

**CITY OF MASON
WARREN COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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, 2020 through December 31, 2020. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2021

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**CITY OF MASON
WARREN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2020**

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CITY OF MASON, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Pass Through Ohio Department of Justice:</i>			
Bulletproof Vest Partnership Program	N/A	16.607	\$3,315
Subtotal - U.S. Department of Justice			<u>3,315</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Pass-Through Ohio Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Mason/Snider Road Roundabout	PID 100885	20.205	1,471,860
SR741/Parkside Drive Intersection Improvements	PID 100882	20.205	105,148
Innovation Way Bridge Rehabilitation	PID 106722	20.205	<u>73,877</u>
Total Highway Planning and Construction Cluster			1,650,885
Subtotal - U.S. Department of Transportation			<u>1,650,885</u>
<u>US DEPARTMENT OF THE TREASURY</u>			
<i>Pass Through Ohio Office of Budget and Management:</i>			
Coronavirus Relief Fund	HB481-CRF-Local	21.019	2,605,557
Subtotal - U.S. Department of the Treasury			<u>2,605,557</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Provider Relief Fund	N/A - Direct Award	93.498	20,349
Subtotal - U.S. Department of Health and Human Services			<u>20,349</u>
Total Expenditures of Federal Awards			<u><u>\$4,280,106</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 23, 2021.

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) as a basis for designing 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 financial statements. 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

July 23, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Mason's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 23, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

July 23, 2021

**CITY OF MASON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

- Coronavirus Relief Fund -CFDA# 21.019
- Highway Planning and Construction Cluster -CFDA# 20.205

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

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

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF MASON
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

The City of Mason had no prior audit findings and questioned costs. The City was not subject to a single audit in the prior year.

Comprehensive Annual Financial Report



City of Mason
Mason, Ohio 45040
Year Ended December 31, 2020

CITY OF MASON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Prepared by:
Finance Department

Joseph Reigelsperger
Finance Director

Produced by the City of Mason
6000 Mason-Montgomery Rd.
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INTRODUCTORY SECTION

July 23, 2021

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

We are pleased to present the City of Mason Comprehensive Annual Financial Report for the fiscal year ending December 31, 2020. 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, 2020. 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

With a population of nearly 34,000, 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.



The City of Mason Downtown Plaza offers the opportunity to host special events and community activities, encouraging residents to shop local.

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 within each department for the General Fund and within other funds up to the level approved by Council. Only Council, using a supplemental appropriation or re-appropriation ordinance, may approve any increase in appropriation or transfers between legal 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 2020 were approximately \$57 million in new corporate, high tech, industrial and startup growth space, resulting in over 300 new jobs to the City.

Notably, the combined aggregate growth at the end of 2019 into early 2020 set a City record for back-to-back economic development growth from four projects resulting in 198 million of capital investment, 630,000 square feet and over 500 jobs on 130 acres in the Mason Research and Development Park. The combined aggregate growth since 2016 shows strength in every category with investment, measuring only top projects, exceeding \$595 million and jobs over 3,880. This activity nearly matches the same combined activity of the previous five years reiterating Mason's trend of performing at or near the top in the region for new investment in the corporate, bio and industrial sectors.



German-based Vega Americas selected Mason, Ohio for their new \$50M North American Corporate HQ and location for the Company's long-term growth strategy on a 50-acre campus in the Mason R&D Park.

In 2019, the Mason Research and Development Park expanded realizing its purpose to capture the long-term growth strategy of important existing companies (Rhinestahl Global Corporate Campus) and capture highly sought-after projects for the Region in target industries such as aerospace

(Precision Precast Parts and SPS Technologies). In January of 2020, the City started strong with the fourth major project announcement in three months with Vega Americas North American Corporate Headquarters.

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 34,000. 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 11,000 people and generated more than \$15.3 million in income tax revenue in 2020. 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.



P&G Beauty Innovation Center, home to the Global Beauty and Global Health. The 241-acre campus and now 2 million square-foot facility is Mason & Warren County's largest employer.

Mason is home to Procter & Gamble Global Health and Global Beauty and houses the largest population of science and technical workforce across the company. 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 2019 with the new construction of the 500,000 square foot Innovation Center of Global Beauty completing a four-year \$400 million investment. This project doubled 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 over 3,000.

