ground Parks Construction Fund	133
Nonmajor Enterprise Funds:	
Fund Descriptions	134
Combining Statement of Net Position	135
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	136
Combining Statement of Cash Flows	137
Other General Funds	
Fund Descriptions	138
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
General Capital Improvement Fund	139
General Economic Stability Fund	140
Employee Medical Insurance Fund	141
Unclaimed Monies Fund	142

**Table of Contents (Continued)**

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	<u>Table</u>	<u>Page</u>
Other Nonmajor Funds:		
Agency Funds		
Fund Descriptions		143
Statement of Changes in Assets and Liabilities		144

**STATISTICAL SECTION**

Statistical Section Description Page		145
Net Position by Component	1	146
Changes in Net Position	2	148
Governmental Activities Tax Revenues by Source	3	151
Fund Balances of Governmental Funds	4	152
Changes in Fund Balances of Governmental Funds	5	154
Income Tax Revenue by Payer Type	6	156
Assessed and Estimated Actual Value of Taxable Property	7	157
Property Tax Rates - Direct and Overlapping Governments	8	158
Principal Property Taxpayers	9	159
Property Tax Levies and Collections - Real, Public Utility and Tangible Personal Property	10	160
Special Assessment Billings and Collections	11	161
Ratios of Outstanding Debt by Type	12	162
Ratios of Net General Bonded Debt Outstanding To Assessed Value and Net Bonded Debt Per Capita	13	163
Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt To Total General Government Expenditures	14	164
Direct and Overlapping Governmental Activities General Obligation Debt	15	165
Legal Debt Margin Information	16	166
Demographic and Economic Statistics	17	167
Principal Employers	18	168
Full-time City of Mason Employee by Function	19	169
Operating Indicators and Capital Position Statistics	20	170

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## ***INTRODUCTORY SECTION***

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August 31, 2020

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 ending December 31, 2019. 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 a complete report on the finances of the municipality at the end of each fiscal year to City Council as well as make the report available to the public. 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 its presentation is assured through a comprehensive framework of internal control that is established for this purpose. Since 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 ending December 31, 2019. 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 complements this letter of transmittal and should be read in conjunction with it.

### 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 Municipal Center and Veterans Memorial*

With a population of over 33,000, Mason is located in the southwest quadrant of Warren County. More than 36 miles of interstate highways provide businesses and residents easy access to the



metropolitan centers of both Cincinnati and Dayton which 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 organizations recognize Mason as a great place to live, work, and play. Over the past several years, Mason's rankings continue to grow. Wallet Hub ranked Mason as one of only two cities in Ohio in the 98th percentile for livability: including affordability, economic health, education, health, quality of life, and safety. Consumer website, Nerdwallet.com, continues to rank Mason among the best small cities for families. SafeWise Security Systems names Mason as one of the top 100 safest cities in Ohio. Warren County prides itself as "Ohio's Largest Playground" and Mason is the anchor. Mason is home to some of the region's largest attractions including Kings Island amusement park, Great Wolf Lodge, and the annual Western & Southern Open; one of the "super nine" tennis tournaments in the world.

## **HISTORY AND ORGANIZATION**

Originally settled as the village of Palmyra in 1815 by Revolutionary War veteran 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 a charter was created to establish guidelines for its operations. Mason is a home-rule city with a council/manager 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 established by City Council and the efficient delivery of all City services. The City provides many 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, stormwater, solid waste collection and disposal services are provided under an enterprise fund concept, with user charges established 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.



*Mason Community Center continues to be the epicenter of recreation and wellness in the community.*

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 City 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 department/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's reputation as a competitive business environment is confirmed by corporate decisions to consolidate and transfer jobs and investment to the City. Mason is also known as a top innovation center across the State of Ohio and the announced projects in the City reflect that position. New investments reported in 2019 were approximately \$175 million in new corporate, high tech, industrial and startup growth space, resulting in over 600 new jobs to the City. The combined aggregate growth since 2015 sets a record level in every category with investment, measuring only top projects, exceeding \$905 million and jobs over 3,600. This activity exceeds the combined activity of the previous ten years and reiterates Mason's trend of performing at or near the top in the region for new investment in the industrial and corporate sector.

Mason continues to attract quality companies that are relocating or expanding. In choosing the City, companies cite prime location along the interstates, availability of land for development within established business parks, rising property values, the established core of high-tech businesses, available talent and workforce, and an exceptional level of support and services with a favorable business environment widely promoted in the region. Tax incentives targeting companies in the biohealth, high-tech, and research and development sectors in Mason continue to be a focus, as well as companies in advanced manufacturing, aerospace, logistics, and automotive sectors. Mason developed an economic emphasis between tourism, Warren County's top industry, and business development. Approximately seventy percent of the County's tourism activity originates in Mason. Additionally, the City's economic strategy has a strong focus on the growth of early and mid-stage entrepreneurial companies within the target sectors of bio-health, bio-health IT, and digital IT. A collaborative environment between all of these provides added strength to Mason's business environment.

Mason business daytime employment is roughly equivalent to the City's nighttime population of about 33,000. Five of the top ten largest employers

in Warren County are located in Mason. The City's ten largest employers provide work for more than 10,000 people and generated more than \$12.5 million in income tax revenue in 2019. Overall, it is estimated that there are more than 800 businesses that operate within Mason's nineteen square miles.

In the last fifteen years, Mason has grown its global business base and is home to many domestic and foreign companies and has one of the region's largest complements of international businesses. As of 2018, the Metropolitan Area ranked twelfth in total exports among U.S. cities. The City of Mason contributes to the Cincinnati region's worldwide impact, being home to a healthy number of the region's approximately 1,000 firms engaged in international trade that generate annual export sales of over \$24 billion, a record reached in 2015. More than 300 firms from Japan, Western Europe, and Canada have established facilities in the Metropolitan Area.



*Mason is recognized as a great place to live, work, and play.*

Mason is home to Procter & Gamble's Health Care Research Center serving as the worldwide hub for the company's health care business. P&G completed the Mason Business Center expansion in spring of 2019 with the new construction of the 500,000 square foot Innovation Center of Global Beauty completing a four-year \$400 million investment. Completion of this project makes the Mason location home to both Global Health and Global Beauty and will house the largest population of science and technical workforce across the company. This project doubles the size of the P&G



facility to over two million square feet and makes the R&D laboratories in Mason the largest of the global P&G portfolio. The company’s combined employment in Mason has increased to 2,000 and is expected to be home to more than 3,000 employees after the completion of the project.



*P&G Beauty Innovation Center, home to the Global Beauty and Global Health, completes its final year of construction and hosted its grand opening in May of 2019. The 241-acre campus and now 2 million square-foot facility is Mason & Warren County’s largest employer.*

Beginning in 2012, Mason broadened its scope in economic development to develop greater public private partnership (P3) activity, such as the Mason Tech Elevator Program. The combined result of increasing success stories in business recruitment and additional public private partnership is an increased return on investment for the Mason residents, driving the overall tax burden down by nearly 42% in the last decade.

The diversified tax base in Mason provides for steady investment across industry sectors from automotive to science and research headquarters. The top investment highlights from years 2017 through 2019 combined strength in biohealth with approximately 70% of the total investment and job creation in bio or bio-related supply chain. These statistics continue to be the value proposition that is fueling new corporate and innovation sector announcements and generating interest from advanced manufacturing to R&D. New investment in 2018 and 2019 continue the trend of corporate reinvestment with numerous expansions of existing Mason businesses.

Activity in the last two years in the City includes two significant mergers, Essilor-Luxottica (combining the

strength of optics, design and retail sales through the merger of the Italian and French corporate headquarters) and L3-Harris (combining two major defense and communications companies). The City of Mason is home to sizable locations and corporate investment for both. In 2018, Mason added more major investment from the Western & Southern Open of \$27 million and Chard Snyder Corporate Headquarters of \$9 million. In 2019, The Mason Research and Development Park expanded realizing its purpose to capture the long-term growth strategy of important existing companies (ex: Rhinestahl Global Corporate Campus) and capture highly sought-after projects for the Region in target industries such as aerospace (ex: Precision Precast Parts and SPS Technologies).

The following projects were the largest new developments announced in the City for 2019:

**2019 Corporate Investment Announcements**

	<b>New Capital</b>	<b>New Payroll</b>
AtriCure Expansion	\$ 6M	\$22M
Rhinestahl Corporation	\$ 20M	\$14M
Precision Precast Parts & SPS Technologies	\$128M	\$15M

Source: City of Mason Economic Development Office.

Planning for future high-profile technology and advanced manufacturing is robustly underway both facilitating expansions of existing businesses and attracting new in parks like the Innovation Way Business Park with L3, and in Mason Research and Development, an area of both City and privately-owned land in the northeast quadrant of the community totaling over 1,000 acres, 400-owned directly by the City. This area has been preserved over the past decade with a lens to preserving growth space for Mason’s key employers.

In addition to the I-71 corridor, which has approximately 600 acres of undeveloped land that has attracted the attention of the development community, is Mason’s OakPark District, near Interstate 71. This key area is envisioned as a 250-acre walkable mixed-use development. It is also attracting the attention of top projects in the U.S

and is expected to house innovation economy companies with access to a variety of key sectors including biohealth, science, and R&D.



*OakPark BioHub along I-71 Innovation Corridor-250 acres, approximately two-thirds owned by the City and Master planned to accommodate high technology, biohealth, medical device and R&D companies.*

Another notable growth story that is near completion in 2019 is Festo. Festo’s expansion was announced within five years of completion of the relocation from New York to Mason. The project combines Phase II & III and more than triples the square footage and doubles the employment with an investment of \$90M and the creation of 250 additional jobs. The project contemplates a long-term growth strategy to bring more and higher paid positions to this site. This announcement is consistent with the City of Mason economic model of planning for long term sustainable investment and job growth.

The region recognizes top investment and job creation projects via the Regional Growth Awards. In 2019 there were 12 top projects and four recognized as winning for performance across the criteria. Mason has two of the top projects, AtriCure and PCC/SPS, which totaled \$131 million with close to 500 new jobs. PCC/SPS was the single largest investment project announced in the Greater Cincinnati area in 2019.

Residential growth is also a part of the City’s upward economic trend. Work continues the redevelopment of the 168-acre former Crooked

Tree Golf Course into a \$150 million upscale residential development. Construction is underway and calls for approximately 212 single-family homes ranging in price from \$500,000 to more than \$1 million. In 2016, development began for Ambleside Meadows. The 224 acres, annexed in 2016, includes plans for 314 single-family homes starting at \$500,000 and 86 acres of open space.

The City of Mason’s economic development efforts expand beyond business parks and fully recognize a positive relationship between destination tourism and the business community. The annual tennis tournament is a great example of the convergence of tourism, cottage recreation at a professional level and major corporate activity. This major investment by the United States Tennis Association is also a beacon for international attention, which is leveraged by the City annually to tell the City’s story of its innovation economy. Each year the City has an audience of international site location consultants, corporate decision makers and startup investors.



*The City’s 27 business parks and corporate campuses are home to approximately 150 companies in industry sectors of advanced manufacturing, aerospace, IT, biotech, medical devices, and corporate headquarters.*

Growth and development in the City started strong in January of 2020 with the fourth major project

announcement in three months with Vega Americas North American Corporate Headquarters. Activity is expected to continue to be strong through 2020. Efforts continue to focus on growth sectors and emerging markets that bring high rates of return to the City are the targets of the City's economic strategy. Mason continues to see a surge in the interest of 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 recovering activity into the next several years, Mason has positioned itself to be at the forefront of positive commercial activity. Mason 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. In addition, the combination of Mason's physical location, municipal facilities, developable terrain, services and utilities, and the progressive attitude and actions of City Council, administration, and citizens are strong assets and support company decisions to build and grow in the City.

### 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 residents' needs for services and the safeguarding of their environment in conformity with applicable federal and state standards are the government's greatest priority. Mason's success has been its ability to equitably balance the needs of residents and businesses.

Major projects that occurred in 2019 that position the City for future economic growth and improvement include:



Major initiatives included working with the Warren County Transportation Improvement District on a nearly \$21 million project completed February 2019 converts the existing Interstate 71 and Western Row Road (I-71/WRR) interchange into a full interchange with new ramps and auxiliary lanes. Additions include (A & B) access to Northbound I-71, (C) Southbound off I-71 to Innovation Way, and (D) 2<sup>nd</sup> access to Southbound I-71.



### **I-71/Western Row Road Interchange**

City of Mason leadership partnered with the Ohio Department of Transportation and the Warren County Transportation Improvement District announced the opening of a full movement interchange at I-71 and Western Row Road in Mason – a long term, complex, and collaborative project that expands access to Mason’s growing economic hub. This full-scale interchange along Mason’s I-71 Innovation Corridor is located at the front door of the City’s Oak Park District, a hub for science, technology, and life science investment. The expanded roadway system investment further enhances the City’s economic strategy and supports this location as a critical site within the State of Ohio and a Regional portfolio for marquee developments. The project cost approximately \$21 million including about \$3.7 million contributed by the City of Mason.

### **Traffic Signal Upgrade & Fiber Optic Interconnect**

\$3.4 million was invested to install fiber optic interconnect throughout the City of Mason for the traffic management system, City facility connectivity, and a new GPS emergency preemption system that will be much more reliable for the Police and Fire Departments to decrease the response times and increase safety. The system provides many more options for signal timing, making the flow of traffic more efficient and reducing delay for all 40 traffic signals within the City of Mason.

### **Water Reclamation Plant Aeration Mixer Addition**

\$1.3 million was utilized to add a third aeration mixer on both the south and north oxidation ditches. Current plant average daily flow is 5.55 Million Gallons per Day (MGD). Each ditch was rated for 4.3 MGD flow with two mixers. The design increases to 6.5 MGD per ditch after the installation of the third mixer. The addition allows the system to maintain appropriate oxygen levels for biomass during peak summer months at current loadings and keep the system within the EPA permit limits.

### **Looking Ahead to the Future**

The City continues to see stable income tax revenue with increases impacted by economic development

activity. The City of Mason seeks opportunity to maintain its level of services while cautiously evaluating where additional service is needed. A core principal of the City’s financial policies is reinvesting into capital assets while maintaining balances to stabilize future economic downturns. This policy will continue even during the response and economic impact of the COVID-19 pandemic. The City of Mason is prepared for national economic uncertainty and changes in state support that may place pressure on the City budget in 2020 and subsequent years. Investment in long-term economic development activity will continue to be a priority.

Accomplishments to look forward to in 2020 include:

- Completing Snider Road improvements including widening between Tylersville Road and US 42 plus two roundabouts at Snider/Thornberry Court and Snider /Mason Road.
- Starting \$25 million State Route 741 multiphase improvements.
- \$20 million Mason Municipal Aquatic Center Replacement.
- Park improvements and development including the Heritage Oak Park Revitalization and adding an all-inclusive facility called Makino Park.



*Makino Park is fully inclusive and accessible for children with physical as well as developmental disabilities. The unique butterfly design of Common Ground ensures everyone can access all features to promote social interaction and a wide range of sensory experiences*

### **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, 2018. 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



*Current projects include Mason's Municipal Aquatic Center featuring a new heated leisure pool as well as a 50-meter pool.*



*The City operated an 18-hole championship course played by the best of the PGA, the LPGA, and the Senior PGA TOUR for the last 30 years.*



**THE CITY OF MASON, OHIO**

**LIST OF PRINCIPAL OFFICIALS**

**December 31, 2019**

**COUNCIL MEMBERS**

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Mayor	Kathy Grossmann
Vice Mayor	Mike Gilb
Council Member	Tony Bradburn
Council Member	Ashley Chance
Council Member	TJ Honerlaw
Council Member	Diana K. Nelson
Council Member	Josh Styracula

**COUNCIL APPOINTED OFFICIALS**

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City Manager	Eric Hansen
Law Director	Jeff Forbes
Clerk of Council	Lisa Ahr

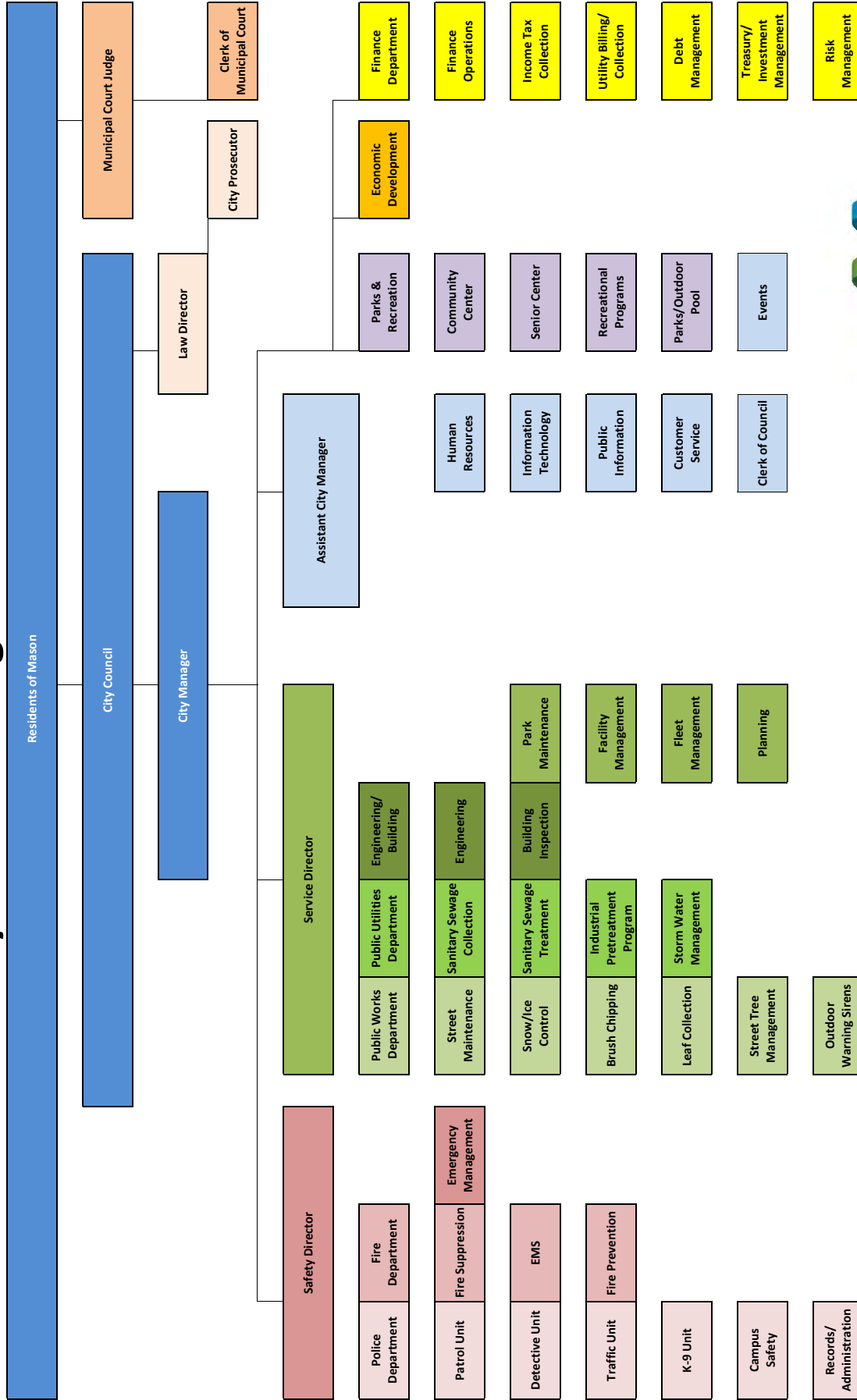
**DEPARTMENT HEADS**

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Parks & Recreation Director	Chrissy Avery
Economic Development Director	Michele Blair
Fire Chief	Bryan Brumagen
Chief of Police	Todd Carter
Assistant City Manager	Jennifer Heft
Public Utilities Director	D. Shawn Hollan
Safety Director	John Moore
Finance Director	Joe Reigelsperger
Public Works Director	Vacant
City Engineer	Kurt Seiler

# City of Mason Organizational Chart





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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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***FINANCIAL SECTION***

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## 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, 2019, 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, 2019, 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.

### ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of pension information and other postemployment information 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 August 31, 2020, 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.

*Platterburg & Associates, Inc.*

Cincinnati, Ohio  
August 31, 2020



**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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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, 2019. 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 2019 by \$378,381,441 (net position). Of this amount, \$64,750,748 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 124 percent of the 2019 expenses of \$52,127,529.

- The city's total net position increased by \$38,131,940.
- Net other postemployment benefit liability was \$11,726,648 for 2019 which is a decrease of \$16,265,996 from 2018.
- Net position of the governmental activities (defined below) increased \$32,481,425. Net position of the business-type activities (also defined below) increased \$5,650,515.
- The total cost of the city's programs decreased \$13,046,413, which is 20 percent less than in 2018. The cost of governmental activities decreased \$13,172,153 or 28.4 percent, while the cost of business-type activities increased \$125,740 or 0.7 percent. A large part of the decrease is from the decreased cost of providing services for public safety. Business-type activities increased from increased operating cost for sewer services.
- As of the close of the 2019 fiscal year, the city's governmental funds reported combined ending fund balances of \$100,540,576, an increase of \$9,476,517 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.

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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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 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 28 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 safety fund. Data for the other 26 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.

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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**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.

**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, street construction maintenance and repair fund budget, and the safety 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 \$378,381,441 at the close of the most recent fiscal year.

The largest portion of the city's net position (74.4 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.

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

An additional portion of the city's net position (8.5 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position (\$64,750,748) 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 (\$29,170,440) 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 \$38,131,940 in 2019. Net position for governmental activities increased \$32,481,425, while net position for business-type activities increased \$5,650,515. The increase in net position for 2019 (\$38,131,940) was \$17,688,758 (86.5 percent) more than the increase in net position for 2018 (\$20,443,182).

<b>City of Mason</b>						
<b>Net Position</b>						
(amounts expressed in thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and other assets	\$119,824	\$107,959	\$36,080	\$31,786	\$155,904	\$139,745
Capital assets	<u>210,740</u>	<u>201,555</u>	<u>124,892</u>	<u>125,697</u>	<u>335,632</u>	<u>327,252</u>
<b>Total assets</b>	<u>330,564</u>	<u>309,514</u>	<u>160,972</u>	<u>157,483</u>	<u>491,536</u>	<u>466,997</u>
<b>Total deferred outflows of resources</b>	<u>16,958</u>	<u>10,994</u>	<u>3,272</u>	<u>2,621</u>	<u>20,230</u>	<u>13,615</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	31,623	33,654	27,607	30,789	59,230	64,443
Net Pension liability	42,495	29,551	4,855	2,888	47,350	32,439
Net OPEB liability	9,336	25,922	2,390	2,071	11,726	27,993
Other liabilities	<u>3,628</u>	<u>2,450</u>	<u>911</u>	<u>670</u>	<u>4,539</u>	<u>3,120</u>
<b>Total liabilities</b>	87,082	91,577	35,763	36,418	122,845	127,995
<b>Total deferred inflows of resources</b>	<u>10,438</u>	<u>11,411</u>	<u>102</u>	<u>957</u>	<u>10,540</u>	<u>12,368</u>
<b>Net Position</b>						
Net investment in capital assets	182,420	171,236	99,198	96,937	281,618	268,173
Restricted	32,002	26,737	11	801	32,013	27,538
Unrestricted	<u>35,580</u>	<u>19,548</u>	<u>29,170</u>	<u>24,991</u>	<u>64,750</u>	<u>44,539</u>
<b>Total Net Position</b>	<u>\$250,002</u>	<u>\$217,521</u>	<u>\$128,379</u>	<u>\$122,729</u>	<u>\$378,381</u>	<u>\$340,250</u>

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

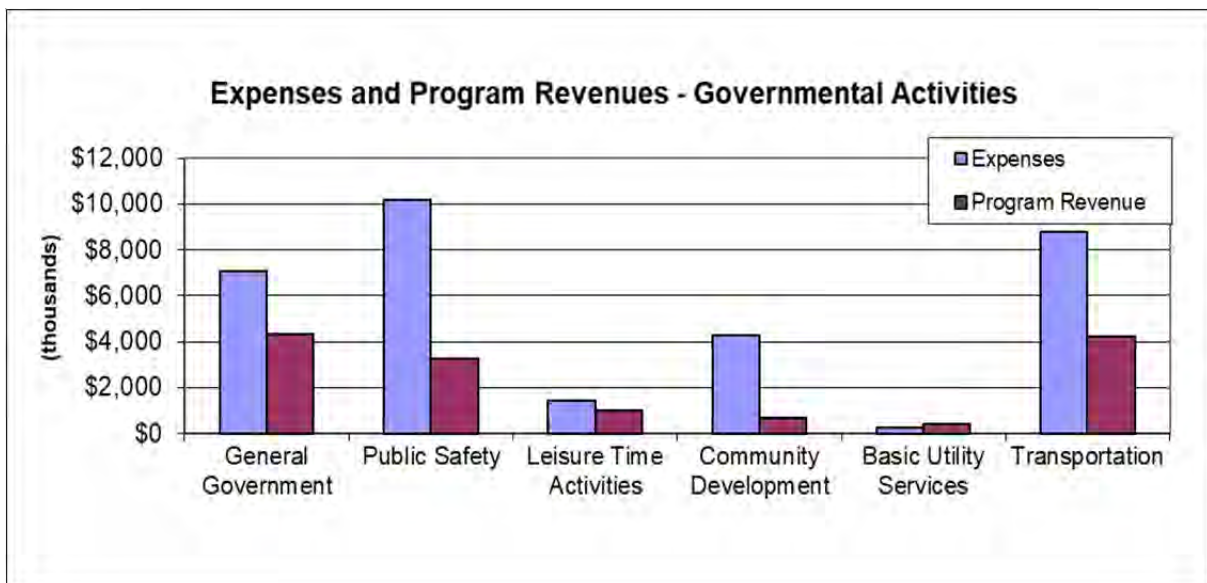
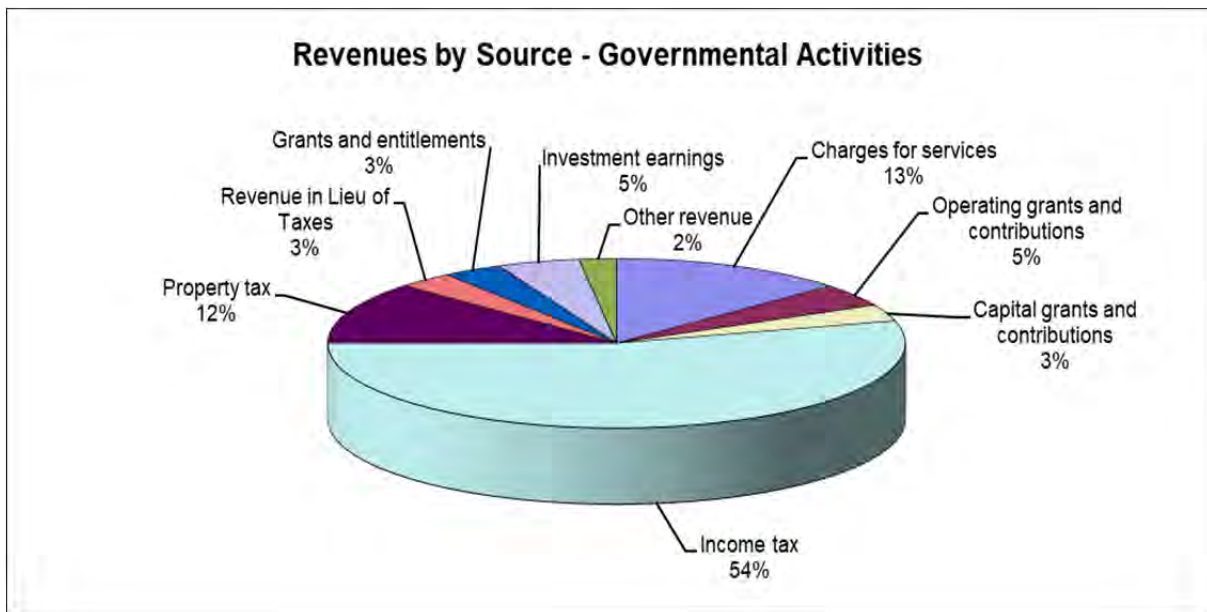
**City of Mason**  
**Changes in Net Position**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$8,841	\$6,606	\$20,299	\$19,433	\$29,140	\$26,038
Operating grants and contributions	2,928	1,976	0	0	2,928	1,976
Capital grants and contributions	2,129	4,349	1,610	3,569	3,739	7,918
General revenues:						
Income tax	36,292	37,543	0	0	36,292	37,543
Property tax	7,954	5,114	0	0	7,954	5,114
Revenue in Lieu of Taxes	2,278	2,237	0	0	2,278	2,237
Grants and entitlements	2,227	1,957	0	0	2,227	1,957
Investment earnings	3,078	1,302	1,127	516	4,205	1,818
Other revenue	1,398	907	98	109	1,496	1,016
<b>Total Revenues</b>	<b>67,125</b>	<b>61,991</b>	<b>23,134</b>	<b>23,627</b>	<b>90,259</b>	<b>85,617</b>
<b>Expenses:</b>						
General Government	7,056	8,826	0	0	7,056	8,826
Public Safety	10,196	19,440	0	0	10,196	19,440
Leisure Time Activities	1,451	3,007	0	0	1,451	3,007
Community Development	4,300	4,761	0	0	4,300	4,761
Basic Utility Services	276	267	0	0	276	267
Transportation	8,777	8,818	0	0	8,777	8,818
Interest and fiscal charges	1,102	1,211	0	0	1,102	1,211
Sewer utility	0	0	6,537	6,152	6,537	6,152
Waste Collection	0	0	1,796	1,736	1,796	1,736
Stormwater utility	0	0	1,380	1,535	1,380	1,535
Community Center	0	0	6,448	6,698	6,448	6,698
Golf Course	0	0	2,808	2,723	2,808	2,723
<b>Total Expenses</b>	<b>33,158</b>	<b>46,330</b>	<b>18,969</b>	<b>18,844</b>	<b>52,127</b>	<b>65,174</b>
Increase (decrease) in net position before transfers	33,967	15,661	4,165	4,782	38,132	20,443
Transfers - internal activities	(1,486)	(1,547)	1,486	1,547	0	0
Increase (decrease) in Net Position	32,481	14,114	5,651	6,329	38,132	20,443
<b>Net Position beginning of year</b>	<b>217,521</b>	<b>203,407</b>	<b>122,729</b>	<b>116,399</b>	<b>340,250</b>	<b>319,806</b>
<b>Net Position end of year</b>	<b>\$250,002</b>	<b>\$217,521</b>	<b>\$128,380</b>	<b>\$122,729</b>	<b>\$378,382</b>	<b>\$340,250</b>

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

**Governmental activities.** Governmental activities increased the city's net position by \$32,481,425. Key elements of the changes in net position are as follows:

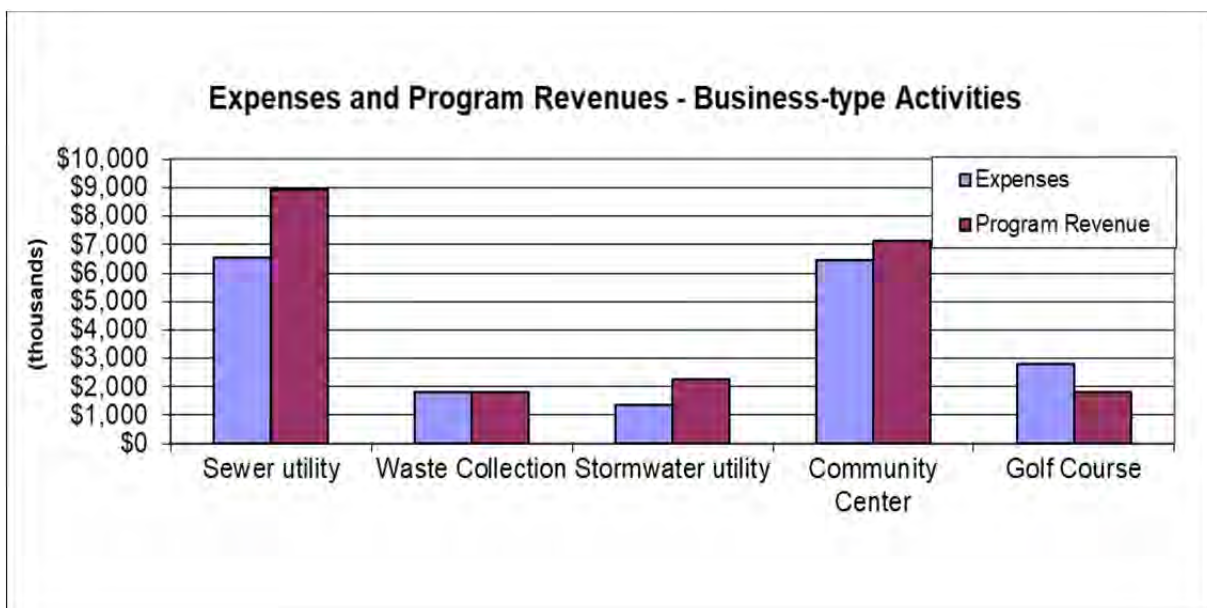
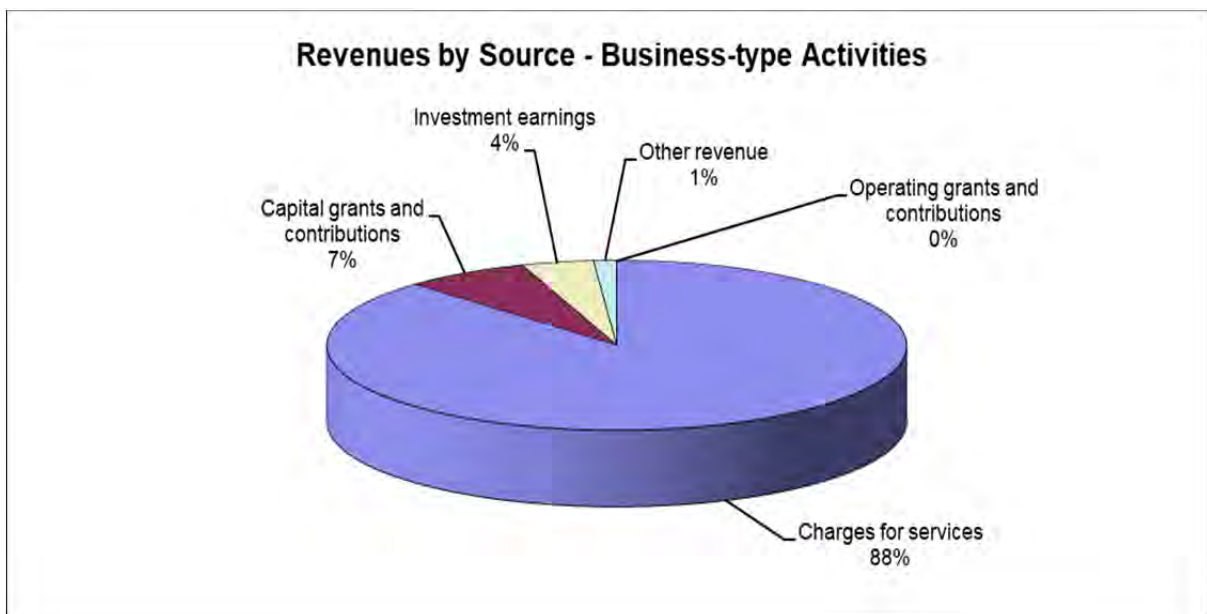
- Program revenue increased \$967,089 (7.5 percent) since charges for services and operating grants increased and capital grants decreased.
- General revenue increased \$4,167,998 (8.5 percent) with increased property tax income.
- Decreased expenses was primarily due to decreases in public safety expenses which contributed to a total decrease in expenses of \$13,172,153 (28.4 percent).



**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

**Business-type activities.** Business-type activities increased the city's net position by \$5,650,515. Key elements of the changes in net position are as follows:

- Charges for services increased \$866,634 (4.5 percent). Most of the increase was from increased Community Center revenue.
- Capital grants and contribution decreased \$1,958,510 (54.9 percent). Most of the decrease was from the decrease in sewer and stormwater utility grants.
- Expenses for business-type activities increased \$125,740 (0.7 percent). This was generally from operating cost increases to provide the services in the business-type activity especially in the sewer and golf center.



**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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**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 \$100,540,576 an increase of \$9,476,517 in comparison with the prior year.

The general fund is the chief operating fund of the city. On December 31, 2019, the unassigned fund balance of the general fund was \$23,743,959, while the total fund balance was \$67,967,041. The city's general fund balance increased by \$4,473,210 during the current fiscal year. 2019 includes an decreased transfer for street improvements. Revenues increased by \$1,727,508 (3.7 percent) mainly due to increased property tax collection and sale of city owned property. Current expenditures increased \$7,454,147 (27.7 percent) due to increased capital outlay.

The 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 continued the 4.4 mills for 2018 and the total income tax rate of 1.12% including 0.12% that would be transferred for safety services. The fund balance increased by \$1,644,363. Revenue increased by \$2,103,828 (42.6 percent) due to property taxes. Expenditures increased \$340,112 (4.3 percent) due to capital outlay. \$2,886,843 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 \$24,263,815 with a total increase in net position of \$3,355,931. Unrestricted net position for the storm water utility fund at the end of the year amounted to \$3,569,981, with a growth in net position of \$983,677. Unrestricted net position for the community center fund at the end of the year amounted to a negative \$894,929, but with a total change in net position of \$800,825. Other factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

**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



**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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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 2019, there was a \$12,500,000 increase in appropriations between the original and the final amended budget. The total original appropriations, including those for transfers out, were \$40,109,910 while the final appropriations were \$52,609,910. An additional \$12,000,000 was transferred to the General Capital Improvement Fund for future capital projects. \$500,000 was paid for economic development activities. 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 original estimated revenue was \$37,190,000. The actual revenue received was \$43,525,330. This increase was mainly due to increased income tax collections.

**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, 2019, amounted to \$335,632,675 (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 2019 over 2018 was 2.6 percent (a 4.6 percent increase for governmental activities and a 0.6 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$72,268	\$74,517	\$10,695	\$10,695	\$82,963	\$85,212
Construction in Progress	14,528	8,384	74	462	14,602	8,846
Buildings and Improvements	53,566	51,982	54,394	54,379	107,960	106,361
Machinery and Equipment	23,279	22,277	12,832	10,912	36,111	33,189
Infrastructure	107,158	101,912	104,496	102,576	211,654	204,488
Accumulated Depreciation	<u>(60,058)</u>	<u>(57,517)</u>	<u>(57,599)</u>	<u>(53,327)</u>	<u>(117,657)</u>	<u>(110,844)</u>
Total	<u>\$210,741</u>	<u>\$201,555</u>	<u>\$124,892</u>	<u>\$125,697</u>	<u>\$335,633</u>	<u>\$327,252</u>

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

- Western Row/I-71 interchange construction completed.
- City-wide Traffic Controller replacement project was completed.

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.** On December 31, 2019, the city had \$49,475,000 of long-term debt outstanding (bonds and certificates of participation). Of this amount, \$33,885,000 comprises debt backed by the full faith and credit of the government. Capital leases outstanding (\$14,240,000) on December 31, 2019, are certificates of participation for the municipal center and the community center. Revenue

**City of Mason, Ohio**  
**Management’s Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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bonds in the governmental activity of \$1,350,000 are funded through tax increment financing. All figures above and the table below do not include premiums and discounts.

The city has notes outstanding of \$4,000,000 for the golf course acquisition in business-type activities with a maturity of less than one year. The notes were issued as the City of Mason bonds in 2020.

The city continues to maintain the highest rating, “Aaa” from Moody’s Investors Service for its general obligation bonds. This rating was reviewed in 2020 when refunding bonds were issued.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$19,545	\$20,200	\$14,340	\$15,720	\$33,885	\$35,920
Certificates of Participation	6,940	8,075	7,300	8,475	14,240	16,550
Revenue Bonds	1,350	1,530	0	0	1,350	1,530
Total	<u>\$27,835</u>	<u>\$29,805</u>	<u>\$21,640</u>	<u>\$24,195</u>	<u>\$49,475</u>	<u>\$54,000</u>

The city is within all 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. On December 31, 2019, the city’s total net debt of 1.6% of the total assessed value of all property within the city is within 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. On December 31, 2019, the millage amount was 4.1895 mills, of which 3.2941 mills were restricted by the City of Mason for unvoted debt.

Additional information regarding the city’s long-term debt can be found in notes 9-10 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 8.8 percent due to Covid-19 pandemic and resulting recession. As of December 31, 2019, the rate was 3.1 percent. The City’s current unemployment rate is 8.8 percent. As of December 31, 2019, this rate was 2.8 percent which is lower than the current Ohio rate of 11.1 percent and the national rate of 11.2 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.

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

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The 2020 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 and maintaining capital assets. As part of the budget process, a capital improvement plan was completed and evaluated for 2020 and future years. 2020 continues to be a year where substantial effort and planning occurs for long-term capital improvements especially for parks and recreational facilities. The total appropriations budgeted for 2020 including transfers and capital outlay (\$106,775,811) is fourteen percent less than the 2019 original appropriations (\$125,337,224) due to capital projects and debt refunding plans. 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](mailto:finance@masonoh.org).

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City of Mason, Ohio  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$92,554,568	\$39,073,404	\$131,627,972
Restricted Cash	1,540,924	10,694	1,551,618
<b>Receivables (Net):</b>			
Taxes	13,981,203	0	13,981,203
Accounts	554,961	1,356,528	1,911,489
Interest	347,176	122,346	469,522
Intergovernmental	3,283,413	0	3,283,413
Special Assessments	1,859,220	0	1,859,220
Internal Balances	5,250,000	(5,250,000)	0
Inventory	452,229	316,891	769,120
Prepaid Items	0	449,625	449,625
Nondepreciable Capital Assets	86,795,874	10,768,263	97,564,137
Depreciable Capital Assets, Net	123,944,351	114,124,187	238,068,538
<b>Total Assets</b>	<b>330,563,919</b>	<b>160,971,938</b>	<b>491,535,857</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	1,086,730	1,587,692	2,674,422
Pension	12,594,589	1,470,029	14,064,618
Other Postemployment Benefits	3,276,911	214,596	3,491,507
<b>Total Deferred Outflows of Resources</b>	<b>16,958,230</b>	<b>3,272,317</b>	<b>20,230,547</b>
<b>Liabilities:</b>			
Accounts Payable	273,196	158,936	432,132
Accrued Wages and Benefits	724,560	123,844	848,404
Contracts Payable	1,245,420	490,387	1,735,807
Retainage Payable	804,274	0	804,274
Accrued Interest Payable	92,588	138,067	230,655
Claims Payable	453,564	0	453,564
Intergovernmental Payable	33,987	0	33,987
<b>Long-Term Liabilities:</b>			
Due Within One Year	3,933,092	2,731,142	6,664,234
Due In More Than One Year			
Bonds	20,423,696	18,156,162	38,579,858
Certificate of Participation	6,083,113	6,560,832	12,643,945
Net Pension Liability	42,494,915	4,855,132	47,350,047
Net Other Postemployment Benefits Liability	9,336,330	2,390,318	11,726,648
Compensated Absences	1,183,579	158,461	1,342,040
<b>Total Liabilities</b>	<b>87,082,314</b>	<b>35,763,281</b>	<b>122,845,595</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	7,847,007	0	7,847,007
Grants and Other Taxes	1,156,908	0	1,156,908
Pension	300,221	83,793	384,014
Other Postemployment Benefits	1,133,540	17,899	1,151,439
<b>Total Deferred Inflows of Resources</b>	<b>10,437,676</b>	<b>101,692</b>	<b>10,539,368</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	182,420,146	99,198,148	281,618,294
<b>Restricted for:</b>			
Debt Service	3,971,749	10,694	3,982,443
Street Improvements	11,113,837	0	11,113,837
Public Safety	12,055,065	0	12,055,065
Parks and Recreation	204,141	0	204,141
Tax increment Financing Projects	4,656,913	0	4,656,913
Unrestricted	35,580,308	29,170,440	64,750,748
<b>Total Net Position</b>	<b>\$250,002,159</b>	<b>\$128,379,282</b>	<b>\$378,381,441</b>

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$7,056,183	\$4,326,571	\$0	\$0
Public Safety	10,195,645	2,575,777	670,324	1,228
Community Development	4,300,396	661,452	0	0
Leisure Time Activities	1,451,038	637,164	0	392,000
Transportation and Street Repair	8,776,592	248,976	2,257,252	1,735,866
Basic Utility Service	276,330	391,111	0	0
Interest and Other Charges	1,101,931	0	0	0
<b>Total Governmental Activities</b>	<b>33,158,115</b>	<b>8,841,051</b>	<b>2,927,576</b>	<b>2,129,094</b>
<b>Business-Type Activities:</b>				
Sewer	6,537,076	8,047,061	0	898,999
Waste Collection	1,795,781	1,816,223	0	0
Stormwater Utility	1,380,178	1,535,164	0	711,185
Community Center	6,447,857	7,107,884	0	0
Golf Course	2,808,522	1,792,821	0	0
<b>Total Business-Type Activities</b>	<b>18,969,414</b>	<b>20,299,153</b>	<b>0</b>	<b>1,610,184</b>
<b>Totals</b>	<b>\$52,127,529</b>	<b>\$29,140,204</b>	<b>\$2,927,576</b>	<b>\$3,739,278</b>