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 2020 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 through 2020 continue the trend of corporate reinvestment with numerous expansions of existing Mason businesses.

Planning for future high-profile technology and advanced manufacturing is robustly underway both facilitating expansions of existing businesses and attracting new parks like the Innovation Way Business Park with L3, and the Mason Research and Development Park, 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. The R&D Park is routinely a go-to asset for the Cincinnati Region and State of Ohio when submitting competitive proposals to site consultants to win top projects.

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.

Residential growth is also a part of the City's upward economic trend. Work continues with the redevelopment of the 168-acre former Crooked Tree Golf Course into a \$150 million upscale residential development. Construction is underway, with approximately 75 single-family homes, ranging in price from \$500,000 to more than \$1 million, have been completed. Development also continues in Ambleside Meadows, a subdivision that will include approximately 314 single-family homes, starting at \$500,000, and 86 acres of open space upon completion. By the end of 2020, seventy percent of the single-family homes were completed.



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.

The diversity of the economic base provided shelter during the pandemic as manufacturing remained an essential operation within a large majority of the portfolio. 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 2020 that position the City for future economic growth and improvement include:

Small Business Recovery Initiatives – Reimagine Mason

In response to the pandemic in May 2020 the City of Mason launched \$2.2 million in economic recovery packages through a new Small Business Recovery Program designed to help businesses recover, grow and develop a long-term partnership with the City. The overall program included a broad range of five creative funding programs that benefitted the Mason residential and business community with a keen focus on the recovery of retail-based and consumer-facing businesses with fewer than 50 employees. Many cities across the US looked for ways to support small business. Overall, the Mason Small Business Recovery initiative programs were significantly larger than the average size of all other comparable local and state programs.

Snider Road Improvements

Snider Road is a major north-south thoroughfare with significant traffic. \$5 million was invested to widen Snider Road between US 42 and Tylersville Road plus two roundabouts at the intersections of Snider Road/ Thornberry Court and Snider Road/Mason Road. These improvements will improve the flow of traffic for businesses and residents within this corridor.

Mason Municipal Aquatic Center

The outdoor leisure pool and spray park was finished at the beginning of the 2021 summer pool season. Mason's Municipal Aquatic Center is a \$25 million project featuring a new heated leisure pool as well as an enclosed 50-meter pool to be completed by the end of 2021.



Snider Rd Roundabout, Aquatic Center and Makino Park

Makino Park

Makino Park is fully inclusive and accessible for children with physical as well as developmental disabilities. The Park was completed and officially opened April 2021. The unique butterfly design of Common Ground ensures everyone can access all features to promote social interaction and a wide range of sensory experiences. The \$3.1 million park located on 11 acres is a multi-sport park designed to be full inclusive and accessible for children and adults with physical as well as developmental disabilities. The Common Ground Playground along with the FCC Mini-Pitch Soccer field are showcased as the kick-off development with room to expand. The Park is the result of years of work, dedication, and contribution by many. The City and the community are the beneficiaries of strong collaboration and generosity of community and corporate partners.

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 principle of the City's financial policies is reinvesting into capital assets while maintaining balances to stabilize future economic downturns. This policy continues even as the economic impact of the COVID-19 pandemic is realized. The City of Mason is prepared for national economic uncertainty and changes in state policy that may place pressure on the City budget in 2021 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 the Mason Municipal Aquatic Center.
- Continuing the \$25 million State Route 741 multiphase improvements.
- Park improvements and development including the Heritage Oak Park Revitalization and Pine Hill Lake playground replacement.

AWARDS AND ACKNOWLEDGEMENTS

Sincerely,



Eric Hansen
City Manager



Joseph J. Reigelsperger
Finance Director

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 for the fiscal year ended December 31, 2019. Mason has been awarded the Certificate of Achievement each year beginning in 1997. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized report 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.



The original community pool served approx. 1,200 residents in 1952 and the new Aquatic Center now serves nearly 34,000 residents.