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
(\$2,729,612)	\$0	(\$2,729,612)
(6,948,316)	0	(6,948,316)
(3,638,944)	0	(3,638,944)
(421,874)	0	(421,874)
(4,534,498)	0	(4,534,498)
114,781	0	114,781
<u>(1,101,931)</u>	<u>0</u>	<u>(1,101,931)</u>
<u>(19,260,394)</u>	<u>0</u>	<u>(19,260,394)</u>
0	2,408,984	2,408,984
0	20,442	20,442
0	866,171	866,171
0	660,027	660,027
<u>0</u>	<u>(1,015,701)</u>	<u>(1,015,701)</u>
<u>0</u>	<u>2,939,923</u>	<u>2,939,923</u>
<u>(19,260,394)</u>	<u>2,939,923</u>	<u>(16,320,471)</u>
36,291,906	0	36,291,906
677,876	0	677,876
5,125,291	0	5,125,291
2,151,515	0	2,151,515
2,226,651	0	2,226,651
2,278,530	0	2,278,530
3,078,024	1,126,581	4,204,605
1,398,026	98,011	1,496,037
<u>(1,486,000)</u>	<u>1,486,000</u>	<u>0</u>
<u>51,741,819</u>	<u>2,710,592</u>	<u>54,452,411</u>
32,481,425	5,650,515	38,131,940
<u>217,520,734</u>	<u>122,728,767</u>	<u>340,249,501</u>
<u>\$250,002,159</u>	<u>\$128,379,282</u>	<u>\$378,381,441</u>

City of Mason, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Safety	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$60,719,285	\$11,199,029	\$20,636,254	\$92,554,568
Restricted Cash	0	0	1,540,924	1,540,924
Receivables (Net):				
Taxes	6,709,394	5,219,585	2,052,224	13,981,203
Accounts	322,409	148,378	84,174	554,961
Interest	229,433	45,637	72,106	347,176
Intergovernmental	344,992	306,784	2,631,637	3,283,413
Special Assessments	2,880	0	1,856,340	1,859,220
Interfund	5,350,000	0	0	5,350,000
Inventory	436,155	16,074	0	452,229
<b>Total Assets</b>	<b>74,114,548</b>	<b>16,935,487</b>	<b>28,873,659</b>	<b>119,923,694</b>
<b>Liabilities:</b>				
Accounts Payable	221,021	45,638	6,537	273,196
Accrued Wages and Benefits	465,274	247,983	11,303	724,560
Contracts Payable	351,970	0	893,450	1,245,420
Retainage Payable	627,644	0	176,630	804,274
Interfund Payable	0	0	100,000	100,000
Claims Payable	453,564	0	0	453,564
Intergovernmental Payable	11,734	22,253	0	33,987
<b>Total Liabilities</b>	<b>2,131,207</b>	<b>315,874</b>	<b>1,187,920</b>	<b>3,635,001</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	673,825	5,219,585	2,052,224	7,945,634
Income Taxes	2,872,706	0	0	2,872,706
Grants and Other Taxes	227,065	306,784	2,177,695	2,711,544
Special Assessments	2,880	0	1,856,340	1,859,220
Unavailable Amounts	239,824	36,986	82,203	359,013
<b>Total Deferred Inflows of Resources</b>	<b>4,016,300</b>	<b>5,563,355</b>	<b>6,168,462</b>	<b>15,748,117</b>
<b>Fund Balances:</b>				
Nonspendable	554,010	16,074	0	570,084
Restricted	0	11,040,184	18,158,041	29,198,225
Committed	0	0	686	686
Assigned	43,669,072	0	3,358,550	47,027,622
Unassigned	23,743,959	0	0	23,743,959
<b>Total Fund Balances</b>	<b>67,967,041</b>	<b>11,056,258</b>	<b>21,517,277</b>	<b>100,540,576</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$74,114,548</b>	<b>\$16,935,487</b>	<b>\$28,873,659</b>	<b>\$119,923,694</b>

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, 2019

Total Governmental Fund Balance		\$100,540,576
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		210,740,225
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	2,872,706	
Delinquent Property Taxes	98,627	
Interest	170,695	
Intergovernmental	1,554,636	
Other Receivables	<u>2,047,538</u>	
		6,744,202
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.		
		(92,588)
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		(2,216,671)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		1,086,730
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	12,594,589	
Deferred inflows of resources related to pensions	(300,221)	
Deferred outflows of resources related to OPEB	3,276,911	
Deferred inflows of resources related to OPEB	<u>(1,133,540)</u>	
		14,437,739
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds	(22,148,696)	
Certificate of Participation	(7,258,113)	
Net Pension Liability	(42,494,915)	
Net OPEB Liability	<u>(9,336,330)</u>	
		<u>(81,238,054)</u>
Net Position of Governmental Activities		<u>\$250,002,159</u>

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, 2019

	General	Safety	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$1,925,082	\$5,133,581	\$2,018,366	\$9,077,029
Income Taxes	36,038,764	0	0	36,038,764
Charges for Services	2,788,345	757,872	0	3,546,217
Investment Earnings	2,191,147	426,888	404,034	3,022,069
Intergovernmental	769,586	614,898	3,724,020	5,108,504
Special Assessments	0	0	136,415	136,415
Fines, Licenses & Permits	1,851,597	0	824,064	2,675,661
Revenue in Lieu of Taxes	0	0	2,186,013	2,186,013
Other Revenues	2,951,750	111,456	793,740	3,856,946
<b>Total Revenues</b>	<b>48,516,271</b>	<b>7,044,695</b>	<b>10,086,652</b>	<b>65,647,618</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	7,198,735	0	440,226	7,638,961
Public Safety	8,730,459	7,807,418	9,501	16,547,378
Community Development	3,533,871	0	1,216,373	4,750,244
Leisure Time Activities	2,216,199	0	0	2,216,199
Transportation and Street Repair	4,019,214	0	2,750,096	6,769,310
Basic Utility Service	276,330	0	0	276,330
Capital Outlay	8,418,419	480,174	4,606,235	13,504,828
<b>Debt Service:</b>				
Principal	0	0	1,970,000	1,970,000
Interest and Other Charges	0	0	1,135,277	1,135,277
<b>Total Expenditures</b>	<b>34,393,227</b>	<b>8,287,592</b>	<b>12,127,708</b>	<b>54,808,527</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>14,123,044</b>	<b>(1,242,897)</b>	<b>(2,041,056)</b>	<b>10,839,091</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	2,886,843	5,645,387	8,532,230
Transfers (Out)	(9,772,843)	0	(245,387)	(10,018,230)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,772,843)</b>	<b>2,886,843</b>	<b>5,400,000</b>	<b>(1,486,000)</b>
<b>Net Change in Fund Balance</b>	<b>4,350,201</b>	<b>1,643,946</b>	<b>3,358,944</b>	<b>9,353,091</b>
<b>Fund Balance - Beginning of Year</b>	<b>63,493,831</b>	<b>9,411,895</b>	<b>18,158,333</b>	<b>91,064,059</b>
<b>Change in Reserve for Inventory</b>	<b>123,009</b>	<b>417</b>	<b>0</b>	<b>123,426</b>
<b>Fund Balance - End of Year</b>	<b>\$67,967,041</b>	<b>\$11,056,258</b>	<b>\$21,517,277</b>	<b>\$100,540,576</b>

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, 2019

Net Change in Fund Balance - Total Governmental Funds \$9,353,091

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	14,052,191	
Depreciation Expense	<u>(4,671,658)</u>	9,380,533

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. (195,233)

Governmental funds report pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

Pension Contributions	2,721,628	
Pension Expense	(6,921,080)	
OPEB Contributions	43,816	
OPEB Expense	<u>15,739,697</u>	11,584,061

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

Income Taxes	253,142	
Delinquent Property Taxes	(12,561)	
Interest	55,955	
Intergovernmental	101,457	
Other	<u>(52,589)</u>	345,404

Repayments of principal are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,970,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 5,001

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	(113,203)	
Amortization of Bond Premium	174,362	
Amortization of Deferred Charge on Refunding	(146,017)	
Change in Inventory	<u>123,426</u>	38,568

Change in Net Position of Governmental Activities \$32,481,425

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Business-Type Activities				
	Enterprise Funds				
	Sewer	Stormwater Utility	Community Center	Other Enterprise Fund	Total Business-Type Activities
<b>Current Assets:</b>					
Equity in Pooled Cash and Investments	\$25,202,759	\$3,698,282	\$8,003,755	\$2,168,608	\$39,073,404
Restricted Cash	0	0	10,694	0	10,694
<b>Receivables (Net):</b>					
Accounts	932,379	158,485	53,751	211,913	1,356,528
Interest	102,882	15,071	0	4,393	122,346
Inventory	33,369	0	154,861	128,661	316,891
Prepaid Items	0	0	449,625	0	449,625
<b>Total Current Assets</b>	<b>26,271,389</b>	<b>3,871,838</b>	<b>8,672,686</b>	<b>2,513,575</b>	<b>41,329,488</b>
<b>Noncurrent Assets:</b>					
<b>Capital Assets:</b>					
Nondepreciable Capital Assets	4,656,233	339,204	22,839	5,749,987	10,768,263
Depreciable Capital Assets, Net	57,301,948	38,614,606	15,543,580	2,664,053	114,124,187
<b>Total Noncurrent Assets</b>	<b>61,958,181</b>	<b>38,953,810</b>	<b>15,566,419</b>	<b>8,414,040</b>	<b>124,892,450</b>
<b>Total Assets</b>	<b>88,229,570</b>	<b>42,825,648</b>	<b>24,239,105</b>	<b>10,927,615</b>	<b>166,221,938</b>
<b>Deferred Outflows of Resources:</b>					
Deferred Charge on Refunding	1,587,692	0	0	0	1,587,692
Pension	411,953	66,002	983,146	8,928	1,470,029
Other Postemployment Benefits	60,137	9,635	143,521	1,303	214,596
<b>Total Deferred Outflows of Resources</b>	<b>2,059,782</b>	<b>75,637</b>	<b>1,126,667</b>	<b>10,231</b>	<b>3,272,317</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts Payable	109,255	6,479	22,250	20,952	158,936
Accrued Wages and Benefits	38,993	6,206	78,170	475	123,844
Compensated Absences	88,922	14,604	58,269	4,347	166,142
Contracts Payable	24,445	5,790	309,127	151,025	490,387
Accrued Interest Payable	51,963	2,058	14,430	69,616	138,067
Interfund Payable	0	0	5,250,000	0	5,250,000
Long-Term Liabilities Due Within One Year	1,285,000	125,000	655,000	500,000	2,565,000
<b>Total Current Liabilities</b>	<b>1,598,578</b>	<b>160,137</b>	<b>6,387,246</b>	<b>746,415</b>	<b>8,892,376</b>
<b>Long-Term Liabilities:</b>					
Bonds	14,073,125	583,037	0	3,500,000	18,156,162
Certificate of Participation	0	0	6,560,832	0	6,560,832
Net Pension Liability	1,360,576	217,989	3,247,080	29,487	4,855,132
Net Other Postemployment Benefits Liability	669,850	107,322	1,598,629	14,517	2,390,318
Compensated Absences	107,162	12,480	37,623	1,196	158,461
<b>Total Noncurrent Liabilities</b>	<b>16,210,713</b>	<b>920,828</b>	<b>11,444,164</b>	<b>3,545,200</b>	<b>32,120,905</b>
<b>Total Liabilities</b>	<b>17,809,291</b>	<b>1,080,965</b>	<b>17,831,410</b>	<b>4,291,615</b>	<b>41,013,281</b>
<b>Deferred Inflows of Resources:</b>					
Pension	23,482	3,762	56,040	509	83,793
Other Postemployment Benefits	5,016	804	11,970	109	17,899
<b>Total Deferred Inflows of Resources</b>	<b>28,498</b>	<b>4,566</b>	<b>68,010</b>	<b>618</b>	<b>101,692</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	48,187,748	38,245,773	8,350,587	4,414,040	99,198,148
<b>Restricted for:</b>					
Debt Service	0	0	10,694	0	10,694
Unrestricted	24,263,815	3,569,981	(894,929)	2,231,573	29,170,440
<b>Total Net Position</b>	<b>\$72,451,563</b>	<b>\$41,815,754</b>	<b>\$7,466,352</b>	<b>\$6,645,613</b>	<b>\$128,379,282</b>

See accompanying notes to the basic financial statements

City of Mason, Ohio  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds				Total Business-Type Activities
	Sewer	Stormwater Utility	Community Center	Other Enterprise Fund	
Operating Revenues:					
Charges for Services	\$8,047,061	\$1,535,164	\$7,107,884	\$3,609,044	\$20,299,153
Other Revenues	3	0	96,369	1,639	98,011
Total Operating Revenues	<u>8,047,064</u>	<u>1,535,164</u>	<u>7,204,253</u>	<u>3,610,683</u>	<u>20,397,164</u>
Operating Expenses:					
Personal Services	1,410,639	251,052	3,098,242	38,929	4,798,862
Contractual Services	1,254,398	112,153	1,559,967	3,497,311	6,423,829
Materials and Supplies	522,937	119,109	733,570	759,021	2,134,637
Depreciation	2,717,053	876,752	544,653	232,724	4,371,182
Total Operating Expenses	<u>5,905,027</u>	<u>1,359,066</u>	<u>5,936,432</u>	<u>4,527,985</u>	<u>17,728,510</u>
Operating Income (Loss)	<u>2,142,037</u>	<u>176,098</u>	<u>1,267,821</u>	<u>(917,302)</u>	<u>2,668,654</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	946,944	117,506	44,429	17,702	1,126,581
Interest (Expense)	(632,049)	(21,112)	(511,425)	(76,318)	(1,240,904)
Total Non-Operating Revenues (Expenses)	<u>314,895</u>	<u>96,394</u>	<u>(466,996)</u>	<u>(58,616)</u>	<u>(114,323)</u>
Income (Loss) Before Contributions and Transfers	2,456,932	272,492	800,825	(975,918)	2,554,331
Capital Grants and Contributions	898,999	711,185	0	0	1,610,184
Transfers In	0	0	0	1,486,000	1,486,000
Change in Net Position	3,355,931	983,677	800,825	510,082	5,650,515
Net Position - Beginning of Year	<u>69,095,632</u>	<u>40,832,077</u>	<u>6,665,527</u>	<u>6,135,531</u>	<u>122,728,767</u>
Net Position - End of Year	<u>\$72,451,563</u>	<u>\$41,815,754</u>	<u>\$7,466,352</u>	<u>\$6,645,613</u>	<u>\$128,379,282</u>

See accompanying notes to the basic financial statements

City of Mason, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities				Total Business-Type Activities
	Enterprise Funds				
	Sewer	Stormwater Utility	Community Center	Other Enterprise Fund	
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$8,010,841	\$1,543,613	\$7,229,300	\$3,629,874	\$20,413,628
Cash Payments to Employees	(1,221,932)	(200,621)	(2,675,258)	(27,976)	(4,125,787)
Cash Payments to Suppliers	(1,754,721)	(251,599)	(2,315,248)	(4,247,135)	(8,568,703)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>5,034,188</b>	<b>1,091,393</b>	<b>2,238,794</b>	<b>(645,237)</b>	<b>7,719,138</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	0	0	0	1,486,000	1,486,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,486,000</b>	<b>1,486,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Payments for Capital Acquisitions	(1,841,030)	(714,721)	(89,773)	(52,617)	(2,698,141)
Debt Proceeds	0	0	7,300,000	4,038,120	11,338,120
Debt Principal Payments	(1,260,000)	(120,000)	(8,475,000)	(4,500,000)	(14,355,000)
Debt Interest Payments	(645,600)	(27,994)	(521,771)	(129,151)	(1,324,516)
Capital Grants Received	741,280	0	0	0	741,280
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,005,350)</b>	<b>(862,715)</b>	<b>(1,786,544)</b>	<b>(643,648)</b>	<b>(6,298,257)</b>
<b>Cash Flows from Investing Activities:</b>					
Earnings on Investments	921,171	114,063	54,549	16,781	1,106,564
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>921,171</b>	<b>114,063</b>	<b>54,549</b>	<b>16,781</b>	<b>1,106,564</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,950,009</b>	<b>342,741</b>	<b>506,799</b>	<b>213,896</b>	<b>4,013,445</b>
Cash and Cash Equivalents - Beginning of Year	22,252,750	3,355,541	7,507,650	1,954,712	35,070,653
Cash and Cash Equivalents - End of Year	25,202,759	3,698,282	8,014,449	2,168,608	39,084,098
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	2,142,037	176,098	1,267,821	(917,302)	2,668,654
<b>Adjustments:</b>					
Depreciation	2,717,053	876,752	544,653	232,724	4,371,182
<b>Changes in Assets &amp; Liabilities:</b>					
(Increase) Decrease in Receivables	(36,223)	8,449	25,047	21,083	18,356
(Increase) Decrease in Inventory	13,032	0	(102,707)	(7,554)	(97,229)
(Increase) Decrease in Prepaid Items	0	0	(180,650)	0	(180,650)
(Increase) Decrease in Deferred Outflows of Resources	(228,696)	(40,363)	(553,450)	(5,689)	(828,198)
Increase (Decrease) in Payables	5,979	(20,337)	261,646	14,859	262,147
Increase (Decrease) in Accrued Liabilities	43,388	4,587	22,382	3,398	73,755
Increase (Decrease) in Deferred Inflows of Resources	(243,466)	(34,850)	(572,495)	(4,457)	(855,268)
Increase (Decrease) in Net Pension Liability	539,812	99,037	1,314,088	14,169	1,967,106
Increase (Decrease) in Net OPEB Liability	81,272	22,020	212,459	3,532	319,283
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$5,034,188</b>	<b>\$1,091,393</b>	<b>\$2,238,794</b>	<b>(\$645,237)</b>	<b>\$7,719,138</b>
<b>Schedule of Noncash Capital Activities:</b>					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$157,719	\$711,185	\$0	\$0	\$868,904

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,430,513
Receivables (Net):	
Accounts	12,502
Due From Other Funds	<u>12,911</u>
Total Assets	<u><u>1,455,926</u></u>
Liabilities:	
Due to Others	<u>1,455,926</u>
Total Liabilities	<u><u>\$1,455,926</u></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, 2019**

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**Note 1 – Description of the City and Reporting Entity**

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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 15.

**Note 2 – Summary of Significant Accounting Policies**

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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, 2019**

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**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, 2019**

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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.

Safety Fund – This special revenue fund accounts for expenditures of property tax revenues and other resources authorized by section 10.05 of the City's Charter for safety, fire and emergency medical services.

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, 2019**

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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.

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.

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.

**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

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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, other postemployment benefits, and pension 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. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. On the government wide statement of net position and governmental funds balance sheet, property taxes and revenue in lieu of taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for accounts receivable and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the proprietary funds statement of net position and the government-wide statement of net position (see Notes 11 and 12).

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following the Ohio Revised Code and City Ordinance, the City has specified certain funds to receive an allocation of interest earnings. Interest revenues during 2019 amounted to \$2,191,147 in the General fund, \$426,888 in the Safety Fund, and \$404,034 in other governmental funds.

**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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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.

**Prepaid Items**

Payments made for services that will benefit periods beyond December 31, 2019, 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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. 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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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.

**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.

**Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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

**Restricted Assets**

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

**Net Position**

Net position represents 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 \$32,012,399 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.



**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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**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.

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**

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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

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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investment policy as approved by Council Ordinance permits interim monies to be invested or deposited in the following securities in 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.
- (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 or subdivision in Ohio.
- (6) Bonds and other obligations of any state or subdivision in the top three highest rating classification by at least one nationally recognized rating agency.
- (7) The Ohio State Treasurer's investment pool (STAR Ohio).
- (8) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Chapter 135.
- (9) 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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2019, \$2,641,445 of the City's bank balance of \$2,171,355 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2019:

Investment Type	Fair Value Measurements Using			Net Asset Value*	Weighted Average Maturity in Years
	Net Asset Value* / Fair Value	Quoted Prices in			
		Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2		
US Treasury Notes/Bonds	\$34,331,218	\$34,331,218			2.74
STAR Ohio*	23,458,718			\$23,458,718	0.12
Federal National Mortgage Association	18,670,971		\$18,670,971		1.93
Federal Home Loan Mortgage Corporation	13,346,647		13,346,647		2.69
Negotiable Certificate of Deposit	12,219,557		12,219,557		2.29
Commercial Paper	11,086,472		11,086,472		0.42
Federal Farm Credit Bank	9,374,417		9,374,417		2.67
Municipal Bonds	5,281,091		5,281,091		1.82
Federal Home Loan Bank	4,014,072		4,014,072		2.55
Money Market Funds	1,498,967	1,498,967			0.00
	<u>\$133,282,130</u>	<u>\$35,830,185</u>	<u>\$73,993,227</u>	<u>\$23,458,718</u>	
Portfolio Weighted Average Maturity					1.77

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2019. STAR Ohio is reported at its share price (Net Asset value per share).

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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, 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. The City’s investments in Commercial Paper were rated A-1+ by Standard & Poor’s ratings and P-1 by Moody’s Investment Service. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. US Treasury Bills, Negotiable Certificate of Deposit 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 14% of the City’s investments in Federal National Mortgage Association, 26% in US Treasury Bills, 8% in Commercial Paper, 10% in Federal Home Loan Mortgage, 18% in STAR Ohio, 3% in Federal Home Loan Bank, 7% in Federal Farm Credit Bank, 4% in Municipal Bonds, 9% in Negotiable Certificate of Deposit and 1% in Money Market Funds.

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**

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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 \$2,880 in the General Fund and \$1,856,340 in other governmental funds.

**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 2019 were levied after October 1, 2018 on assessed values as of January 1, 2018, 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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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	\$1,315,894,450
Public Utility	<u>24,976,370</u>
Total Valuation	<u><u>\$1,340,870,820</u></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 and outstanding delinquencies which are measurable as of December 31, 2019, and for which there is an enforceable legal claim. In the funds, a portion of the receivable has been offset by deferred inflows since the current taxes were not levied to finance 2019 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 to allow 100% credit for residents employed in another city.

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

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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**

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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.

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: \$12,000,000 per occurrence. \$12,000,000 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 \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

Property:

- \$1,000,000,000/occurrence
- MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess of SIR provided by Alliant Property Insurance Program (APIP). 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: \$250,000/occurrence – all flood zones

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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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

Cyber Liability – included in Property Policy

First Party Loss:

\$2,000,000 Business Interruption Resulting from Security Breach  
\$500,000 Business Interruption Resulting from System Failure  
\$750,000 Dependent Business Interruption Resulting from Security Breach  
\$100,000 Dependent Business Interruption Resulting from System Failure  
\$2,000,000 Cyber Extortion Loss  
\$2,000,000 Data Recovery Costs

Liability:

Data & Network Liability; Regulatory Defense & Penalties; Payment Card Liabilities & Costs;  
Media Liability: \$2,000,000

E-Crime:

Fraudulent Instruction; Funds Transfer Fraud; Telephone Fraud: \$75,000

Breach Response Costs:

\$500,000 (increased to \$1 million if designated provider is used)

MVRMA SIR: \$100,000/occurrence

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

Pollution Liability – Claims made and Reported Policy

\$2 million/pollution condition and aggregate  
Retroactive Date: Policy inception

MVRMA SIR: \$100,000/pollution condition;  
\$250,000 Mold or Sewage Backups;  
\$750,000 underground storage tanks specific  
Coverage excess SIR provided by Illinois Union Insurance Co.

Member Deductible/occurrence - \$2,500

Crime Coverage

\$2 million/Employee Theft Per Loss; Forgery or Alteration  
\$100,000 Inside & Outside Premises – Theft of Money & Securities, Robbery, Safe Burglary  
\$2 million/Computer Fraud  
\$2 million/Funds Transfer Fraud  
\$5,000 Money Orders and Counterfeit Paper Currency

Member Deductible/occurrence - \$2,500

The audit of MVRMA's 2019 financial statements has not been completed yet. Figures from the audited December 31, 2018 financial statements are as follows:

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Current Assets	\$1,298,233
Total Assets	\$18,388,873
Deferred Outflow of Resources	\$107,736
Current Liabilities	\$7,910,492
Non-Current Liabilities	\$2,088,064
Deferred Inflows of Resources	\$111,425
Net Position	\$8,386,628

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 \$453,564 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:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Fiscal Year Liability</u>
2019	\$425,395	\$3,497,688	(\$3,469,519)	\$453,564
2018	487,412	3,193,434	(3,255,451)	425,395

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

**Note 6 – Contingent Liabilities**

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**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, 2019, 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.



**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

**Note 7 – Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$74,517,300	\$0	\$2,249,240	\$72,268,060
Construction in Progress	8,384,687	13,877,945	7,734,819	14,527,813
Total Capital Assets, not being depreciated	<u>82,901,987</u>	<u>13,877,945</u>	<u>9,984,059</u>	<u>86,795,873</u>
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	51,981,805	2,973,194	1,389,397	53,565,602
Equipment	22,276,781	1,938,604	936,637	23,278,748
Infrastructure	101,911,817	5,246,507	0	107,158,324
Totals at Historical Cost	<u>259,072,390</u>	<u>24,036,250</u>	<u>12,310,093</u>	<u>270,798,547</u>
Less Accumulated Depreciation:				
Buildings and Improvements	18,890,265	1,283,352	1,310,983	18,862,634
Equipment	15,297,574	1,602,318	819,818	16,080,074
Infrastructure	23,329,626	1,785,988	0	25,115,614
Total Accumulated Depreciation	<u>\$57,517,465</u>	<u>\$4,671,658</u>	<u>\$2,130,801</u>	<u>\$60,058,322</u>
Governmental Activities Capital Assets, Net	<u>\$201,554,925</u>	<u>\$19,364,592</u>	<u>\$10,179,292</u>	<u>\$210,740,225</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$10,694,550	\$0	\$0	\$10,694,550
Construction in Progress	462,440	1,738,735	2,127,462	73,713
Total Capital Assets, not being depreciated	<u>11,156,990</u>	<u>1,738,735</u>	<u>2,127,462</u>	<u>10,768,263</u>
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	54,379,529	14,310	0	54,393,839
Equipment	10,911,822	2,020,708	100,000	12,832,530
Infrastructure	102,575,606	1,920,755	0	104,496,361
Totals at Historical Cost	<u>179,023,947</u>	<u>5,694,508</u>	<u>2,227,462</u>	<u>182,490,993</u>
Less Accumulated Depreciation:				
Buildings and Improvements	17,509,680	1,558,940	0	19,068,620
Equipment	7,965,308	1,083,527	100,000	8,948,835
Infrastructure	27,852,372	1,728,716	0	29,581,088
Total Accumulated Depreciation	<u>\$53,327,360</u>	<u>\$4,371,183</u>	<u>\$100,000</u>	<u>\$57,598,543</u>
Business-Type Activities Capital Assets, Net	<u>\$125,696,587</u>	<u>\$1,323,325</u>	<u>\$2,127,462</u>	<u>\$124,892,450</u>

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Depreciation expense was charged to governmental functions as follows:

	Depreciation Expense
General Government	\$713,108
Public Safety	788,458
Leisure Time Activities	404,918
Transportation and Street Repair	2,728,663
Community Development	36,511
Total Depreciation Expense	<u>\$4,671,658</u>

**Note 8 – Compensated Absences**

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**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.

**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.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

**Note 9 – Long-Term Debt**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<u>General Obligation Bonds</u>					
2016 Various Purpose - Refunding	\$8,315,000	\$0	(\$50,000)	\$8,265,000	\$920,000
2017 Special Assessment Bonds	1,925,000	0	(75,000)	1,850,000	75,000
2011 Mason Road Widening	1,350,000	0	(115,000)	1,235,000	120,000
2011 US 42 Road Improvements	685,000	0	(45,000)	640,000	50,000
2015 Combined Financing	7,925,000	0	(370,000)	7,555,000	375,000
Premium on Bonds	1,382,613	0	(128,917)	1,253,696	0
Total General Obligation Bonds	<u>21,582,613</u>	<u>0</u>	<u>(783,917)</u>	<u>20,798,696</u>	<u>1,540,000</u>
<u>Revenue Bonds</u>					
2012 Enterprise Parke TIF Refunding	210,000	0	(50,000)	160,000	50,000
Everybody's Farm TIF	1,320,000	0	(130,000)	1,190,000	135,000
Total Revenue Bonds	<u>1,530,000</u>	<u>0</u>	<u>(180,000)</u>	<u>1,350,000</u>	<u>185,000</u>
<u>Certificate of Participation Bonds</u>					
Refunding Certificate of Participation	8,075,000	0	(1,135,000)	6,940,000	1,175,000
Premium on Refunding Certificate of Participation	363,558	0	(45,445)	318,113	0
Total Refunding Certificate of Participation Bonds	<u>8,438,558</u>	<u>0</u>	<u>(1,180,445)</u>	<u>7,258,113</u>	<u>1,175,000</u>
Total Long-Term Liabilities Bonds	31,551,171	0	(2,144,362)	29,406,809	2,900,000
Net Pension Liability:					
OPERS	6,593,054	5,475,938	0	12,068,992	0
OPF	22,957,690	7,468,233	0	30,425,923	0
Total Net Pension Liability	<u>29,550,744</u>	<u>12,944,171</u>	<u>0</u>	<u>42,494,915</u>	<u>0</u>
Net OPEB Liability:					
OPERS	4,727,950	1,213,956	0	5,941,906	0
OPF	21,193,659	0	(17,799,235)	3,394,424	0
Total Net OPEB Liability	<u>25,921,609</u>	<u>1,213,956</u>	<u>(17,799,235)</u>	<u>9,336,330</u>	<u>0</u>
Compensated Absences	2,103,468	1,073,283	(960,080)	2,216,671	1,033,092
Total Governmental Activities	<u>\$89,126,992</u>	<u>\$15,231,410</u>	<u>(\$20,903,677)</u>	<u>\$83,454,725</u>	<u>\$3,933,092</u>

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**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
<u>General Obligation Bonds</u>					
Sewer Refunding	\$14,925,000	\$0	(\$1,260,000)	\$13,665,000	\$1,285,000
Stormwater Improvement	795,000	0	(120,000)	675,000	125,000
Recreational Facilities BAN 2018	4,500,000	0	(500,000)	4,000,000	500,000
Premium on Bonds	1,920,894	0	(194,732)	1,726,162	0
<b>Total General Obligation Bonds</b>	<b>22,140,894</b>	<b>0</b>	<b>(2,074,732)</b>	<b>20,066,162</b>	<b>1,910,000</b>
<u>Certificate of Participation Bonds</u>					
Certificate of Participation	8,475,000	0	(8,475,000)	0	0
2019 Certificate of Participation Refunding	0	7,300,000	0	7,300,000	655,000
Discount on Certificate of Participation	(92,585)	8,417	0	(84,168)	0
<b>Total Certificate of Participation Bonds</b>	<b>8,382,415</b>	<b>7,308,417</b>	<b>(8,475,000)</b>	<b>7,215,832</b>	<b>655,000</b>
Net Pension Liability:					
OPERS	2,888,026	1,967,106	0	4,855,132	0
<b>Total Net Pension Liability</b>	<b>2,888,026</b>	<b>1,967,106</b>	<b>0</b>	<b>4,855,132</b>	<b>0</b>
Net OPEB Liability:					
OPERS	2,071,035	319,283	0	2,390,318	0
<b>Total Net OPEB Liability</b>	<b>2,071,035</b>	<b>319,283</b>	<b>0</b>	<b>2,390,318</b>	<b>0</b>
Compensated Absences - Enterprise	265,372	149,067	(89,836)	324,603	166,142
<b>Total Business-Type Activities</b>	<b>\$35,747,742</b>	<b>\$9,743,873</b>	<b>(\$10,639,568)</b>	<b>\$34,852,047</b>	<b>\$2,731,142</b>

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. There is no repayment schedule for the net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

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

Year	General Obligation Bonds and Note		Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$3,450,000	\$1,387,585	\$185,000	\$74,026
2021	3,560,000	1,274,131	205,000	64,512
2022	3,625,000	1,189,363	215,000	53,963
2023	3,750,000	1,064,835	170,000	42,838
2024	3,880,000	925,002	55,000	33,062
2025-2029	15,310,000	2,316,560	350,000	112,126
2030-2034	3,325,000	543,063	170,000	14,948
2035-2037	985,000	48,800	0	0
	<b>\$37,885,000</b>	<b>\$8,749,339</b>	<b>\$1,350,000</b>	<b>\$395,475</b>

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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**Long Term Special Assessment Bonds**

On September 7, 2017 the City issued \$2,000,000 in Special Assessment Bonds with an interest rate of 3.2%. The road and utility improvement special assessment bonds were issued for the purpose of paying the cost of the property owners' share of the construction of road and utility improvements in the Ambleside subdivision. The Bonds will be retired from the Special Assessment Bond Retirement.

**Note 10 – Certificates of Participation**

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The City currently has certificate of participation bonds for the municipal building and the community center addition.

The City's obligations meet the criteria of certificate of participation bonds and have been recorded on the government-wide statements. The assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the bond.

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

<u>Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$1,487,640	\$828,156
2021	1,490,640	827,619
2022	1,494,390	826,727
2023	1,489,890	830,479
2024	1,488,390	828,756
2025-2029	510,580	4,144,422
Total minimum lease payments	<u>7,961,530</u>	<u>8,286,159</u>
Less: Amount representing interest	(1,021,530)	(986,159)
Present value of minimum lease payments	<u><u>\$6,940,000</u></u>	<u><u>\$7,300,000</u></u>

Certificate of Participation bond payments are made from the Government Center Reserve Fund and the Community Center Funds. The costs of capital assets acquired under these capital leases are as follows:

Buildings and Improvements	\$35,760,000
Equipment	25,000

**Note 11 - Defined Benefit Pension Plans**

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The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees may pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

**Plan Description**

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional plan.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting [opers.org/financial/reports.shtml](http://opers.org/financial/reports.shtml), by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<u>Group C</u> Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u> Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<u>State and Local</u> Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<u>State and Local</u> Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<u>Public Safety</u> Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<u>Public Safety</u> Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<u>Public Safety</u> Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u> Age and Service Requirements: Age 52 with 15 years of service credit	<u>Law Enforcement</u> Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<u>Law Enforcement</u> Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u> Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<u>Public Safety and Law Enforcement</u> Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<u>Public Safety and Law Enforcement</u> Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**Funding Policy**

The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2019 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee (a)	10.00%	(b)	(c)
2019 Actual Contribution Rates			
Employer:			
Pension (d)	14.00%	18.10%	18.10%
Post-employment Health Care Benefits (d)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</u>

- (a) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- (b) This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- (c) This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.
- (d) These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4% for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, the City's contractually required contribution was \$1,197,690, of this amount \$109,403 is reported in accrued wages and benefits.

**Plan Description – Ohio Police & Fire Pension Fund (OP&F)**

**Plan Description**

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. 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 and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [op-f.org](http://op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service



**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under the COLA method, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member’s base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**Funding Policy**

The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2019 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-Employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$1,867,527 for 2019, of this amount \$142,393 is reported as accrued wages and benefits.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018 to December 31, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

	OPERS		
	Traditional Plan	OP&F	Total
Proportionate Share of the Net Pension Liability	\$16,924,124	\$30,425,923	\$47,350,047
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06179400%	0.37274600%	
Prior Measurement Date	0.06043500%	0.37405900%	
Change in Proportionate Share	0.00135900%	-0.00131300%	
Pension Expense	\$3,560,895	\$4,381,721	\$7,942,616

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		
	Traditional Plan	OP&F	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$781	\$1,250,080	\$1,250,861
Changes of assumptions	1,473,287	806,633	2,279,920
Net difference between projected and actual earnings on pension plan investments	2,297,077	3,748,448	6,045,525
Changes in employer proportionate share of net pension liability	155,424	1,267,671	1,423,095
Contributions subsequent to the measurement date	1,197,690	1,867,527	3,065,217
Total Deferred Outflows of Resources	\$5,124,259	\$8,940,359	\$14,064,618
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$222,223	\$28,412	\$250,635
Changes in employer proportionate share of net pension liability	69,863	63,516	133,379
Total Deferred Inflows of Resources	\$292,086	\$91,928	\$384,014

\$3,065,217 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Year Ending December 31:	OPERS Traditional Plan	OP&F	Total
2020	\$1,538,770	\$2,136,341	\$3,675,111
2021	814,302	1,316,669	2,130,971
2022	213,101	1,463,800	1,676,901
2023	1,068,310	1,916,495	2,984,805
2024	0	147,599	147,599
Total	<u>\$3,634,483</u>	<u>\$6,980,904</u>	<u>\$10,615,387</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (includes wage inflation at 3.25%)
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	100.00%	5.95%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the net pension liability calculated using the discount rate of 7.20%, and the expected net pension liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$25,001,852	\$16,924,124	\$10,211,459

**Changes since the prior Measurement Date on to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2019 (December 31, 2018 measurement date), is based on the results of an actuarial valuation date of January 1, 2018, rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increased based on the lesser of the increase in CPI and 3.00%

**Healthy Mortality**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

**Disabled Mortality**

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F's prior actuary and the assumptions were effective January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	120.00%	

*Note: Assumptions are geometric*

*\* levered 2x*

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

Total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 7.00%, or one percentage point higher, 9.00%, than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$39,992,779	\$30,425,923	\$22,431,433

**Changes in Benefit Terms and Assumptions since prior measurement date and to report date**

There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation studies as of the pension plan for the measurement date.

**Note 12 - Defined Benefit Other Postemployment Benefits Plans**

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See Note 11 for a description of the net OPEB liability.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

**Health Care Plan Description**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting [opers.org/financial/reports.shtml](http://opers.org/financial/reports.shtml), by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

**Funding Policy**

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$0 for 2019.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

**Health Care 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 a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board



**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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of Trustees. Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy**

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

On January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$43,816 for 2019.

**Net OPEB Liability**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS		
	Traditional Plan	OP&F	Total
Proportionate Share of the Net OPEB Liability	\$8,332,224	\$3,394,424	\$11,726,648
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.06390900%	0.37274600%	
Prior Measurement Date	0.06261000%	0.37405900%	
Change in Proportionate Share	0.00129900%	-0.00131300%	
OPEB Expense	\$765,215	(\$16,579,937)	(\$15,814,722)

At December 31, 2019, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	Traditional Plan	OP&F	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$2,822	\$0	\$2,822
Changes of assumptions	268,641	1,759,506	2,028,147
Net difference between projected and actual earnings on pension plan investments	381,983	114,904	496,887
Changes in employer proportionate share of net pension liability	94,600	825,235	919,835
Contributions subsequent to the measurement date	0	43,816	43,816
Total Deferred Outflows of Resources	\$748,046	\$2,743,461	\$3,491,507
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$22,608	\$90,945	\$113,553
Changes of assumptions	0	939,737	939,737
Changes in employer proportionate share of net pension liability	39,782	58,367	98,149
Total Deferred Inflows of Resources	\$62,390	\$1,089,049	\$1,151,439

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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\$43,816 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OP&F	Total
2020	\$308,795	\$282,354	\$591,149
2021	120,091	282,354	402,445
2022	64,339	282,354	346,693
2023	192,431	317,108	509,539
2024	0	262,316	262,316
Thereafter	0	184,110	184,110
Total	<u>\$685,656</u>	<u>\$1,610,596</u>	<u>\$2,296,252</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary	3.25% to 10.75% (including wage inflation)
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual Entry Age, Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and healthcare related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table on the following page displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34%	2.42%
Domestic Equities	21%	6.21%
Real Estate Investment Trust	6%	5.98%
International Equities	22%	7.83%
Other investments	17%	5.57%
Total	100%	5.16%

**Discount Rate**

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position and future contributions were sufficient to finance the health care costs through the year 2031. As a result, the long term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following table presents the OPEB liability calculated using the single discount rate of 3.96%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Proportionate share of the net OPEB liability	\$10,660,021	\$8,332,224	\$6,481,012

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$8,009,076	\$8,332,224	\$8,704,406

**Changes since prior Measurement Date and to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Stipend Increase Rate	The stipend is not assured to increase over the projection period

**Healthy Mortality**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

**Disabled Mortality**

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	120.00%	

*Note: Assumptions are geometric*

*\* levered 2x*

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.66%, or one percentage point higher, 5.66%, than the current rate:

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
Proportionate share of the net OPEB liability	\$4,135,335	\$3,394,424	\$2,772,493

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

The net OPEB liability for OP&F is no sensitive to changes in the healthcare care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

**Changes since prior measurement date and to report date**

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

**Note 13 – Construction and Other Commitments**

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**Construction**

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, 2019**

Projects	Amount
Mason Municipal Aquatic Center	\$14,992,537
Snider Road Roundabouts (Mason Road, Thornberry Court)	2,663,120
SR 741 Improvement Spyglass Hill to Welden	1,088,900
Snider Road Widening (Western Row to Tylersville)	871,466
Heritage Oak Park Reinvestment	762,497
I-71/Western Row Rd interchange Enhancement	644,900
Common Ground Park	371,435
US 42 Roundabouts	267,240
Mason-Montgomery Road to US 42 Connector	225,000
Downtown Parking Lot (at 5/3 Bank)	152,394
Park Signs	100,313
Butler-Warren Road and Western Row Road - Roundabouts	93,241
Mason-Montgomery Road Widening	87,444
Mason-Lebanon Trail Connection	32,542
St Rt 741 Parkside Intersection	19,089
Service Center Annex (Police Impound Door Bulding #2)	15,370
Municipal Center Basin Modifications	6,158
Central Park Blvd Extension	2,300
Total	\$22,395,946

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. Outstanding encumbrances as of December 31, 2019 were as follows:

Fund	Amount
General	\$34,691,434
Safety	562,625
Sewer	537,910
Waste Collection	158,787
Stormwater Utility	618,388
Community Center	2,636,126
Golf Course	128,215
Nonmajor Funds	11,261,866
Total	\$50,595,351

**Note 14 – 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, 2019**

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	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$5,350,000	\$0	\$0	\$9,772,843
Safety Fund	0	0	2,886,843	0
Community Center Fund	0	5,250,000	0	0
Other Enterprise Funds	0	0	1,486,000	0
Other Governmental Funds	0	100,000	5,645,387	245,387
Total All Funds	<u>\$5,350,000</u>	<u>\$5,350,000</u>	<u>\$10,018,230</u>	<u>\$10,018,230</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.

\$5.25 million was previously advanced to the Community Center Fund from the General Fund. The agreement between the City and the Mason City Schools requires the Community Center to be self-sufficient.

The transfer out of the Street Construction, Maintenance, and Repair Fund to the General Bond Retirement Fund of \$165,000 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 \$71,000 was to make the debt service payment for the US 42 Road Improvement debt that is included in the 2013 Various Purpose General Obligation Bonds. The transfer out of the Municipal Court Indigent Driver IDAM Fund (Other Governmental Funds) to the Indigent Driver Fund of \$9,387 was for indigent driver programs.

**Note 15 – Joint Venture**

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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, 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

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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Net Distribution:

83% Liberty Township  
2% Middletown  
15% Mason

**Note 16 – Fund Balances**

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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, 2019**

Fund Balances	General	Safety	Other Governmental Funds	Total
Nonspendable:				
Inventory	\$436,155	\$16,074	\$0	\$452,229
Unclaimed Monies	117,855	0	0	117,855
<b>Total Nonspendable</b>	<b>554,010</b>	<b>16,074</b>	<b>0</b>	<b>570,084</b>
Restricted for:				
Fire and Emergency Medical Service Safety	0	11,040,184	0	11,040,184
Street Construction Maintenance and Repair	0	0	9,208,204	9,208,204
Street Subdivision	0	0	1,069,290	1,069,290
Parks and Recreation	0	0	203,743	203,743
Drug Law Enforcement	0	0	46,170	46,170
Law Enforcement and Education	0	0	5,090	5,090
Indigent Drive	0	0	60,224	60,224
Municipal Court Computer Costs	0	0	296,272	296,272
Municipal Court Improvement Education	0	0	251,198	251,198
Municipal Court Improvement	0	0	318,057	318,057
Vehicle Immobilization Fee	0	0	17,398	17,398
Municipal Court Probation Services	0	0	115,180	115,180
Municipal Court Indigent Driver IDAM	0	0	1,687	1,687
Central Parke TIF	0	0	731,419	731,419
Mason Enterprise Parke TIF	0	0	97,712	97,712
Tylersville Road TIF	0	0	503,019	503,019
I-71 Corridor TIF	0	0	2,146,638	2,146,638
Everybody's Farm TIF	0	0	281,515	281,515
JW Harris TIF	0	0	662,151	662,151
General Obligation Bond Retirement	0	0	2,010,612	2,010,612
State Highway Improvement	0	0	114,261	114,261
Special Assessment Bond Retirement	0	0	18,201	18,201
<b>Total Restricted</b>	<b>0</b>	<b>11,040,184</b>	<b>18,158,041</b>	<b>29,198,225</b>
Committed to:				
Police Crime Prevention	0	0	686	686
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>686</b>	<b>686</b>
Assigned to:				
General Capital Improvement	38,111,674	0	0	38,111,674
Debt Service	0	0	2,533,310	2,533,310
Common Ground Park Construction	0	0	389,061	389,061
Subdivision Inspection	0	0	436,179	436,179
Protection and Enforcement	115,577	0	0	115,577
Recreation Services	111,677	0	0	111,677
Transportation Services	379,167	0	0	379,167
General Governance	499,827	0	0	499,827
Community Development	2,419,742	0	0	2,419,742
Asset Development and Management	1,775,652	0	0	1,775,652
Medical and Health Wellness	233,442	0	0	233,442
Other Miscellaneous Services Provided	22,314	0	0	22,314
<b>Total Assigned</b>	<b>43,669,072</b>	<b>0</b>	<b>3,358,550</b>	<b>47,027,622</b>
<b>Unassigned (Deficit)</b>	<b>23,743,959</b>	<b>0</b>	<b>0</b>	<b>23,743,959</b>
<b>Total Fund Balance</b>	<b>\$67,967,041</b>	<b>\$11,056,258</b>	<b>\$21,517,277</b>	<b>\$100,540,576</b>

**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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**Note 17 – Tax Abatements**

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As of December 31, 2019, the City provides tax abatements through the Community Reinvestment Area (CRA) program. The Ohio Community Reinvestment Area program is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to 3735.70, city, village or county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. It is the City’s policy to have reimbursement agreements with school districts for any CRA prior to 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

<u>City of Mason Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (in thousands)</u>	<u>City of Mason Share of Taxes Abated (in thousands)</u>
Community Reinvestment Area	\$3,680	\$396

**Note 18 – Subsequent Event**

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The City has evaluated subsequent events through the date of the “Independent Auditors Report,” the date on which the combined financial statements were available to be issued.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, the impact of the investments of the pension and other employee benefit plan in which the City participates and any recovery from emergency funding, either federal or state, cannot be estimated.