THE CITY OF MASON, OHIO

LIST OF PRINCIPAL OFFICIALS

December 31, 2020

COUNCIL MEMBERS

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 Styrcula

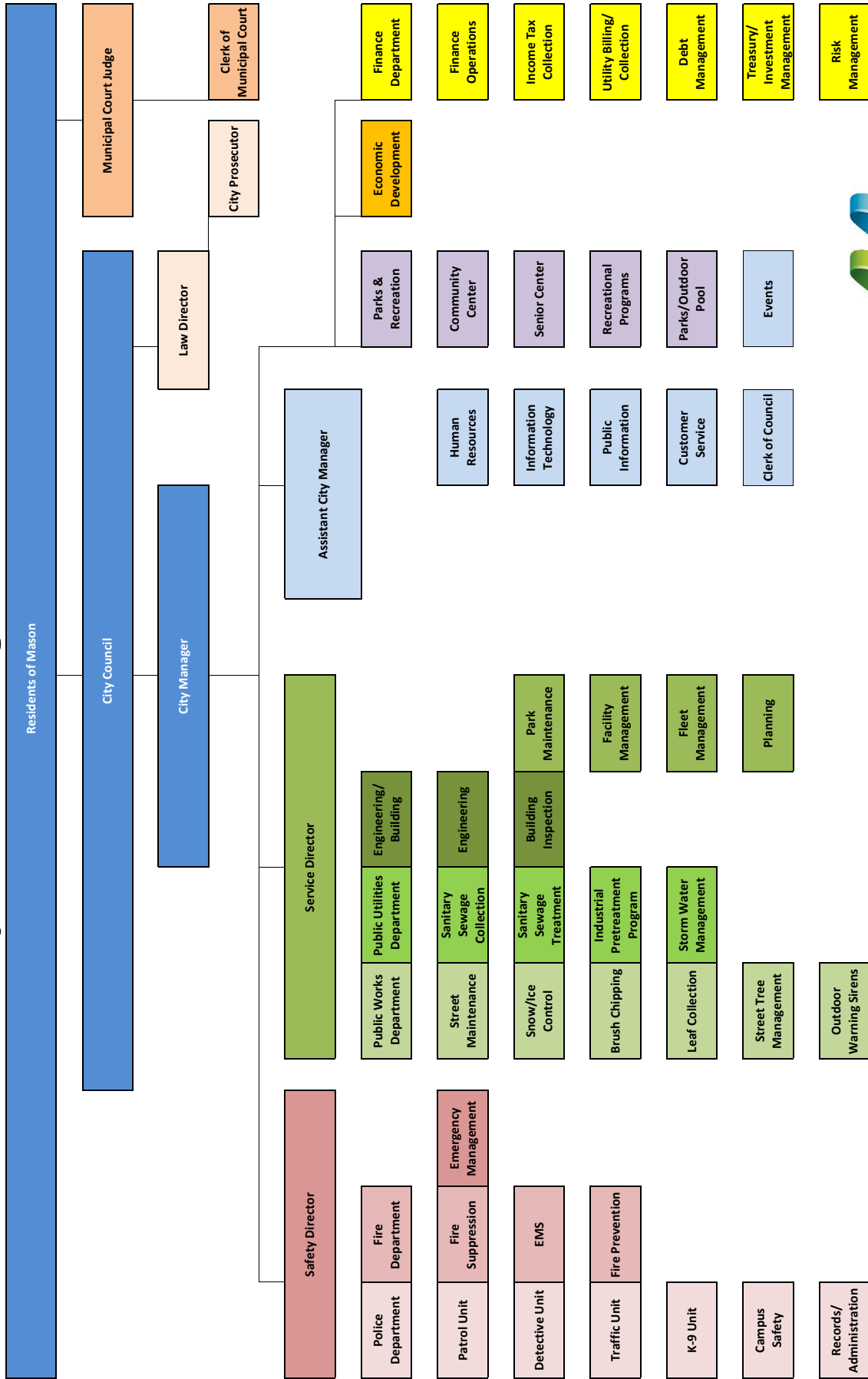
COUNCIL APPOINTED OFFICIALS

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

DEPARTMENT HEADS

Parks and 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
City Engineer	Kurt Seiler
Public Works Director	Ryan Tyree

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, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio (the City) as of and for the year ended December 31, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 July 23, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Cincinnati, Ohio
July 23, 2021

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

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, 2020. 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 2020 by \$407,622,413 (net position). Of this amount, \$91,695,474 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 132 percent of the 2020 expenses of \$69,614,770.