In March 2020, the City issued \$21 million of general obligation recreational facilities bonds. Series A was \$15 million issued for the construction of a new aquatic center. Series B refunded \$4 million for the golf course acquisition plus \$2 million for golf course improvements.

**Note 19 – Implementation of New Accounting Principles**

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For fiscal year 2019, the City has postponed implementation of Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations, GASB No. 84, Fiduciary Activities, GASB No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, and GASB No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The City did not implement these statements due to the GASB postponing the implementation by 12 months because of the covid-19 pandemic.

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***REQUIRED SUPPLEMENTARY INFORMATION***

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.06179400%	0.06043500%	0.06167100%	0.06357900%	0.06477700%	0.06477700%
City's Proportionate Share of the Net Pension Liability	\$16,924,124	\$9,481,080	\$14,004,435	\$11,012,684	\$7,812,829	\$7,636,364
City's Covered Payroll	\$8,346,364	\$7,987,231	\$7,972,958	\$9,235,283	\$7,967,975	\$8,325,577
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	118.70%	175.65%	119.25%	98.05%	91.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.  
 See accompanying notes to the required supplementary information.



City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.37274600%	0.37405900%	0.35072000%	0.33845900%	0.33722890%	0.33722890%
City's Proportionate Share of the Net Pension Liability	\$30,425,923	\$22,957,690	\$22,214,253	\$21,773,305	\$17,469,862	\$16,424,105
City's Covered Payroll	\$9,371,353	\$9,067,805	\$8,431,353	\$7,354,405	\$6,931,636	\$5,687,506
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	324.67%	253.18%	263.47%	296.06%	252.03%	288.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.  
 See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of City's Contributions  
 for Net Pension Liability  
 Ohio Public Employees Retirement System- Traditional Plan  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,197,690	\$1,168,491	\$1,038,340	\$956,755	\$1,108,234	\$956,157
Contributions in Relation to the Contractually Required Contribution	<u>(1,197,690)</u>	<u>(1,168,491)</u>	<u>(1,038,340)</u>	<u>(956,755)</u>	<u>(1,108,234)</u>	<u>(956,157)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958	\$9,235,283	\$7,967,975
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of City's Contributions  
 for Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,867,527	\$1,780,557	\$1,722,883	\$1,601,957	\$1,477,500	\$1,411,281
Contributions in Relation to the Contractually Required Contribution	<u>(1,867,527)</u>	<u>(1,780,557)</u>	<u>(1,722,883)</u>	<u>(1,601,957)</u>	<u>(1,477,500)</u>	<u>(1,411,281)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353	\$7,354,405	\$6,931,636
Contributions as a Percentage of Covered Payroll	21.13%	19.00%	19.00%	19.00%	20.09%	20.36%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.06390900%	0.06261000%	0.06372551%
City's Proportionate Share of the Net OPEB Liability	\$8,332,224	\$6,798,985	\$6,436,492
City's Covered Payroll	\$8,346,364	\$7,987,231	\$7,972,958
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.998305815	85.12%	80.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 Ohio Police and Fire Pension Fund  
 Last Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.37274600%	0.37405900%	0.35072000%
City's Proportionate Share of the Net OPEB Liability	\$3,394,424	\$21,193,659	\$16,647,890
City's Covered Payroll	\$9,371,353	\$9,067,805	\$8,431,353
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.22%	233.72%	197.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of City's Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Four Fiscal Years (1)

	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Mason, Ohio  
 Required Supplementary Information  
 Schedule of City's Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Police and Fire Pension Fund  
 Last Four Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB	\$43,816	\$41,701	\$104,088	\$185,509
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(43,816)</u>	<u>(41,701)</u>	<u>(104,088)</u>	<u>(185,509)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.44%	1.15%	2.20%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$33,355,000	\$33,355,000	\$37,803,486	\$4,448,486
Fines, Licenses and Permits	1,743,000	1,743,000	1,746,446	3,446
Intergovernmental	70,000	70,000	738,299	668,299
Charges for Services	1,252,000	1,252,000	1,089,074	(162,926)
Investment Earnings	200,000	200,000	1,309,360	1,109,360
Other Revenues	570,000	570,000	838,664	268,664
<b>Total Revenues</b>	<b>37,190,000</b>	<b>37,190,000</b>	<b>43,525,329</b>	<b>6,335,329</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
City Manager	372,993	387,993	379,235	8,758
Assistant City Manager	831,425	831,425	808,909	22,516
Finance	600,831	600,831	552,508	48,323
Earnings Tax	850,923	850,923	671,552	179,371
Refunds and Reimbursements	1,500,000	1,500,000	1,346,928	153,072
Law Director	550,397	450,397	385,368	65,029
Council	391,082	376,082	301,496	74,586
Municipal Court	1,437,968	1,437,968	1,347,198	90,770
Land, Buildings and Grounds	962,660	1,007,660	864,529	143,131
Information Technology	869,368	824,368	695,379	128,989
Auditor's Deductions	653,068	623,068	595,083	27,985
Contingency	250,000	0	0	0
<b>Total General Government</b>	<b>9,270,715</b>	<b>8,890,715</b>	<b>7,948,185</b>	<b>942,530</b>
<b>Public Safety</b>				
Police Department	6,766,306	6,766,306	6,192,597	573,709
Street Lighting	416,395	416,395	392,087	24,308
Campus Security	1,405,178	1,405,178	1,345,819	59,359
Diaster Services	66,780	66,780	45,986	20,794
<b>Total Public Safety</b>	<b>8,654,659</b>	<b>8,654,659</b>	<b>7,976,489</b>	<b>678,170</b>
<b>Leisure Time Activities</b>				
Recreation Programs	616,977	616,977	456,261	160,716
Parks	1,521,190	1,521,190	1,351,680	169,510
Swimming Pool	234,302	234,302	198,913	35,389
Senior Center	179,602	179,602	114,434	65,168
<b>Total Leisure Time Activities</b>	<b>2,552,071</b>	<b>2,552,071</b>	<b>2,121,288</b>	<b>430,783</b>
<b>Community Development</b>				
Community Planning-Zoning	309,764	339,764	321,809	17,955
Building Inspections	905,023	905,023	851,177	53,846
Economic Development	693,102	693,102	554,751	138,351
Community Development	3,157,318	4,487,318	4,372,437	114,881
<b>Total Community Development</b>	<b>5,065,207</b>	<b>6,425,207</b>	<b>6,100,174</b>	<b>325,033</b>
<b>Transportation &amp; Street Repair</b>				
Traffic Signals	217,812	217,812	141,855	75,957
Street Maintenance & Repair	3,675,621	3,675,621	3,161,990	513,631
Garage	484,619	484,619	443,112	41,507
Engineering	752,456	752,456	731,395	21,061
<b>Total Transportation &amp; Street Repair</b>	<b>5,130,508</b>	<b>5,130,508</b>	<b>4,478,352</b>	<b>652,156</b>

(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, 2019

	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	32,373,160	33,353,160	30,324,488	3,028,672
Excess of Revenues Over (Under) Expenditures	4,816,840	3,836,840	13,200,841	9,364,001
Other Financing Sources (Uses): Transfers (Out)	(7,795,000)	(19,795,000)	(18,236,843)	1,558,157
Total Other Financing Sources (Uses)	(7,795,000)	(19,795,000)	(18,236,843)	1,558,157
Net Change in Fund Balance	(2,978,160)	(15,958,160)	(5,036,002)	10,922,158
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,076,967	16,076,967	16,076,967	0
Fund Balance End of Year	<u>\$13,098,807</u>	<u>\$118,807</u>	<u>\$11,040,965</u>	<u>\$10,922,158</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, 2019

	Safety Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$4,860,000	\$4,860,000	\$5,133,581	\$273,581
Intergovernmental	540,000	540,000	623,825	83,825
Charges for Services	600,000	600,000	742,485	142,485
Investment Earnings	0	0	253,952	253,952
Other Revenues	0	0	114,734	114,734
<b>Total Revenues</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,868,577</b>	<b>868,577</b>
Expenditures:				
Current:				
Public Safety	8,309,262	8,509,262	8,121,771	387,491
Capital Outlay	824,550	824,550	683,404	141,146
<b>Total Expenditures</b>	<b>9,133,812</b>	<b>9,333,812</b>	<b>8,805,175</b>	<b>528,637</b>
Excess of Revenues Over (Under) Expenditures	<u>(3,133,812)</u>	<u>(3,333,812)</u>	<u>(1,936,598)</u>	<u>1,397,214</u>
Other Financing Sources (Uses):				
Transfers In	2,320,000	2,320,000	2,886,843	566,843
<b>Total Other Financing Sources (Uses)</b>	<b>2,320,000</b>	<b>2,320,000</b>	<b>2,886,843</b>	<b>566,843</b>
Net Change in Fund Balance	(813,812)	(1,013,812)	950,245	1,964,057
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>9,565,303</u>	<u>9,648,975</u>	<u>9,565,303</u>	<u>(83,672)</u>
Fund Balance End of Year	<u><u>\$8,751,491</u></u>	<u><u>\$8,635,163</u></u>	<u><u>\$10,515,548</u></u>	<u><u>\$1,880,385</u></u>

See accompanying notes to the required supplementary information.

**City of Mason, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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**Note 1 – Budgetary Process**

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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, street construction, maintenance and repair fund and the safety 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 Fiscal Year Ended December 31, 2019**

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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 safety fund.

**Net Change in Fund Balance**

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	General	Safety
GAAP Basis	\$4,350,201	\$1,643,946
Revenue Accruals	(4,990,942)	(176,118)
Expenditure Accruals	9,609,760	45,042
Transfers (Out)	(8,464,000)	0
Encumbrances	(5,541,021)	(562,625)
Budget Basis	(\$5,036,002)	\$950,245

**Note 2 – Net Pension Liability**

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**Ohio Police and Fire Pension Fund Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**City of Mason, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**Note 3 - Net OPEB Liability**

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**Ohio Police and Fire Pension Fund Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

2018: The single discount rate changed from 3.79% to 3.24%

*Changes in benefit terms:*

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it

**City of Mason, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

2018: The single discount rate changed from 4.23% to 3.85%.

*Changes in benefit terms:*

2019-2018: There were no changes in benefit terms for the period.

***COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES***

## **Nonmajor Governmental Funds**

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### **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.

### **Capital Projects Funds**

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.



City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$17,163,573	\$3,009,666	\$463,015	\$20,636,254
Restricted Cash	0	1,540,924	0	1,540,924
<b>Receivables (Net):</b>				
Taxes	0	2,052,224	0	2,052,224
Accounts	84,174	0	0	84,174
Interest	41,350	30,756	0	72,106
Intergovernmental	2,510,318	121,319	0	2,631,637
Special Assessments	0	1,856,340	0	1,856,340
<b>Total Assets</b>	<b>19,799,415</b>	<b>8,611,229</b>	<b>463,015</b>	<b>28,873,659</b>
<b>Liabilities:</b>				
Accounts Payable	5,877	660	0	6,537
Accrued Wages and Benefits	11,303	0	0	11,303
Contracts Payable	893,450	0	0	893,450
Retainage Payable	102,676	0	73,954	176,630
Interfund Payable	100,000	0	0	100,000
<b>Total Liabilities</b>	<b>1,113,306</b>	<b>660</b>	<b>73,954</b>	<b>1,187,920</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	2,052,224	0	2,052,224
Grants and Other Taxes	2,056,376	121,319	0	2,177,695
Special Assessments	0	1,856,340	0	1,856,340
Unavailable Amounts	63,640	18,563	0	82,203
<b>Total Deferred Inflows of Resources</b>	<b>2,120,016</b>	<b>4,048,446</b>	<b>0</b>	<b>6,168,462</b>
<b>Fund Balances:</b>				
Restricted	16,129,228	2,028,813	0	18,158,041
Committed	686	0	0	686
Assigned	436,179	2,533,310	389,061	3,358,550
<b>Total Fund Balances</b>	<b>16,566,093</b>	<b>4,562,123</b>	<b>389,061</b>	<b>21,517,277</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$19,799,415</b>	<b>\$8,611,229</b>	<b>\$463,015</b>	<b>\$28,873,659</b>

City of Mason, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$2,018,366	\$0	\$2,018,366
Investment Earnings	352,443	51,591	0	404,034
Intergovernmental	3,091,105	240,915	392,000	3,724,020
Special Assessments	0	136,415	0	136,415
Fines, Licenses & Permits	824,064	0	0	824,064
Revenue in Lieu of Taxes	2,186,013	0	0	2,186,013
Other Revenues	6,240	0	787,500	793,740
<b>Total Revenues</b>	<b>6,459,865</b>	<b>2,447,287</b>	<b>1,179,500</b>	<b>10,086,652</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	440,226	0	0	440,226
Public Safety	9,501	0	0	9,501
Community Development	1,216,373	0	0	1,216,373
Transportation and Street Repair	2,750,096	0	0	2,750,096
Capital Outlay	2,634,654	0	1,971,581	4,606,235
<b>Debt Service:</b>				
Principal	180,000	1,790,000	0	1,970,000
Interest and Other Charges	83,250	1,052,027	0	1,135,277
<b>Total Expenditures</b>	<b>7,314,100</b>	<b>2,842,027</b>	<b>1,971,581</b>	<b>12,127,708</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(854,235)</b>	<b>(394,740)</b>	<b>(792,081)</b>	<b>(2,041,056)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,509,387	1,836,000	300,000	5,645,387
Transfers (Out)	(245,387)	0	0	(245,387)
<b>Total Other Financing Sources (Uses)</b>	<b>3,264,000</b>	<b>1,836,000</b>	<b>300,000</b>	<b>5,400,000</b>
<b>Net Change in Fund Balance</b>	<b>2,409,765</b>	<b>1,441,260</b>	<b>(492,081)</b>	<b>3,358,944</b>
<b>Fund Balance - Beginning of Year</b>	<b>14,156,328</b>	<b>3,120,863</b>	<b>881,142</b>	<b>18,158,333</b>
<b>Fund Balance - End of Year</b>	<b>\$16,566,093</b>	<b>\$4,562,123</b>	<b>\$389,061</b>	<b>\$21,517,277</b>

## **Nonmajor Special Revenue Funds**

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### **Fund Descriptions**

**Street Construction, Maintenance and Repair** – This 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** – 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.

## **Nonmajor Special Revenue Funds**

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### **Fund Descriptions (Continued)**

**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.

**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.

**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.

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

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City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	Street Construction, Maintenance and Repair	State Highway Improvement	Street Subdivision	Police Officer Training	Parks and Recreation
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$9,758,619	\$184,991	\$1,069,290	\$0	\$203,312
<b>Receivables (Net):</b>					
Accounts	43,760	0	0	0	0
Interest	39,767	754	0	0	829
Intergovernmental	1,034,491	78,291	0	0	0
<b>Total Assets</b>	<b>10,876,637</b>	<b>264,036</b>	<b>1,069,290</b>	<b>0</b>	<b>204,141</b>
<b>Liabilities:</b>					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	0	0	0
Contracts Payable	893,450	0	0	0	0
Retainage Payable	102,676	0	0	0	0
Interfund Payable	0	100,000	0	0	0
<b>Total Liabilities</b>	<b>996,126</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Grants and Other Taxes	609,427	49,413	0	0	0
Unavailable Amounts	62,880	362	0	0	398
<b>Total Deferred Inflows of Resources</b>	<b>672,307</b>	<b>49,775</b>	<b>0</b>	<b>0</b>	<b>398</b>
<b>Fund Balances:</b>					
Restricted	9,208,204	114,261	1,069,290	0	203,743
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>9,208,204</b>	<b>114,261</b>	<b>1,069,290</b>	<b>0</b>	<b>203,743</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$10,876,637</b>	<b>\$264,036</b>	<b>\$1,069,290</b>	<b>\$0</b>	<b>\$204,141</b>

Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement
\$686	\$45,920	\$5,015	\$64,960	\$288,729	\$248,538	\$306,115
0	250	75	350	7,543	2,660	14,634
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>686</u>	<u>46,170</u>	<u>5,090</u>	<u>65,310</u>	<u>296,272</u>	<u>251,198</u>	<u>320,749</u>
0	0	0	5,086	0	0	338
0	0	0	0	0	0	2,354
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>5,086</u>	<u>0</u>	<u>0</u>	<u>2,692</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	46,170	5,090	60,224	296,272	251,198	318,057
686	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>686</u>	<u>46,170</u>	<u>5,090</u>	<u>60,224</u>	<u>296,272</u>	<u>251,198</u>	<u>318,057</u>
<u>\$686</u>	<u>\$46,170</u>	<u>\$5,090</u>	<u>\$65,310</u>	<u>\$296,272</u>	<u>\$251,198</u>	<u>\$320,749</u>

Continued

City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$17,398	\$106,742	\$1,094	\$662,151	\$731,419
<b>Receivables (Net):</b>					
Accounts	0	14,309	593	0	0
Interest	0	0	0	0	0
Intergovernmental	0	0	0	0	99,244
<b>Total Assets</b>	<b>17,398</b>	<b>121,051</b>	<b>1,687</b>	<b>662,151</b>	<b>830,663</b>
<b>Liabilities:</b>					
Accounts Payable	0	366	0	0	0
Accrued Wages and Benefits	0	5,505	0	0	0
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>5,871</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Grants and Other Taxes	0	0	0	0	99,244
Unavailable Amounts	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99,244</b>
<b>Fund Balances:</b>					
Restricted	17,398	115,180	1,687	662,151	731,419
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>17,398</b>	<b>115,180</b>	<b>1,687</b>	<b>662,151</b>	<b>731,419</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$17,398</b>	<b>\$121,051</b>	<b>\$1,687</b>	<b>\$662,151</b>	<b>\$830,663</b>



Mason Enterprise Parke TIF	Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$97,712	\$503,019	\$2,146,638	\$281,515	\$439,710	\$17,163,573
0	0	0	0	0	84,174
0	0	0	0	0	41,350
70,193	499,937	527,744	200,418	0	2,510,318
167,905	1,002,956	2,674,382	481,933	439,710	19,799,415
0	0	0	0	87	5,877
0	0	0	0	3,444	11,303
0	0	0	0	0	893,450
0	0	0	0	0	102,676
0	0	0	0	0	100,000
0	0	0	0	3,531	1,113,306
70,193	499,937	527,744	200,418	0	2,056,376
0	0	0	0	0	63,640
70,193	499,937	527,744	200,418	0	2,120,016
97,712	503,019	2,146,638	281,515	0	16,129,228
0	0	0	0	0	686
0	0	0	0	436,179	436,179
97,712	503,019	2,146,638	281,515	436,179	16,566,093
\$167,905	\$1,002,956	\$2,674,382	\$481,933	\$439,710	\$19,799,415

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, 2019

	Street Construction, Maintenance and Repair	State Highway Improvement	Street Subdivision	Police Officer Training	Parks and Recreation
<b>Revenues:</b>					
Investment Earnings	\$329,656	\$6,824	\$0	\$0	\$15,963
Intergovernmental	2,938,947	152,158	0	0	0
Fines, Licenses & Permits	0	0	195,853	0	73,672
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	0	0	0	0	0
<b>Total Revenues</b>	<b>3,268,603</b>	<b>158,982</b>	<b>195,853</b>	<b>0</b>	<b>89,635</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	0	0	0	0	0
Public Safety	0	0	0	9,501	0
Community Development	0	0	0	0	0
Transportation and Street Repair	2,586,588	0	100,679	0	0
Capital Outlay	2,190,194	0	0	0	438,700
<b>Debt Service:</b>					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>4,776,782</b>	<b>0</b>	<b>100,679</b>	<b>9,501</b>	<b>438,700</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,508,179)</b>	<b>158,982</b>	<b>95,174</b>	<b>(9,501)</b>	<b>(349,065)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	3,500,000	0	0	0	0
Transfers (Out)	(165,000)	(71,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,335,000</b>	<b>(71,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>1,826,821</b>	<b>87,982</b>	<b>95,174</b>	<b>(9,501)</b>	<b>(349,065)</b>
<b>Fund Balance - Beginning of Year</b>	<b>7,381,383</b>	<b>26,279</b>	<b>974,116</b>	<b>9,501</b>	<b>552,808</b>
<b>Fund Balance - End of Year</b>	<b>\$9,208,204</b>	<b>\$114,261</b>	<b>\$1,069,290</b>	<b>\$0</b>	<b>\$203,743</b>

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	6,575	875	11,866	86,247	30,679	166,374
0	0	0	0	0	0	0
0	0	0	0	0	0	2,316
0	6,575	875	11,866	86,247	30,679	168,690
0	0	0	37,734	83,292	9,705	94,710
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	5,760
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	37,734	83,292	9,705	100,470
0	6,575	875	(25,868)	2,955	20,974	68,220
0	0	0	9,387	0	0	0
0	0	0	0	0	0	0
0	0	0	9,387	0	0	0
0	6,575	875	(16,481)	2,955	20,974	68,220
686	39,595	4,215	76,705	293,317	230,224	249,837
\$686	\$46,170	\$5,090	\$60,224	\$296,272	\$251,198	\$318,057

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, 2019

	Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF
<b>Revenues:</b>					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0
Fines, Licenses & Permits	0	206,359	9,285	0	0
Revenue in Lieu of Taxes	0	0	0	170,032	191,296
Other Revenues	0	2,327	0	0	0
<b>Total Revenues</b>	<b>0</b>	<b>208,686</b>	<b>9,285</b>	<b>170,032</b>	<b>191,296</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	0	214,785	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	0	0	86,882
Transportation and Street Repair	0	0	0	62,829	0
Capital Outlay	0	0	0	0	0
<b>Debt Service:</b>					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>214,785</b>	<b>0</b>	<b>62,829</b>	<b>86,882</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>(6,099)</b>	<b>9,285</b>	<b>107,203</b>	<b>104,414</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	(9,387)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(9,387)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>(6,099)</b>	<b>(102)</b>	<b>107,203</b>	<b>104,414</b>
<b>Fund Balance - Beginning of Year</b>	<b>17,398</b>	<b>121,279</b>	<b>1,789</b>	<b>554,948</b>	<b>627,005</b>
<b>Fund Balance - End of Year</b>	<b>\$17,398</b>	<b>\$115,180</b>	<b>\$1,687</b>	<b>\$662,151</b>	<b>\$731,419</b>

Mason Enterprise Parke TIF	Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$352,443
0	0	0	0	0	3,091,105
0	0	0	0	36,279	824,064
79,416	187,127	892,219	665,923	0	2,186,013
0	0	0	0	1,597	6,240
<u>79,416</u>	<u>187,127</u>	<u>892,219</u>	<u>665,923</u>	<u>37,876</u>	<u>6,459,865</u>
0	0	0	0	0	440,226
0	0	0	0	0	9,501
32,061	72,069	419,127	497,296	108,938	1,216,373
0	0	0	0	0	2,750,096
0	0	0	0	0	2,634,654
50,000	0	0	130,000	0	180,000
7,350	0	0	75,900	0	83,250
<u>89,411</u>	<u>72,069</u>	<u>419,127</u>	<u>703,196</u>	<u>108,938</u>	<u>7,314,100</u>
<u>(9,995)</u>	<u>115,058</u>	<u>473,092</u>	<u>(37,273)</u>	<u>(71,062)</u>	<u>(854,235)</u>
0	0	0	0	0	3,509,387
0	0	0	0	0	(245,387)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,264,000</u>
(9,995)	115,058	473,092	(37,273)	(71,062)	2,409,765
<u>107,707</u>	<u>387,961</u>	<u>1,673,546</u>	<u>318,788</u>	<u>507,241</u>	<u>14,156,328</u>
<u>\$97,712</u>	<u>\$503,019</u>	<u>\$2,146,638</u>	<u>\$281,515</u>	<u>\$436,179</u>	<u>\$16,566,093</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, 2019

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,838,400	\$2,720,440	(\$117,960)
Investment Earnings	0	180,642	180,642
Other Revenues	0	19,105	19,105
Total Revenues	<u>2,838,400</u>	<u>2,920,187</u>	<u>81,787</u>
Expenditures:			
Current:			
Transportation and Street Repair	2,493,719	2,486,253	7,466
Capital Outlay	<u>12,138,304</u>	<u>11,915,176</u>	<u>223,128</u>
Total Expenditures	<u>14,632,023</u>	<u>14,401,429</u>	<u>230,594</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,793,623)</u>	<u>(11,481,242)</u>	<u>312,381</u>
Other Financing Sources (Uses):			
Transfers In	3,500,000	3,500,000	0
Transfers (Out)	<u>(165,000)</u>	<u>(165,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,335,000</u>	<u>3,335,000</u>	<u>0</u>
Net Change in Fund Balance	(8,458,623)	(8,146,242)	312,381
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>9,568,050</u>	<u>7,769,142</u>	<u>(1,798,908)</u>
Fund Balance End of Year	<u><u>\$1,109,427</u></u>	<u><u>(\$377,100)</u></u>	<u><u>(\$1,486,527)</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, 2019

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$110,000	\$143,492	\$33,492
Investment Earnings	0	3,972	3,972
Total Revenues	110,000	147,464	37,464
Excess of Revenues Over (Under) Expenditures	110,000	147,464	37,464
Other Financing Sources (Uses):			
Transfers (Out)	(125,000)	(121,000)	4,000
Total Other Financing Sources (Uses)	(125,000)	(121,000)	4,000
Net Change in Fund Balance	(15,000)	26,464	41,464
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	156,535	156,535	0
Fund Balance End of Year	\$141,535	\$182,999	\$41,464

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, 2019

	Street Subdivision Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$195,853	\$195,853
Total Revenues	0	195,853	195,853
Expenditures:			
Current:			
Transportation and Street Repair	181,000	100,679	80,321
Total Expenditures	181,000	100,679	80,321
Excess of Revenues Over (Under) Expenditures	(181,000)	95,174	276,174
Other Financing Sources (Uses):			
Transfers (Out)	(119,000)	0	119,000
Total Other Financing Sources (Uses)	(119,000)	0	119,000
Net Change in Fund Balance	(300,000)	95,174	395,174
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	974,116	974,116	0
Fund Balance End of Year	<u>\$674,116</u>	<u>\$1,069,290</u>	<u>\$395,174</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, 2019

	Police Officer Training Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	10,376	9,501	875
Total Expenditures	10,376	9,501	875
Net Change in Fund Balance	(10,376)	(9,501)	875
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,501	9,501	0
Fund Balance End of Year	(\$875)	\$0	\$875

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, 2019

	Parks and Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$70,000	\$73,672	\$3,672
Investment Earnings	0	11,692	11,692
Total Revenues	70,000	85,364	15,364
Expenditures:			
Capital Outlay	615,000	575,209	39,791
Total Expenditures	615,000	575,209	39,791
Net Change in Fund Balance	(545,000)	(489,845)	55,155
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	554,455	554,455	0
Fund Balance End of Year	\$9,455	\$64,610	\$55,155

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, 2019

	Police Crime Prevention Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$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	\$186	\$686	\$500

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, 2019

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,000	\$7,575	\$6,575
Total Revenues	1,000	7,575	6,575
Expenditures:			
Current:			
Public Safety	30,000	0	30,000
Total Expenditures	30,000	0	30,000
Net Change in Fund Balance	(29,000)	7,575	36,575
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	38,344	38,344	0
Fund Balance End of Year	\$9,344	\$45,919	\$36,575

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, 2019

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$800	\$300
Total Revenues	500	800	300
Expenditures:			
Current:			
Public Safety	4,000	0	4,000
Total Expenditures	4,000	0	4,000
Net Change in Fund Balance	(3,500)	800	4,300
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,215	4,215	0
Fund Balance End of Year	<u>\$715</u>	<u>\$5,015</u>	<u>\$4,300</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, 2019

	Indigent Driver Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$15,670	\$11,616	(\$4,054)
Total Revenues	15,670	11,616	(4,054)
Expenditures:			
Current:			
General Government	58,177	49,469	8,708
Total Expenditures	58,177	49,469	8,708
Excess of Revenues Over (Under) Expenditures	(42,507)	(37,853)	4,654
Other Financing Sources (Uses):			
Transfers In	0	9,387	9,387
Total Other Financing Sources (Uses)	0	9,387	9,387
Net Change in Fund Balance	(42,507)	(28,466)	14,041
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	79,525	79,525	0
Fund Balance End of Year	<u>\$37,018</u>	<u>\$51,059</u>	<u>\$14,041</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, 2019

	Municipal Court Computer Costs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$85,000	\$84,705	(\$295)
Total Revenues	85,000	84,705	(295)
Expenditures:			
Current:			
General Government	115,653	93,624	22,029
Capital Outlay	10,000	0	10,000
Total Expenditures	125,653	93,624	32,029
Net Change in Fund Balance	(40,653)	(8,919)	31,734
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	287,314	287,314	0
Fund Balance End of Year	\$246,661	\$278,395	\$31,734

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, 2019

	Municipal Court Computer Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$30,000	\$30,149	\$149
Total Revenues	30,000	30,149	149
Expenditures:			
Current:			
General Government	33,000	12,705	20,295
Total Expenditures	33,000	12,705	20,295
Net Change in Fund Balance	(3,000)	17,444	20,444
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	228,094	228,094	0
Fund Balance End of Year	\$225,094	\$245,538	\$20,444



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, 2019

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$170,000	\$163,072	(\$6,928)
Other Revenues	0	2,356	2,356
Total Revenues	170,000	165,428	(4,572)
Expenditures:			
Current:			
General Government	228,811	102,963	125,848
Capital Outlay	6,000	5,760	240
Total Expenditures	234,811	108,723	126,088
Net Change in Fund Balance	(64,811)	56,705	121,516
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	241,350	241,350	0
Fund Balance End of Year	\$176,539	\$298,055	\$121,516

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, 2019

	Vehicle Immobilization Fee Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,398	17,398	0
Fund Balance End of Year	<u>\$17,398</u>	<u>\$17,398</u>	<u>\$0</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, 2019

	Municipal Court Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$200,000	\$209,256	\$9,256
Other Revenues	0	2,363	2,363
Total Revenues	200,000	211,619	11,619
Expenditures:			
Current:			
General Government	231,477	218,362	13,115
Total Expenditures	231,477	218,362	13,115
Net Change in Fund Balance	(31,477)	(6,743)	24,734
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	109,574	109,574	0
Fund Balance End of Year	\$78,097	\$102,831	\$24,734

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, 2019

	Municipal Court Indigent Driver IDAM Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$8,164	\$9,257	\$1,093
Total Revenues	8,164	9,257	1,093
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	8,164	9,257	1,093
Other Financing Sources (Uses):			
Transfers (Out)	(9,387)	(9,387)	0
Total Other Financing Sources (Uses)	(9,387)	(9,387)	0
Net Change in Fund Balance	(1,223)	(130)	1,093
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,223	1,223	0
Fund Balance End of Year	\$0	\$1,093	\$1,093

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, 2019

	JW Harris TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$170,000	\$170,032	\$32
Total Revenues	170,000	170,032	32
Expenditures:			
Current:			
Transportation and Street Repair	72,000	62,829	9,171
Total Expenditures	72,000	62,829	9,171
Net Change in Fund Balance	98,000	107,203	9,203
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	554,950	554,950	0
Fund Balance End of Year	<u>\$652,950</u>	<u>\$662,153</u>	<u>\$9,203</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, 2019

	Central Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$190,000	\$191,296	\$1,296
Total Revenues	190,000	191,296	1,296
Expenditures:			
Current:			
Community Development	700,000	86,882	613,118
Total Expenditures	700,000	86,882	613,118
Net Change in Fund Balance	(510,000)	104,414	614,414
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	627,007	627,007	0
Fund Balance End of Year	<u>\$117,007</u>	<u>\$731,421</u>	<u>\$614,414</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, 2019

	Mason Enterprise Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$79,000	\$79,416	\$416
Total Revenues	79,000	79,416	416
Expenditures:			
Current:			
Community Development	37,000	32,061	4,939
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	7,350	7,350	0
Total Expenditures	94,350	89,411	4,939
Net Change in Fund Balance	(15,350)	(9,995)	5,355
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	107,709	107,709	0
Fund Balance End of Year	\$92,359	\$97,714	\$5,355

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, 2019

	Tylersville Road TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$119,000	\$187,127	\$68,127
Total Revenues	<u>119,000</u>	<u>187,127</u>	<u>68,127</u>
Expenditures:			
Current:			
Community Development	75,000	72,069	2,931
Total Expenditures	<u>75,000</u>	<u>72,069</u>	<u>2,931</u>
Net Change in Fund Balance	44,000	115,058	71,058
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>387,962</u>	<u>387,962</u>	<u>0</u>
Fund Balance End of Year	<u>\$431,962</u>	<u>\$503,020</u>	<u>\$71,058</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, 2019

	I-71 Corridor TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$850,000	\$892,219	\$42,219
Total Revenues	850,000	892,219	42,219
Expenditures:			
Current:			
Community Development	462,000	419,127	42,873
Total Expenditures	462,000	419,127	42,873
Net Change in Fund Balance	388,000	473,092	85,092
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,673,547	1,673,547	0
Fund Balance End of Year	<u>\$2,061,547</u>	<u>\$2,146,639</u>	<u>\$85,092</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, 2019

	Everybody's Farm TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$600,000	\$665,923	\$65,923
Total Revenues	600,000	665,923	65,923
Expenditures:			
Current:			
Community Development	505,000	497,296	7,704
Debt Service:			
Principal Retirement	130,000	130,000	0
Interest and Fiscal Charges	75,900	75,900	0
Total Expenditures	710,900	703,196	7,704
Net Change in Fund Balance	(110,900)	(37,273)	73,627
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	318,789	318,789	0
Fund Balance End of Year	\$207,889	\$281,516	\$73,627

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, 2019

	Subdivision Inspection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$35,000	\$36,279	\$1,279
Other Revenues	0	1,621	1,621
Total Revenues	35,000	37,900	2,900
Expenditures:			
Current:			
Community Development	119,739	109,780	9,959
Total Expenditures	119,739	109,780	9,959
Net Change in Fund Balance	(84,739)	(71,880)	12,859
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	510,426	510,426	0
Fund Balance End of Year	\$425,687	\$438,546	\$12,859

## **Nonmajor Debt Service Funds**

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### **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, 2019

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Government Center Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,010,612	\$18,201	\$980,853	\$3,009,666
Restricted Cash	0	0	1,540,924	1,540,924
<b>Receivables (Net):</b>				
Taxes	2,052,224	0	0	2,052,224
Interest	0	0	30,756	30,756
Intergovernmental	121,319	0	0	121,319
Special Assessments	0	1,856,340	0	1,856,340
<b>Total Assets</b>	<b>4,184,155</b>	<b>1,874,541</b>	<b>2,552,533</b>	<b>8,611,229</b>
<b>Liabilities:</b>				
Accounts Payable	0	0	660	660
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>660</b>	<b>660</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	2,052,224	0	0	2,052,224
Grants and Other Taxes	121,319	0	0	121,319
Special Assessments	0	1,856,340	0	1,856,340
Unavailable Amounts	0	0	18,563	18,563
<b>Total Deferred Inflows of Resources</b>	<b>2,173,543</b>	<b>1,856,340</b>	<b>18,563</b>	<b>4,048,446</b>
<b>Fund Balances:</b>				
Restricted	2,010,612	18,201	0	2,028,813
Assigned	0	0	2,533,310	2,533,310
<b>Total Fund Balances</b>	<b>2,010,612</b>	<b>18,201</b>	<b>2,533,310</b>	<b>4,562,123</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$4,184,155</b>	<b>\$1,874,541</b>	<b>\$2,552,533</b>	<b>\$8,611,229</b>

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, 2019

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Government Center Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:				
Property and Other Taxes	\$2,018,366	\$0	\$0	\$2,018,366
Investment Earnings	0	0	51,591	51,591
Intergovernmental	240,915	0	0	240,915
Special Assessments	0	136,415	0	136,415
Total Revenues	2,259,281	136,415	51,591	2,447,287
Expenditures:				
Debt Service:				
Principal	580,000	75,000	1,135,000	1,790,000
Interest and Other Charges	631,727	61,600	358,700	1,052,027
Total Expenditures	1,211,727	136,600	1,493,700	2,842,027
Excess of Revenues Over (Under) Expenditures	1,047,554	(185)	(1,442,109)	(394,740)
Other Financing Sources (Uses):				
Transfers In	236,000	0	1,600,000	1,836,000
Total Other Financing Sources (Uses)	236,000	0	1,600,000	1,836,000
Net Change in Fund Balance	1,283,554	(185)	157,891	1,441,260
Fund Balance - Beginning of Year	727,058	18,386	2,375,419	3,120,863
Fund Balance - End of Year	\$2,010,612	\$18,201	\$2,533,310	\$4,562,123

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, 2019

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,925,000	\$2,018,366	\$93,366
Intergovernmental	238,085	240,915	2,830
Total Revenues	<u>2,163,085</u>	<u>2,259,281</u>	<u>96,196</u>
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	580,000	580,000	0
Interest and Fiscal Charges	647,500	632,827	14,673
Total Expenditures	<u>1,227,500</u>	<u>1,212,827</u>	<u>14,673</u>
Excess of Revenues Over (Under) Expenditures	<u>935,585</u>	<u>1,046,454</u>	<u>110,869</u>
Other Financing Sources (Uses):			
Transfers In	235,000	236,000	1,000
Total Other Financing Sources (Uses)	<u>235,000</u>	<u>236,000</u>	<u>1,000</u>
Net Change in Fund Balance	1,170,585	1,282,454	111,869
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>727,058</u>	<u>727,058</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,897,643</u></u>	<u><u>\$2,009,512</u></u>	<u><u>\$111,869</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, 2019

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$130,000	\$136,415	\$6,415
Total Revenues	130,000	136,415	6,415
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	75,000	75,000	0
Interest and Fiscal Charges	62,000	61,600	400
Total Expenditures	137,000	136,600	400
Net Change in Fund Balance	(7,000)	(185)	6,815
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,388	18,388	0
Fund Balance End of Year	\$11,388	\$18,203	\$6,815



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, 2019

	Government Center Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$38,869	\$38,869
Total Revenues	0	38,869	38,869
Expenditures:			
Debt Service:			
Principal Retirement	1,135,000	1,135,000	0
Interest and Fiscal Charges	367,500	362,699	4,801
Total Expenditures	1,502,500	1,497,699	4,801
Excess of Revenues Over (Under) Expenditures	(1,502,500)	(1,458,830)	43,670
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	97,500	141,170	43,670
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,372,902	2,372,902	0
Fund Balance End of Year	<u>\$2,470,402</u>	<u>\$2,514,072</u>	<u>\$43,670</u>

## **Nonmajor Capital Project Fund**

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### **Fund Description**

**Common Ground Park Construction Fund** – To account for construction of the Common Ground Park.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Common Ground Park Construction Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

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, 2019

	Common Ground Parks Construction Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$392,000	\$392,000	\$0
Other Revenues	777,500	787,500	10,000
Total Revenues	<u>1,169,500</u>	<u>1,179,500</u>	<u>10,000</u>
Expenditures:			
Capital Outlay	2,338,083	2,305,515	32,568
Total Expenditures	<u>2,338,083</u>	<u>2,305,515</u>	<u>32,568</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,168,583)</u>	<u>(1,126,015)</u>	<u>42,568</u>
Other Financing Sources (Uses):			
Transfers In	300,000	300,000	0
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	(868,583)	(826,015)	42,568
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>881,142</u>	<u>881,142</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$12,559</u></u>	<u><u>\$55,127</u></u>	<u><u>\$42,568</u></u>

## **Nonmajor Enterprise Funds**

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The Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

### **Fund Descriptions**

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

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

City of Mason, Ohio  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2019

	Waste Collection	Golf Course	Total Nonmajor Enterprise Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$1,078,014	\$1,090,594	\$2,168,608
<b>Receivables (Net):</b>			
Accounts	209,632	2,281	211,913
Interest	4,393	0	4,393
Inventory	0	128,661	128,661
<b>Total Current Assets</b>	<b>1,292,039</b>	<b>1,221,536</b>	<b>2,513,575</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Nondepreciable Capital Assets	0	5,749,987	5,749,987
Depreciable Capital Assets, Net	0	2,664,053	2,664,053
<b>Total Noncurrent Assets</b>	<b>0</b>	<b>8,414,040</b>	<b>8,414,040</b>
<b>Total Assets</b>	<b>1,292,039</b>	<b>9,635,576</b>	<b>10,927,615</b>
<b>Deferred Outflows of Resources:</b>			
Pension	8,928	0	8,928
Other Postemployment Benefits	1,303	0	1,303
<b>Total Deferred Outflows of Resources</b>	<b>10,231</b>	<b>0</b>	<b>10,231</b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	0	20,952	20,952
Accrued Wages and Benefits	475	0	475
Compensated Absences	4,347	0	4,347
Contracts Payable	151,025	0	151,025
Accrued Interest Payable	0	69,616	69,616
Long-Term Liabilities Due Within One Year	0	500,000	500,000
<b>Total Current Liabilities</b>	<b>155,847</b>	<b>590,568</b>	<b>746,415</b>
<b>Long-Term Liabilities:</b>			
Bonds	0	3,500,000	3,500,000
Net Pension Liability	29,487	0	29,487
Net Other Postemployment Benefits Liability	14,517	0	14,517
Compensated Absences	1,196	0	1,196
<b>Total Noncurrent Liabilities</b>	<b>45,200</b>	<b>3,500,000</b>	<b>3,545,200</b>
<b>Total Liabilities</b>	<b>201,047</b>	<b>4,090,568</b>	<b>4,291,615</b>
<b>Deferred Inflows of Resources:</b>			
Pension	509	0	509
Other Postemployment Benefits	109	0	109
<b>Total Deferred Inflows of Resources</b>	<b>618</b>	<b>0</b>	<b>618</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	0	4,414,040	4,414,040
Unrestricted	1,100,605	1,130,968	2,231,573
<b>Total Net Position</b>	<b>\$1,100,605</b>	<b>\$5,545,008</b>	<b>\$6,645,613</b>

City of Mason, Ohio  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2019

	Waste Collection	Golf Course	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$1,816,223	\$1,792,821	\$3,609,044
Other Revenues	0	1,639	1,639
Total Operating Revenues	<u>1,816,223</u>	<u>1,794,460</u>	<u>3,610,683</u>
Operating Expenses:			
Personal Services	38,929	0	38,929
Contractual Services	1,781,526	1,715,785	3,497,311
Materials and Supplies	0	759,021	759,021
Depreciation	0	232,724	232,724
Total Operating Expenses	<u>1,820,455</u>	<u>2,707,530</u>	<u>4,527,985</u>
Operating Income (Loss)	<u>(4,232)</u>	<u>(913,070)</u>	<u>(917,302)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	17,702	0	17,702
Interest (Expense)	24,674	(100,992)	(76,318)
Total Non-Operating Revenues (Expenses)	<u>42,376</u>	<u>(100,992)</u>	<u>(58,616)</u>
Income (Loss) Before Contributions and Transfers	38,144	(1,014,062)	(975,918)
Transfers In	<u>0</u>	<u>1,486,000</u>	<u>1,486,000</u>
Change in Net Position	38,144	471,938	510,082
Net Position - Beginning of Year	<u>1,062,461</u>	<u>5,073,070</u>	<u>6,135,531</u>
Net Position - End of Year	<u>\$1,100,605</u>	<u>\$5,545,008</u>	<u>\$6,645,613</u>

City of Mason, Ohio  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2019

	Waste Collection	Golf Course	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$1,837,053	\$1,792,821	\$3,629,874
Cash Payments to Employees	(27,976)	0	(27,976)
Cash Payments to Suppliers	(1,774,489)	(2,472,646)	(4,247,135)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>34,588</b>	<b>(679,825)</b>	<b>(645,237)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers In from Other Funds	0	1,486,000	1,486,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>1,486,000</b>	<b>1,486,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Payments for Capital Acquisitions	0	(52,617)	(52,617)
Debt Proceeds	0	4,038,120	4,038,120
Debt Principal Payments	0	(4,500,000)	(4,500,000)
Debt Interest Payments	24,674	(153,825)	(129,151)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>24,674</b>	<b>(668,322)</b>	<b>(643,648)</b>
<b>Cash Flows from Investing Activities:</b>			
Earnings on Investments	16,781	0	16,781
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>16,781</b>	<b>0</b>	<b>16,781</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>76,043</b>	<b>137,853</b>	<b>213,896</b>
Cash and Cash Equivalents - Beginning of Year	1,001,971	952,741	1,954,712
Cash and Cash Equivalents - End of Year	1,078,014	1,090,594	2,168,608
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	(4,232)	(913,070)	(917,302)
<b>Adjustments:</b>			
Depreciation	0	232,724	232,724
<b>Changes in Assets &amp; Liabilities:</b>			
(Increase) Decrease in Receivables	20,830	253	21,083
(Increase) Decrease in Inventory	0	(7,554)	(7,554)
(Increase) Decrease in Deferred Outflows of Resources	(5,689)	0	(5,689)
Increase (Decrease) in Payables	7,037	7,822	14,859
Increase (Decrease) in Accrued Liabilities	3,398	0	3,398
Increase (Decrease) in Deferred Inflows of Resources	(4,457)	0	(4,457)
Increase (Decrease) in Net Pension Liability	14,169	0	14,169
Increase (Decrease) in Net OPEB Liability	3,532	0	3,532
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$34,588</b>	<b>(\$679,825)</b>	<b>(\$645,237)</b>

## **Other General Funds**

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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.