- The city's total net position increased by \$29,240,972.
- Bonds due in more than one year was \$59,661,807 for 2020 which is an increase of \$21,081,949 for aquatic center construction bonds.
- Net pension was \$37,237,110 for 2020 which is a decrease of \$10,112,937 from 2019.
- Net position of the governmental activities (defined below) increased \$25,474,199. Net position of the business-type activities (also defined below) increased \$3,766,773.
- The total cost of the City's programs increased \$17,487,241, which is a 33.5 percent increase from 2019. The cost of governmental activities increased \$19,201,724 or 57.9 percent, while the cost of business-type activities decreased \$1,714,483 or 9.0 percent. A large part of the increase is from the increased cost of providing services for public safety, increased maintenance of facilities, and pandemic response. Business-type activities decreased mainly due to the decrease in operating cost for the community center.
- As of the close of the 2020 fiscal year, the city's governmental funds reported combined ending fund balances of \$129,582,815, an increase of \$29,042,239 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are 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, 2020

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 four major funds: the general fund, street construction maintenance and repair fund, safety fund and the government center bond retirement fund. Data for the other 24 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, 2020

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 \$407,622,413 at the close of the most recent fiscal year.

The largest portion of the city's net position (68.5 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The city used these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (9.0 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

(\$91,695,474) 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 (\$34,428,908) 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 \$29,240,972 in 2020. Net position for governmental activities increased \$25,474,199, while net position for business-type activities increased \$3,766,773. The increase in net position for 2020 (\$29,240,972) was \$8,890,968 (23.3 percent) less than the increase in net position for 2019 (\$38,131,940).

City of Mason						
Net Position						
(amounts expressed in thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and other assets	\$150,280	\$119,824	\$41,091	\$36,080	\$191,371	\$155,904
Capital assets	<u>224,789</u>	<u>210,740</u>	<u>122,998</u>	<u>124,892</u>	<u>347,787</u>	<u>335,632</u>
Total assets	<u>375,069</u>	<u>330,564</u>	<u>164,089</u>	<u>160,972</u>	<u>539,158</u>	<u>491,536</u>
Total deferred outflows of resources	<u>10,724</u>	<u>16,958</u>	<u>2,270</u>	<u>3,272</u>	<u>12,994</u>	<u>20,230</u>
Liabilities						
Long-term liabilities outstanding	46,705	31,623	27,043	27,607	73,748	59,230
Net Pension liability	34,060	42,495	3,177	4,855	37,237	47,350
Net OPEB liability	10,088	9,336	2,296	2,390	12,384	11,726
Other liabilities	<u>4,807</u>	<u>3,628</u>	<u>640</u>	<u>911</u>	<u>5,447</u>	<u>4,539</u>
Total liabilities	95,660	87,082	33,156	35,763	128,816	122,845
Total deferred inflows of resources	<u>14,657</u>	<u>10,438</u>	<u>1,057</u>	<u>102</u>	<u>15,714</u>	<u>10,540</u>
Net Position						
Net investment in capital assets	181,437	182,420	97,717	99,198	279,154	281,618
Restricted	42,572	32,002	0	11	42,572	32,013
Unrestricted	<u>51,467</u>	<u>35,580</u>	<u>34,429</u>	<u>29,170</u>	<u>85,896</u>	<u>64,750</u>
Total Net Position	<u>\$275,476</u>	<u>\$250,002</u>	<u>\$132,146</u>	<u>\$128,379</u>	<u>\$407,622</u>	<u>\$378,381</u>