**Economic Sustainability Fund** – To account for funds for budget stabilization and leveling out future budget/economic cycles by maintaining healthy fund balances during an economic downturn without disruption of public services.

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

**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, 2019

	General Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$6,705	\$6,705
Other Revenues	0	1,994,402	1,994,402
<b>Total Revenues</b>	<b>0</b>	<b>2,001,107</b>	<b>2,001,107</b>
Expenditures:			
Current:			
Capital Outlay	30,645,419	28,734,881	1,910,538
<b>Total Expenditures</b>	<b>30,645,419</b>	<b>28,734,881</b>	<b>1,910,538</b>
Excess of Revenues Over (Under) Expenditures	(30,645,419)	(26,733,774)	3,911,645
Other Financing Sources (Uses):			
Transfers In	8,050,000	12,050,000	4,000,000
Transfers (Out)	(12,536,000)	(12,536,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,486,000)</b>	<b>(486,000)</b>	<b>4,000,000</b>
<b>Net Change in Fund Balance</b>	<b>(35,131,419)</b>	<b>(27,219,774)</b>	<b>7,911,645</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,181,035	36,181,035	0
<b>Fund Balance End of Year</b>	<b>\$1,049,616</b>	<b>\$8,961,261</b>	<b>\$7,911,645</b>

(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, 2019

	General Economic Stability Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Transfers In	0	1,000,000	1,000,000
Total Other Financing Sources (Uses)	0	1,000,000	1,000,000
Net Change in Fund Balance	0	1,000,000	1,000,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$1,000,000</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, 2019

	Employee Medical Insurance Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$3,900,000	\$4,069,263	\$169,263
Other Revenues	0	62,057	62,057
Total Revenues	3,900,000	4,131,320	231,320
Expenditures:			
Current:			
General Government	4,810,022	3,906,125	903,897
Total Expenditures	4,810,022	3,906,125	903,897
Net Change in Fund Balance	(910,022)	225,195	1,135,217
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,737,236	3,737,236	0
Fund Balance End of Year	\$2,827,214	\$3,962,431	\$1,135,217

(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, 2019

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$911	\$911
Total Revenues	0	911	911
Expenditures:			
Current:			
General Government	40,000	107	39,893
Total Expenditures	40,000	107	39,893
Net Change in Fund Balance	(40,000)	804	40,804
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	117,051	117,051	0
Fund Balance End of Year	<u>\$77,051</u>	<u>\$117,855</u>	<u>\$40,804</u>

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

## **Other Nonmajor Funds**

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### **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, 2019

	Municipal Court			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$10,311	\$2,349,754	\$2,353,535	\$6,530
Due From Other Funds	12,906	5	0	12,911
<b>Total Assets</b>	<b>23,217</b>	<b>2,349,759</b>	<b>2,353,535</b>	<b>19,441</b>
Liabilities:				
Due to Others	23,217	2,349,759	2,353,535	19,441
<b>Total Liabilities</b>	<b>\$23,217</b>	<b>\$2,349,759</b>	<b>\$2,353,535</b>	<b>\$19,441</b>

	Mason Port Authority			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,092,691	\$520,901	\$510,638	\$1,102,954
Receivables (Net):				
Accounts	0	12,502	0	12,502
<b>Total Assets</b>	<b>1,092,691</b>	<b>533,403</b>	<b>510,638</b>	<b>1,115,456</b>
Liabilities:				
Accounts Payable	5,713	0	5,713	0
Due to Others	1,086,978	533,403	504,925	1,115,456
<b>Total Liabilities</b>	<b>\$1,092,691</b>	<b>\$533,403</b>	<b>\$510,638</b>	<b>\$1,115,456</b>

	Community Improvement Corporation			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$290,082	\$34,980	\$4,033	\$321,029
<b>Total Assets</b>	<b>290,082</b>	<b>34,980</b>	<b>4,033</b>	<b>321,029</b>
Liabilities:				
Accounts Payable	120	0	120	0
Due to Others	289,962	34,980	3,913	321,029
<b>Total Liabilities</b>	<b>\$290,082</b>	<b>\$34,980</b>	<b>\$4,033</b>	<b>\$321,029</b>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,393,084	\$2,905,635	\$2,868,206	\$1,430,513
Receivables (Net):				
Accounts	0	12,502	0	12,502
Interfund	12,906	5	0	12,911
<b>Total Assets</b>	<b>1,405,990</b>	<b>2,918,142</b>	<b>2,868,206</b>	<b>1,455,926</b>
Liabilities:				
Accounts Payable	5,833	0	5,833	0
Due to Others	1,400,157	2,918,142	2,862,373	1,455,926
<b>Total Liabilities</b>	<b>\$1,405,990</b>	<b>\$2,918,142</b>	<b>\$2,868,206</b>	<b>\$1,455,926</b>

***STATISTICAL SECTION***

## Statistical Section

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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									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017(2)</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$120,098,234	\$122,687,025	\$129,162,686	\$128,860,388	\$137,675,713	\$148,517,620	\$160,013,762	\$163,696,502	\$171,236,501	\$182,420,146
Restricted	16,361,953	16,842,649	13,822,941	14,942,529	15,932,379	21,930,408	16,650,729	24,171,568	26,736,081	32,001,705
Unrestricted	30,227,053	33,233,298	41,380,921	51,370,384	31,071,105	33,540,033	34,960,857	36,551,337	19,548,152	35,580,308
Total Governmental Activities Net Position	\$166,687,240	\$172,762,972	\$184,366,548	\$195,173,301	\$184,679,197	\$197,791,295	\$211,625,348	\$224,419,407	\$217,520,734	\$250,002,159
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$81,821,259	\$81,978,537	\$88,637,940	\$88,126,890	\$89,504,980	\$91,666,228	\$93,282,553	\$94,272,576	\$96,937,382	\$99,198,148
Restricted	4,107,379	4,135,486	784,933	786,591	788,035	791,199	796,196	792,282	800,603	10,694
Unrestricted	10,898,229	10,851,775	10,148,188	11,896,384	12,709,974	16,471,007	19,878,612	23,262,822	24,990,782	29,170,440
Total Business-Type Activities Net Position	\$96,826,867	\$96,965,798	\$99,571,061	\$100,809,865	\$103,002,989	\$108,928,434	\$113,957,361	\$118,327,680	\$122,728,767	\$128,379,282
<b>Primary Government</b>										
Net Investment in Capital Assets	\$201,919,493	\$204,665,562	\$217,800,626	\$216,987,278	\$227,180,693	\$240,183,848	\$253,296,315	\$257,969,078	\$268,173,883	\$281,618,294
Restricted	20,469,332	20,978,135	14,607,874	15,729,120	16,720,414	22,721,607	17,446,925	24,963,850	27,536,684	32,012,399
Unrestricted	41,125,282	44,085,073	51,529,109	63,266,768	43,781,079	50,011,040	54,839,469	59,814,159	44,538,934	64,750,748
Total Governmental Activities Net Position	\$263,514,107	\$269,728,770	\$283,937,609	\$295,983,166	\$287,682,186	\$306,719,729	\$325,582,709	\$342,747,087	\$340,249,501	\$378,381,441

Source: City of Mason, Ohio, Department of Finance

(1)-Restated for GASB Statement No. 68 Implementation

(2)-Restated for GASB Statement No. 75 Implementation

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities:										
General Government	\$8,418,723	\$8,793,043	\$8,831,767	\$6,893,775	\$8,253,186	\$7,767,758	\$8,200,480	\$9,447,447	\$8,826,290	\$7,056,183
Public Safety	11,753,670	12,287,188	12,023,613	12,986,006	13,513,159	13,790,633	16,338,179	18,252,746	19,439,968	10,195,645
Community Development	2,016,271	2,463,108	2,676,490	2,508,451	2,425,668	3,466,084	5,797,741	4,215,313	4,760,635	4,300,396
Leisure Time Activities	2,426,474	2,301,816	2,314,310	2,198,219	2,882,829	2,638,497	2,923,260	3,346,183	3,006,718	1,451,038
Transportation and Street Repair	4,691,128	5,542,878	6,231,801	8,183,460	7,324,935	7,084,253	8,245,318	8,852,082	8,818,489	8,776,592
Basic Utility Service	224,627	295,972	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330
Interest, Fiscal Charges and Bond Issuance Cost	1,459,621	1,830,059	1,826,561	1,659,947	1,581,121	2,017,459	1,403,597	1,332,168	1,211,475	1,101,931
Total Governmental Activities Expenses	30,990,514	33,514,064	34,182,081	34,711,587	36,264,123	37,048,456	43,189,944	45,747,851	46,330,268	33,158,115
Business-type activities										
Sewer	6,335,376	6,400,635	5,962,355	6,248,535	5,743,995	6,090,047	6,360,304	6,893,298	6,151,996	6,537,076
Waste Collection	1,498,606	1,558,320	1,440,349	1,384,282	1,413,025	1,447,712	1,493,448	1,635,745	1,735,451	1,795,781
Stormwater Utility	1,062,423	1,134,861	1,165,556	1,142,284	1,117,558	1,289,342	1,248,280	1,388,963	1,534,845	1,380,178
Community Center	3,905,317	4,611,276	5,372,732	5,898,548	6,483,630	6,507,143	6,461,430	7,070,645	6,698,402	6,447,857
Golf Course	3,158,462	3,239,390	2,665,088	2,651,261	2,811,835	2,695,618	2,633,090	2,707,395	2,722,980	2,808,522
Total business-type activities expenses	15,960,184	16,944,482	16,606,080	17,324,910	17,570,043	18,029,862	18,196,552	19,696,046	18,843,674	18,969,414
Total primary government expenses	\$46,950,698	\$50,458,546	\$50,788,161	\$52,036,497	\$53,834,166	\$55,078,318	\$61,386,496	\$65,443,897	\$65,173,942	\$52,127,529
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$2,258,954	\$1,931,606	\$2,122,272	\$2,057,346	\$2,793,861	\$2,097,958	\$2,311,007	\$2,467,450	\$2,055,585	\$4,326,571
Public Safety	1,251,431	1,321,705	1,542,684	1,236,491	1,410,863	1,368,530	1,856,418	1,934,390	2,322,252	2,575,777
Community Development	354,236	472,771	503,782	599,799	589,526	950,199	960,420	1,087,732	903,229	661,452
Leisure Time Activities	555,017	452,927	443,332	432,908	1,047,156	461,836	645,031	674,459	668,815	637,164
Transportation and Street Repair	17,248	12,245	10,400	26,679	73,791	129,475	180,820	386,068	253,338	248,976
Basic Utility Service	255,781	303,507	319,006	298,529	316,009	299,193	336,955	341,426	402,405	391,111
Operating Grants and Contributions	3,081,227	863,594	783,868	3,562,350	2,368,802	2,280,027	2,693,774	2,258,052	1,975,582	2,927,576
Capital Grants and Contributions	2,568,453	4,136,353	6,139,061	1,712,043	2,501,501	3,500,408	6,353,942	5,818,898	4,349,426	2,129,094
Total Governmental Activities Program Revenues	10,342,347	9,494,708	11,864,405	9,926,145	11,101,509	11,087,626	15,338,367	14,968,475	12,930,632	13,897,721
Business-Type Activities										
Charges for Services:										
Sewer	5,370,169	5,457,968	5,934,351	6,100,178	6,511,953	6,871,548	7,268,796	7,253,272	7,838,400	8,047,061
Waste Collection	1,501,222	1,484,311	1,580,927	1,582,570	1,595,826	1,637,354	1,619,811	1,674,251	1,758,321	1,816,223

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2019	
Charges for Services: (continued)										
Stormwater Utility	838,534	964,294	1,078,126	1,472,169	1,307,652	1,436,238	1,315,890	1,635,985	1,535,164	
Community Center	2,416,729	4,530,466	5,985,612	6,653,029	7,033,126	6,993,632	6,767,137	6,556,750	7,107,884	
Golf Course	2,107,523	1,978,633	1,966,766	1,871,546	1,936,890	1,987,022	1,735,919	1,643,063	1,792,821	
Operating Grants and Contributions	0	0	20,000	0	0	0	0	0	0	0
Capital Grants and Contributions	519,910	963,382	1,572,077	2,786,840	2,818,892	2,323,669	2,501,470	3,568,694	1,610,184	
Total Business-Type Activities Program Revenues	12,754,087	15,379,054	18,137,859	20,956,707	21,655,594	21,552,308	21,247,939	23,001,213	21,909,337	
Total Primary Government Program Revenues	\$23,096,434	\$24,873,762	\$30,002,264	\$27,847,478	\$32,058,216	\$36,890,675	\$36,216,414	\$35,931,845	\$35,807,058	
Net (Expense)/Revenue										
Governmental Activities	(\$20,648,167)	(\$24,019,356)	(\$22,317,676)	(\$25,162,614)	(\$25,960,830)	(\$27,851,577)	(\$30,779,376)	(\$33,399,636)	(\$19,260,394)	
Business-Type Activities	(3,206,097)	(1,565,428)	1,531,779	3,386,664	3,625,732	3,355,756	1,551,893	4,157,539	2,939,923	
Total Primary Government Net Expense	(\$23,854,264)	(\$25,584,784)	(\$20,785,897)	(\$21,775,950)	(\$22,335,098)	(\$24,495,821)	(\$29,227,483)	(\$29,242,097)	(\$16,320,471)	
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Income Taxes	\$18,823,241	\$20,615,343	\$22,957,701	\$26,314,564	\$25,867,801	\$30,932,502	\$31,924,252	\$37,542,739	\$36,291,906	
Property Taxes Levied for:										
General Purposes	498,141	583,084	542,228	611,485	423,801	545,186	964,574	256,782	677,876	
Special Revenue Purposes	3,868,790	3,860,898	3,823,815	3,966,997	3,886,757	4,143,329	5,494,947	3,381,854	5,125,291	
Debt Service Purposes	1,625,282	1,547,804	1,536,649	1,523,714	1,541,012	1,636,134	2,157,903	1,475,246	2,151,515	
Capital Project Purposes	0	0	0	0	0	0	0	0	0	
Unrestricted Grants and Entitlements	2,367,375	2,870,852	2,514,375	2,608,730	1,337,037	1,808,925	1,856,392	1,957,353	2,226,651	
Payment in Lieu of Taxes	818,970	1,026,869	2,398,676	1,007,338	1,192,962	2,972,508	2,249,384	2,236,927	2,278,530	
Investment Earnings	151,128	211,821	257,148	105,613	318,366	495,491	564,352	1,302,099	3,078,024	
Other Revenues	567,068	964,417	887,160	985,437	455,638	604,055	883,407	906,821	1,398,026	
Transfers-Internal Activities	(3,222,025)	(1,586,000)	(996,500)	(1,054,000)	(1,046,000)	(1,452,500)	(2,521,776)	(1,547,000)	(1,486,000)	
Total Governmental Activities	25,497,970	30,095,088	33,921,252	36,069,878	33,977,374	41,685,630	43,573,435	47,512,821	51,741,819	
Business-Type Activities										
Investment Earnings	62,180	97,787	63,321	83,495	91,509	183,385	204,091	515,977	1,126,581	
Other Revenues	29,865	20,572	13,663	26,313	35,020	37,286	92,559	109,481	98,011	
Transfers-Internal Activities	3,222,025	1,586,000	996,500	1,054,000	1,046,000	1,452,500	2,521,776	1,547,000	1,486,000	
Extraordinary Item	0	0	0	0	0	0	0	0	0	
Total Business-Type Activities	3,314,070	1,704,359	1,073,484	1,109,824	1,190,628	1,673,171	2,818,426	2,172,458	2,710,592	
Total Primary Government	\$28,812,040	\$31,799,447	\$34,994,736	\$37,179,702	\$35,168,002	\$43,358,801	\$46,391,861	\$49,685,279	\$54,452,411	

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2019	2019
<b>Changes in Net Position</b>										
Governmental Activities	\$4,849,803	\$6,075,732	\$11,603,576	\$8,814,760	\$13,112,098	\$13,834,053	\$12,794,059	\$14,113,185	\$32,481,425	
Business-Type Activities	107,973	138,931	2,605,263	4,577,292	5,925,445	5,028,927	4,370,319	6,329,997	5,650,515	
Total Primary Government	\$4,957,776	\$6,214,663	\$14,208,839	\$13,392,052	\$19,037,543	\$18,862,980	\$17,164,378	\$20,443,182	\$38,131,940	

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 tax revenue for:				Total Property Taxes	Total
		General	Special Revenue	Debt Service			
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	
2015	30,159,378	301,725	3,927,783	1,580,755	5,810,263	35,969,641	
2016	30,932,502	545,186	4,143,329	1,636,134	6,324,649	37,257,151	
2017 (1)	31,924,452	964,574	5,494,947	2,157,903	8,617,424	40,541,876	
2018	37,542,739	256,782	3,381,854	1,475,246	5,113,882	42,656,621	
2019	36,291,906	677,876	5,125,291	2,151,515	7,954,682	44,246,588	

Source: City of Mason, Ohio, Department of Finance

(1) 2017 property tax revenue includes the advance for tax year 2017 that was available rather than deferred

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

	Fiscal Year									
	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Nonspendable		\$324,731	\$282,460	\$282,398	\$344,898	\$560,194	\$501,274	\$360,487	\$430,197	\$554,010
Assigned		19,081,712	22,788,806	22,794,902	20,543,640	27,104,971	31,104,283	34,597,957	40,615,675	43,669,072
Reserved	\$8,724,982									
Unassigned		5,460,148	7,334,177	12,876,440	17,623,466	19,384,655	22,191,660	20,126,322	22,447,959	23,743,959
Unreserved	13,044,258									
Total General Fund	\$21,769,240	\$24,866,591	\$30,405,443	\$35,953,740	\$38,512,004	\$47,049,820	\$53,797,217	\$55,084,766	\$63,493,831	\$67,967,041
All Other Governmental Funds										
Nonspendable		32,267	31,565	26,839	18,997	27,595	27,424	19,157	15,657	16,074
Restricted		14,956,736	12,786,546	13,722,199	14,283,876	14,430,667	15,901,389	21,399,662	23,790,083	29,198,225
Committed		686	686	686	686	686	10,146	686	686	686
Assigned		2,000,407	2,026,338	2,074,188	2,120,201	2,279,076	2,496,191	3,039,830	3,763,802	3,358,550
Reserved	4,654,587									
Unassigned		0	(238,084)	(215,251)	(172,219)	(128,747)	(1,812,193)	(26,894)	0	0
Unreserved, Reported in:										
Special Revenue Funds	8,762,011									
Debt Service Funds	1,022,104									
Capital Projects Funds	0									
Total All Other Governmental Funds	\$14,438,702	\$16,990,096	\$14,607,051	\$15,608,661	\$16,251,541	\$16,609,277	\$16,622,957	\$24,432,441	\$27,570,228	\$32,573,535

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

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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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>										
Taxes	\$25,891,786	\$26,962,137	\$29,277,581	\$32,703,069	\$33,711,798	\$36,510,341	\$38,152,129	\$41,077,499	\$44,424,065	\$45,115,793
Charges for Services	1,997,882	2,092,708	2,076,044	2,174,388	2,135,411	2,085,989	2,820,263	2,840,435	3,336,546	3,546,217
Investment Earning	153,341	220,863	236,004	91,918	307,704	399,249	481,325	534,372	1,296,309	3,022,069
Intergovernmental	7,839,983	6,533,427	7,793,877	5,885,803	4,612,903	5,347,271	8,801,391	4,892,782	4,672,327	5,108,504
Fines, Licenses & Permits	2,161,872	2,011,841	2,238,725	2,328,919	3,003,599	2,748,158	3,037,544	3,484,489	2,958,595	2,675,661
Special Assessments	86,162	62,767	13,364	13,426	6,477	0	0	0	136,948	136,415
Other Revenue	1,926,875	2,267,578	3,645,661	2,518,816	3,386,979	2,796,361	4,089,808	3,706,329	3,602,379	6,042,959
Total Revenues	40,057,901	40,151,321	45,281,256	45,716,339	47,164,871	49,887,369	57,382,460	56,535,906	60,427,169	65,647,618
<b>Expenditures</b>										
General Government	7,718,852	7,938,713	8,245,266	6,287,335	7,598,473	7,190,949	7,199,194	8,022,692	7,620,161	7,638,961
Public Safety	11,054,466	11,766,834	11,717,593	12,381,894	13,017,332	12,897,974	14,159,846	15,369,761	16,008,398	16,547,378
Community Development	2,010,136	2,451,462	2,423,239	2,498,610	2,904,994	3,463,967	5,680,876	4,053,604	4,531,433	4,750,244
Leisure Time Activities	1,787,595	1,835,718	1,722,418	1,710,742	1,959,721	2,254,479	2,304,088	2,397,596	2,302,929	2,216,199
Transportation and Street Repair	2,753,102	3,536,095	3,084,414	3,467,723	4,998,074	5,423,862	5,158,461	5,370,369	6,392,333	6,769,310
Basic Utility Service	224,627	295,972	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330
Capital Outlay	9,280,897	3,750,585	9,189,762	7,156,134	8,248,954	12,136,133	10,022,629	8,226,151	4,964,472	13,504,828
Debt Service										
Principal Retirement	1,240,000	4,455,000	3,080,000	2,681,250	2,371,250	4,951,250	3,066,250	2,900,000	4,020,000	1,970,000
Interest, Fiscal Charges and Bond Issuance Cost	1,556,820	1,863,741	1,791,037	1,657,718	1,578,415	2,009,302	1,465,427	1,374,429	1,273,058	1,135,277
Total Expenditures	37,626,495	37,894,120	41,531,268	38,123,135	42,960,438	50,611,688	49,338,140	48,016,514	47,379,477	54,808,527
<b>Excess of Revenues Over (Under) Expenditures</b>	2,431,406	2,257,201	3,749,988	7,593,204	4,204,433	(724,319)	8,044,320	8,519,392	13,047,692	10,839,091