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

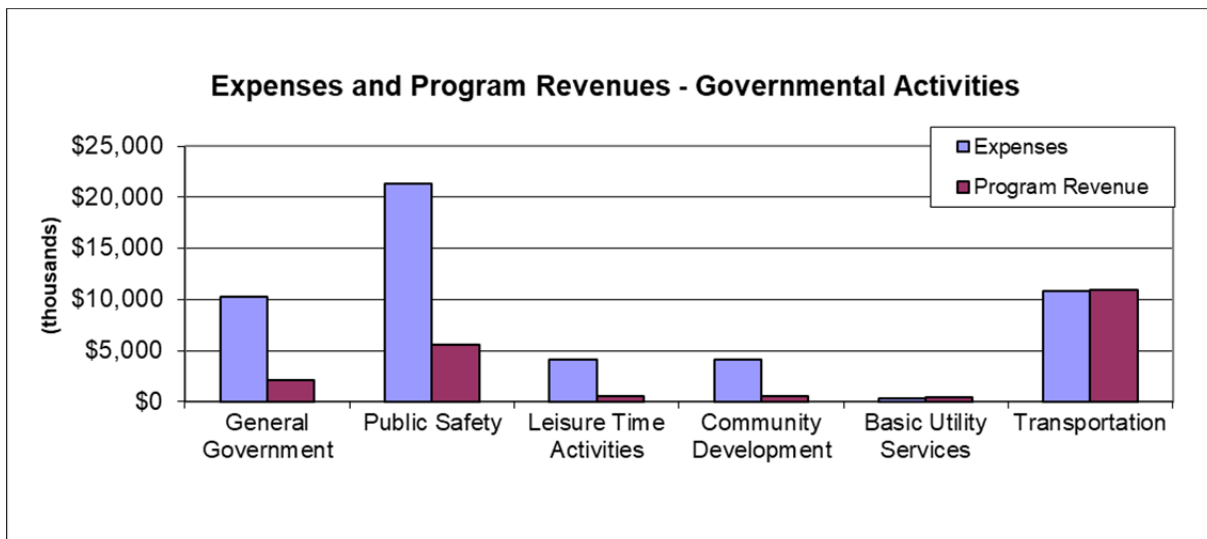
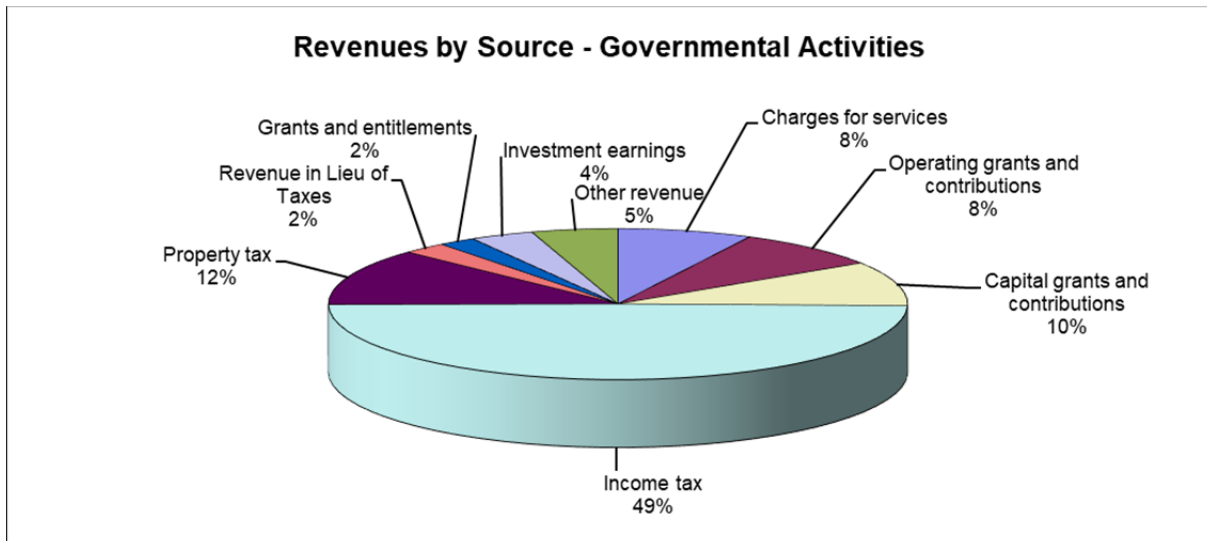
City of Mason
Changes in Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$5,960	\$8,841	\$16,429	\$20,299	\$22,389	\$29,140
Operating grants and contributions	6,619	2,928	0	0	6,619	2,928
Capital grants and contributions	7,533	2,129	1,970	1,610	9,503	3,739
General revenues:						
Income tax	39,221	36,292	0	0	39,221	36,292
Property tax	9,684	7,954	0	0	9,684	7,954
Revenue in Lieu of Taxes	1,965	2,278	0	0	1,965	2,278
Grants and entitlements	1,645	2,227	0	0	1,645	2,227
Investment earnings	2,822	3,078	895	1,126	3,717	4,204
Other revenue	3,823	1,398	290	98	4,113	1,496
Total Revenues	79,272	67,125	19,584	23,133	98,856	90,258
Expenses:						
General Government	10,243	7,056	0	0	10,243	7,056
Public Safety	21,385	10,196	0	0	21,385	10,196
Leisure Time Activities	4,056	1,451	0	0	4,056	1,451
Community Development	4,140	4,300	0	0	4,140	4,300
Basic Utility Services	251	276	0	0	251	276
Transportation	10,830	8,777	0	0	10,830	8,777
Interest and fiscal charges	1,455	1,102	0	0	1,455	1,102
Sewer utility	0	0	7,553	6,537	7,553	6,537
Waste Collection	0	0	1,906	1,796	1,906	1,796
Stormwater utility	0	0	1,509	1,380	1,509	1,380
Community Center	0	0	3,562	6,448	3,562	6,448
Golf Course	0	0	2,725	2,808	2,725	2,808
Total Expenses	52,360	33,158	17,255	18,969	69,615	52,127
Increase (decrease) in net position before transfers	26,912	33,967	2,329	4,164	29,241	38,131
Transfers - internal activities	(1,438)	(1,486)	1,438	1,486	0	0
Increase (decrease) in Net Position	25,474	32,481	3,767	5,650	29,241	38,131
Net Position beginning of year	250,002	217,521	128,379	122,729	378,381	340,250
Net Position end of year	\$275,476	\$250,002	\$132,146	\$128,379	\$407,622	\$378,381