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	0	0	0	0	0	1,430,890	116,833	31,945	0	0
Issuance of Long-Term Capital-Related Debt	974,672	4,936,009	450,000	0	0	9,000,000	8,575,000	2,000,000	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	(9,600,367)	0	0	0
Premium on Debt Issuance	0	0	0	0	0	534,150	1,156,623	0	0	0
Issuance of Capital Leases	0	0	0	25,000	0	0	0	0	0	0
Transfer In	1,765,820	1,773,664	1,828,365	4,293,511	4,114,144	6,970,254	4,376,957	8,048,887	10,202,456	8,532,230
Transfer Out	(3,372,367)	(3,359,664)	(2,824,865)	(5,347,511)	(5,160,144)	(8,534,254)	(5,829,457)	(9,353,887)	(11,749,456)	(10,018,230)
Total Other Financing Sources (Uses)	(631,875)	3,350,009	(546,500)	(1,029,000)	(1,046,000)	9,401,040	(1,204,411)	726,945	(1,547,000)	(1,486,000)
Net Change in Fund Balances	\$1,799,531	\$5,607,210	\$3,203,488	\$6,564,204	\$3,158,433	\$8,676,721	\$6,839,909	\$9,246,337	\$11,500,692	\$9,353,091
Debt Service as a Percentage of Noncapital Expenditures	9.2%	18.9%	14.9%	13.2%	11.3%	19.1%	11.8%	10.4%	13.4%	7.6%

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

<u>Fiscal Year</u>	<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Percentage of Total</u>			
					<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>
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%
2015	19,305,702	5,652,877	4,437,307	29,395,886	65.7%	19.2%	15.1%	100.0%
2016	21,313,476	5,112,306	4,992,424	31,418,206	67.8%	16.3%	15.9%	100.0%
2017	22,145,087	4,629,661	4,868,771	31,643,519	70.0%	14.6%	15.4%	100.0%
2018	23,961,340	9,455,422	4,137,634	37,554,396	63.8%	25.2%	11.0%	100.0%
2019	26,375,737	4,576,337	4,922,166	35,874,240	73.5%	12.8%	13.7%	100.0%

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

<u>Fiscal Year</u>	<u>Delinquent</u>	<u>Penalties</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
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
2015	249,055	173,592	6,139,305	22,833,934	29,395,886
2016	427,351	198,735	6,319,233	24,472,887	31,418,206
2017	(34,581)	317,363	6,000,839	25,359,898	31,643,519
2018	(103,332)	255,568	7,881,573	29,520,588	37,554,397
2019	(928,727)	342,976	6,771,199	29,688,792	35,874,240

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 (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		
2010	\$1,006,303,280	\$2,875,152,229	\$15,153,830	\$17,220,261	\$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	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	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	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	999,974,600	2,823,525,295	6.72	35.42%
2015	1,067,993,410	3,051,409,743	20,299,970	23,882,318	1,088,293,380	3,075,292,061	6.72	35.39%
2016	1,090,772,940	3,116,494,114	20,553,230	24,180,271	1,111,326,170	3,140,674,385	6.72	35.38%
2017	1,122,760,390	3,207,886,829	22,147,560	26,055,953	1,144,907,950	3,230,034,389	6.72	35.45%
2018	1,271,359,680	3,632,456,229	23,678,020	67,651,485	1,295,037,700	3,700,107,714	6.72	35.00%
2019	1,315,894,450	3,759,698,429	24,976,370	71,361,057	1,340,870,820	3,831,059,486	6.72	35.00%

Source: Warren County Auditor's Office

(1) Estimate based upon 85% assessed value

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
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%
2015	0.58%	4.40%	1.74%	6.72%	83.11%	7.78%	2.70%	2.25%	102.56%
2016	0.58%	4.40%	1.74%	6.72%	83.11%	7.78%	2.70%	2.25%	102.56%
2017	0.58%	4.40%	1.74%	6.72%	83.11%	6.28%	2.70%	2.00%	100.81%
2018	0.58%	4.40%	1.74%	6.72%	82.79%	6.28%	2.70%	2.00%	100.49%
2019	0.58%	4.40%	1.74%	6.72%	82.79%	6.28%	2.70%	2.00%	100.49%

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, 2019  
Table 9

Taxpayer	Fiscal Year 2019			Fiscal Year 2009		
	Assessed Valuation (1)	Rank	Percentage Of Total Assessed Valuation	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation
Duke Energy Ohio Inc.	\$24,926,250	1	1.86%	\$17,715,870	2	1.74%
Kings Island Company	20,729,180	2	1.55%	19,993,100	1	1.96%
Mason Family Resorts	18,000,690	3	1.34%			
Lens Crafters, Inc	8,518,700	4	0.64%			
Indiana senior Housing	8,298,560	5	0.62%			
Twin Fountains of Mason	8,044,720	6	0.60%	8,695,050	4	0.85%
Mason Christian Village	6,941,560	7	0.52%	6,969,970	6	0.68%
Cintas Sales Corporation	5,991,210	8	0.45%	7,489,410	5	0.73%
Scion Real Estate Investments	4,852,670	9	0.36%			
Mitsubishi Electric Auto	4,445,650	10	0.33%	4,153,140	8	0.41%
Linder Center of Hope				12,236,700	3	1.20%
Makino				5,992,040	7	0.59%
Health Alliance				4,134,450	9	0.41%
H J Heinz Co LLP				2,757,913	10	0.27%
All Others	1,230,121,630		91.73%	929,191,357		91.43%
<b>Total Assessed Valuation</b>	<b>\$1,340,870,820</b>		<b>100.00%</b>	<b>\$1,019,329,000</b>		<b>100.00%</b>

Source: Warren County Auditor's Office

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

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

Tax Year:	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Fiscal Year:	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Tax Levy	\$6,710,366	\$6,680,693	\$6,846,621	\$6,714,798	\$6,623,235	\$6,711,730	\$7,274,791	\$7,500,402	\$7,738,662	\$8,677,773
Current Tax Collections	6,365,555	6,431,397	6,707,544	6,606,807	6,530,015	6,543,116	7,163,604	7,389,214	7,634,616	8,579,145
Percent of Levy Collected	94.86%	96.27%	97.97%	98.39%	98.59%	97.49%	98.47%	98.52%	98.66%	98.86%
Delinquent Tax Collections (1)	152,780	142,457	414,651	188,875	128,004	105,306	185,931	122,090	162,859	123,644
Total Tax Collections	6,518,335	6,573,854	7,122,195	6,795,682	6,658,019	6,648,421	7,349,535	7,511,304	7,797,475	8,702,788
Ratio of Total Tax Collections to Current Taxes Levied	97.14%	98.40%	104.02%	101.20%	100.53%	99.06%	101.03%	100.15%	100.76%	100.29%

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 11

<u>Tax Year</u>	<u>Current Assessments Billings</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collection To Amount Billed</u>
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%
2014	3,298	3,207	97.24%
2015	3,152	2,811	89.18%
2016	2,662	1,613	60.59%
2017	139,644	138,401	99.11%
2018	138,853	138,434	99.70%

Source: Warren County Auditor's Office

Note: Tax Year 2017 is billed and due in 2018



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	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Financing	Certificates of Participation	
2010	\$20,530,000	\$3,800,000	\$2,495,000	\$18,325,000	\$70,000	\$3,025,000					\$48,245,000
2011	20,315,000	3,500,000	3,865,000	17,470,000	0	3,070,000					48,220,000
2012	19,215,000	3,200,000	3,230,000	16,575,000	0	3,120,000					45,340,000
2013	18,090,000	7,885,000	2,595,000	15,660,000	0	3,170,000					47,400,000
2014	16,915,000	8,500,000	2,345,000	14,720,000	0	0					42,480,000
2015	24,700,000	2,000,000	2,105,000	11,230,000	0	0					40,035,000
2016	22,660,000	0	1,855,000	10,210,000	0	0					34,725,000
2017	22,965,000	0	1,695,000	9,165,000	0	0					33,825,000
2018	20,200,000	0	1,530,000	8,075,000	0	0					29,805,000
2019	19,545,000	0	1,350,000	6,940,000	0	0					27,835,000

Fiscal Year	Business-Type Activities										Total Primary Government	Percentage of Personal Income(L)	Per Capital(L)
	General Obligation Bonds	Mortgage Revenue Bonds	Bond Anticipation Notes	Certificates of Participation	Special Assessments Bonds	Business-Type Activities	General Obligation Bonds	Mortgage Revenue Bonds	Bond Anticipation Notes	Certificates of Participation			
2010	\$0	\$30,540,000	\$9,640,000	\$11,060,000	\$24,000	\$51,264,000					\$99,484,000	8.49%	\$3,240
2011	8,815,000	29,395,000	0	10,765,000	18,000	48,993,000					94,333,000	7.87%	3,121
2012	30,270,000	0	0	10,465,000	13,000	40,748,000					88,148,000	6.73%	2,753
2013	28,780,000	0	0	10,155,000	7,000	38,942,000					81,422,000	6.32%	2,746
2014	27,265,000	0	0	9,840,000	0	37,105,000					77,140,000	5.73%	2,518
2015	25,710,000	0	0	9,515,000	0	35,225,000					69,950,000	4.07%	2,142
2016	18,385,000	0	5,500,000	9,180,000	0	33,065,000					67,790,000	3.83%	2,052
2017	17,080,000	0	5,000,000	8,835,000	0	30,915,000					64,740,000	3.66%	1,960
2018	15,720,000	0	4,500,000	8,475,000	0	28,695,000					58,500,000	3.22%	1,760
2019	14,340,000	0	4,000,000	7,300,000	0	25,640,000					53,475,000	2.81%	1,579

Source: City of Mason, Ohio, Department of Finance

Note: Premiums and discounts on issuances are not included. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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

<b>Fiscal Year</b>	<b>Population<sup>(1)</sup></b>	<b>Assessed Value<sup>(2)</sup></b>	<b>General Bonded Debt<sup>(3)</sup></b>	<b>Less Debt Service Fund<sup>(4)</sup></b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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
2015	31,613	1,088,293,380	50,410,000	896,336	49,513,664	4.55%	1,566
2016	32,662	1,111,326,170	41,045,000	495,343	40,549,657	3.65%	1,241
2017	33,037	1,144,907,950	40,045,000	567,796	39,477,204	3.45%	1,195
2018	33,235	1,295,037,700	35,920,000	727,058	35,192,942	2.72%	1,059
2019	33,870	1,340,870,820	33,885,000	727,058	33,157,942	2.47%	979

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, Tax Increment Financing, Certificates of Participation 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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service To General Government Expenditures</u>
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%
2015	1,215,000	686,983	1,901,983	7,190,949	26.45%
2016	1,790,000	643,558	2,433,558	7,199,194	33.80%
2017	1,695,000	890,045	2,585,045	8,022,692	32.22%
2018	2,765,000	756,875	3,521,875	7,620,161	46.22%
2019	655,000	682,994	1,337,994	7,638,961	17.52%

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, 2019  
 Table 15

	Net General Obligations Bonded Debt Outstanding (1)	Percentage Applicable (2) to City	Amount Applicable to City
Mason City School District	\$46,100,000	59.56%	\$27,457,160
Kings Local School District	37,410,000	12.65%	4,732,365
Great Oaks Career Center Joint Vocational School	0	5.39%	0
Lebanon City School District	42,154,987	0.22%	92,741
Deerfield Township	4,170,000	0.36%	15,012
Warren County Career Center Jt. Voc. School	225,000	2.34%	5,265
Warren County	40,763,617	17.52%	7,141,786
Subtotal Overlapping Debt	<u>170,823,604</u>		<u>39,444,329</u>
City of Mason - Direct Debt	<u>\$27,835,000</u>	100.00%	<u>\$27,835,000</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$198,658,604</u></u>		<u><u>\$67,279,329</u></u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Debt Limit (1)</b>										
Total Debt Limit (10.5%)	\$107,252,997	\$108,086,546	\$102,670,013	\$103,676,136	\$104,997,333	\$114,270,805	\$116,689,248	\$120,215,335	\$135,978,959	\$140,791,436
Total Net Debt Applicable to Limits	33,562,488	30,547,166	28,803,102	31,914,952	24,584,721	25,800,620	22,164,657	21,947,204	19,472,942	21,554,513
Legal Debt Limit Margin	\$73,690,509	\$77,539,380	\$73,866,911	\$71,761,184	\$80,412,612	\$88,470,185	\$94,524,591	\$98,268,131	\$116,506,017	\$119,236,923
Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit	31.29%	28.26%	28.05%	30.78%	23.41%	22.58%	18.99%	18.26%	14.32%	15.31%
<b>Total Unvoted Debt Limit (1)</b>										
Total Unvoted Debt Limit (5.5%)	56,180,141	56,616,762	53,779,531	54,306,547	54,998,603	59,856,136	61,122,939	62,969,937	71,227,074	73,747,895
Total Net Debt Applicable to Limits	33,562,488	30,547,166	28,803,102	31,914,952	24,584,721	25,800,620	22,164,657	21,947,204	19,472,942	21,554,513
Legal Unvoted Debt Limit Margin	\$22,617,653	\$26,069,596	\$24,976,429	\$22,391,595	\$30,413,882	\$34,055,516	\$38,958,282	\$41,022,733	\$51,754,132	\$52,193,382
Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit	59.74%	53.95%	53.56%	58.77%	44.70%	43.10%	36.26%	34.85%	27.34%	29.23%

Legal Debt Margin Calculation for Fiscal Year 2019

Net assessed valuation	Total Debt Limit	Total Unvoted Debt Limit
Statutory legal debt limitation (1)	\$1,340,870,820	\$1,340,870,820
Total debt limitation	10.5%	5.5%
	\$140,791,436	\$73,747,895
Debt applicable to limit:		
Debt applicable to limit(2)	19,545,000	19,545,000
Less: applicable debt service fund amounts(3)	2,009,513	2,009,513
Total net debt applicable to limit	21,554,513	21,554,513
Legal debt margin	\$119,236,923	\$52,193,382

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, 2019  
 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
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%
2015	18.6	31,613	1,636,541,784	51,768	38.9	10,715	4.4%	5.4%	5.1%
2016	19.2	32,662	1,719,621,638	52,649	40.4	10,713	4.7%	6.0%	5.1%
2017	19.2	33,037	1,771,080,533	53,609	41.9	10,728	3.8%	4.5%	3.9%
2018	19.2	33,235	1,818,353,320	54,712	42.3	10,664	3.9%	4.8%	3.7%
2019	19.2	33,870	1,899,937,650	56,095	37.9	10,420	3.1%	3.8%	3.4%

Sources:

- (1) U.S. Census Bureau 2015 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 Ten Years Ago  
Table 18

Fiscal Year 2019				Fiscal Year 2009							
Employer	Business Activity	Full-time Employees (1)	Employer	Business Activity	Full-time Employees (1)	Income Tax Withholding Ranking (2)	Business Activity	Full-time Employees (1)	Income Tax Withholding Ranking (2)		
Procter & Gamble Company	Healthcare research	2,000	Procter & Gamble Company	Healthcare research	2,100	1	Healthcare research	2,100	1		
Cintas Corporation	Professional uniforms	1,842	Luxtotta (Lenscrafters)	Eyewear and lens	1,494	2	Eyewear and lens	1,494	2		
Kings Island	Amusement park	1,732	Cintas Corporation	Professional uniforms	1,310	3	Professional uniforms	1,310	3		
Essilor Luxottica	Eyewear and lens	1,463	Mason City Schools	Local school district	1,200	4	Local school district	1,200	4		
Mason City Schools	Local school district	1,072	L3 Cincinnati Electronics	Aerospace and defense industry electronics	508	5	Aerospace and defense industry electronics	508	5		
Mitsubishi Electric Automotive	Automotive electrical components	798	Mitsubishi Electric	Automotive electrical components	478	6	Automotive electrical components	478	6		
L3 Harris Technologies Inc	Aerospace and defense industry electronics	790	H.J. Heinz/Portion Pac	Portion-controlled condiments	465	7	Portion-controlled condiments	465	7		
Honeywell-Intelligent	Material handling solutions	749	Linder Center of Hope	Mental health treatment center	225	8	Mental health treatment center	225	8		
Harris-Mason Processing	Meat Processing/Packaging	475	Ashley Ward	Screw machine products	221	9	Screw machine products	221	9		
AtriCure Inc.	Medical device provider	385	W/S Packaging-Superior Label	Print pressured sensitive labels	215	10	Print pressured sensitive labels	215	10		
Employer	Business Activity	Full-time Employees (1)	Employer	Business Activity	Full-time Employees (1)	Income Tax Withholding Ranking (2)	Business Activity	Full-time Employees (1)	Income Tax Withholding Ranking (2)		
Procter & Gamble Company	Healthcare research	1	Procter & Gamble Company	Healthcare research	1	1	Healthcare research	1	1		
Cintas Corporation	Professional uniforms	2	Luxtotta (Lenscrafters)	Eyewear and lens	2	2	Eyewear and lens	2	2		
Essilor Luxottica	Eyewear and lens	3	Cintas Corporation	Professional uniforms	3	3	Professional uniforms	3	3		
L3 Harris Technologies Inc	Aerospace and defense industry electronics	4	Mason City Schools	Local school district	4	4	Local school district	4	4		
Mason City Schools	Local school district	5	L3 Cincinnati Electronics	Aerospace and defense industry electronics	5	5	Aerospace and defense industry electronics	5	5		
Honeywell-Intelligent	Material handling solutions	6	Kings Island	Amusement park	6	6	Amusement park	6	6		
Mitsubishi Electric Automotive America	Automotive electrical components	7	Mitsubishi Electric	Automotive electrical components	7	7	Automotive electrical components	7	7		
AtriCure Inc.	Medical device provider	8	H.J. Heinz/Portion Pac	Portion-controlled condiments	8	8	Portion-controlled condiments	8	8		
Kings Island	Amusement park	9	Makino	Machining manufacturer	9	9	Machining manufacturer	9	9		
Makino	Machining manufacturer	10	Acess Financial Services	Financial services	10	10	Financial services	10	10		

Source: Full-time employees from City of Mason Economic Development

Note: Income tax withholding ranking from City of Mason Income Tax

(1) The employer's percentage of total employment for each principal employer was not available.

(2) 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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General Government</b>										
City Administration	10	10	10	10	10	10	11	11	11	11
Council	1	1	1	1	1	1	1	1	1	1
Facility	1	1	1	1	3	3	4	4	4	4
Finance	10	10	10	10	10	10	10	10	10	10
Municipal Court	20	20	20	20	20	20	20	20	20	20
<b>Public Safety</b>										
Police										
Officers	43	43	43	43	43	43	46	47	52	52
Non-sworn	7	7	7	7	7	7	7	7	7	7
Fire	33	33	36	42	42	42	46	46	52	52
<b>Leisure Time Activities</b>										
Recreation/Community Center	22	22	22	22	15	15	14	14	15	15
Park Maintenance					6	6	6	6	6	6
<b>Community Development</b>										
Planning	2	2	2	2	2	2	2	2	2	2
Building Inspection	7	7	7	7	7	7	7	7	7	7
Economic Development	3	3	3	3	3	3	3	3	3	3
<b>Basic Utility Service</b>										
Sanitary Sewer	16	16	16	16	16	16	16	16	16	16
Billing	1	1	1	1	1	1	1	1	1	1
Stormwater	2	2	2	2	2	2	2	2	2	2
<b>Transportation and Street Repair</b>										
Engineering	8	8	8	8	8	8	7	7	7	7
Public Works/Street Maintenance	20	20	20	20	19	19	19	19	19	19
<b>Total Full-Time Positions</b>	206	206	209	215	215	215	222	223	235	235
<b>Total Part-Time Positions</b>	188	188	182	203	208	210	206	186	185	185

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police Protection:</b>										
Number of Marked Patrol Vehicles	20	21	21	19	19	19	19	19	19	22
Calls for Service	33,735	27,448	31,545	36,635	41,193	41,267	46,412	55,331	61,373	62,996
Moving Violation Citations	3,797	2,460	2,638	2,502	2,226	2,579	2,977	3,451	2,900	2,411
Arrests	899	843	536	910	908	961	980	991	1,076	991
<b>Fire &amp; Emergency Medical:</b>										
Fire Responses	1,013	886	1,118	978	1,229	974	968	992	1,181	1,209
Emergency Medical Responses	2,570	2,516	2,601	2,477	2,767	2,823	3,086	2,852	2,963	3,316
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Emergency Vehicles	19	20	20	19	19	20	20	21	21	20
<b>Leisure Time Activities</b>										
Parks	7	7	7	7	7	7	7	7	7	7
Park acreage (developed)	296	296	296	296	296	296	296	296	296	296
Community Center Membership										
Premier	626	1,467	1,634	1,798	2,257	2,432	2,685	2,648	2,766	2,991
Basic	2,097	1,690	1,467	1,368	1,304	1,208	1,135	1,203	1,178	1,200
Golf Center Rounds Played										
Grizzly Course	35,270	32,959	37,708	39,750	39,676	40,211	39,243	38,474	37,056	39,146
Bruin Course ( 9 hole Oct. 2010, closed)	11,801	7,245	7,345	7,428	5,858	5,905	4,069	0	0	0
<b>Community Development</b>										
Building Permits Issued	54	49	54	92	192	153	155	171	153	153
<b>Utility Services</b>										
Number of Sewer Customers	10,154	10,200	10,243	10,283	10,410	10,580	10,628	10,873	10,961	11,075
Number of Refuse Customers	8,617	8,781	8,941	8,928	9,064	9,113	9,181	9,377	9,565	9,691
Number of Stormwater Customers	10,222	10,297	10,348	10,389	10,609	10,763	10,809	10,911	11,198	11,330
Storm sewers (miles)	93	94	95	95	96	98	99	99	101	102
Sanitary sewers (miles)	135	136	137	137	138	141	142	142	145	146
Sewage Treatment capacity per day (million gallons)	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67
<b>Transportation &amp; Street Repair</b>										
Number of Streets (dedicated)	446	448	452	452	454	459	466	466	477	477
Lane Miles	355	356	357	357	359	360	362	362	364	367
Traffic Signals	40	40	40	40	40	40	42	42	42	42
Bike Paths (miles)	19	19	19	19	19	20	20	20	20	21

Source: City of Mason, Ohio, Department of Finance

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF MASON**

**WARREN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/5/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)