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

Governmental activities. Governmental activities increased the city's net position by \$25,474,199. Key elements of the changes in net position are as follows:

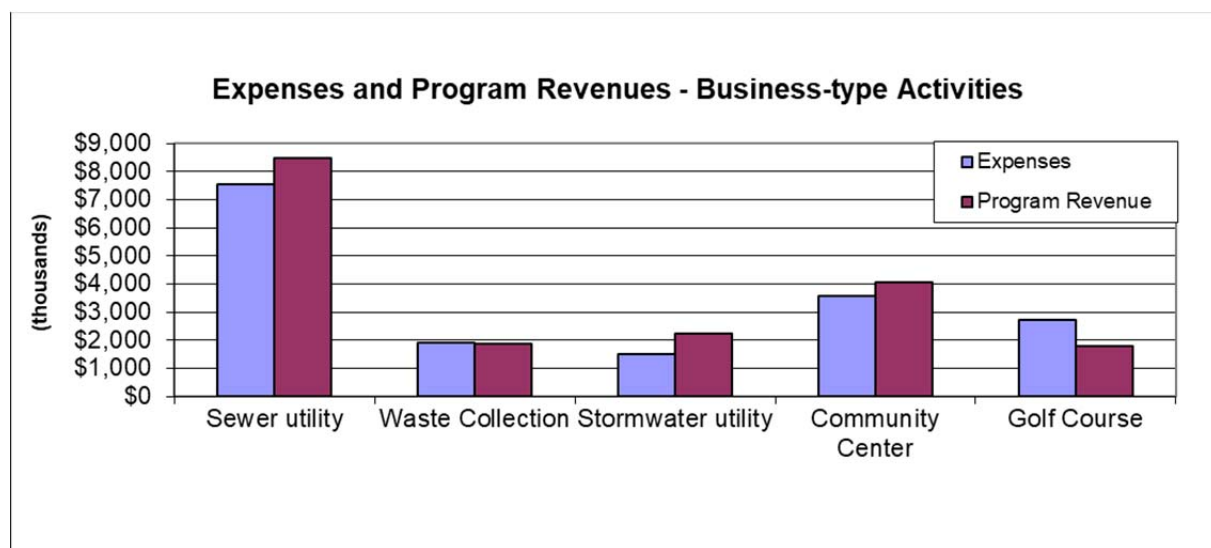
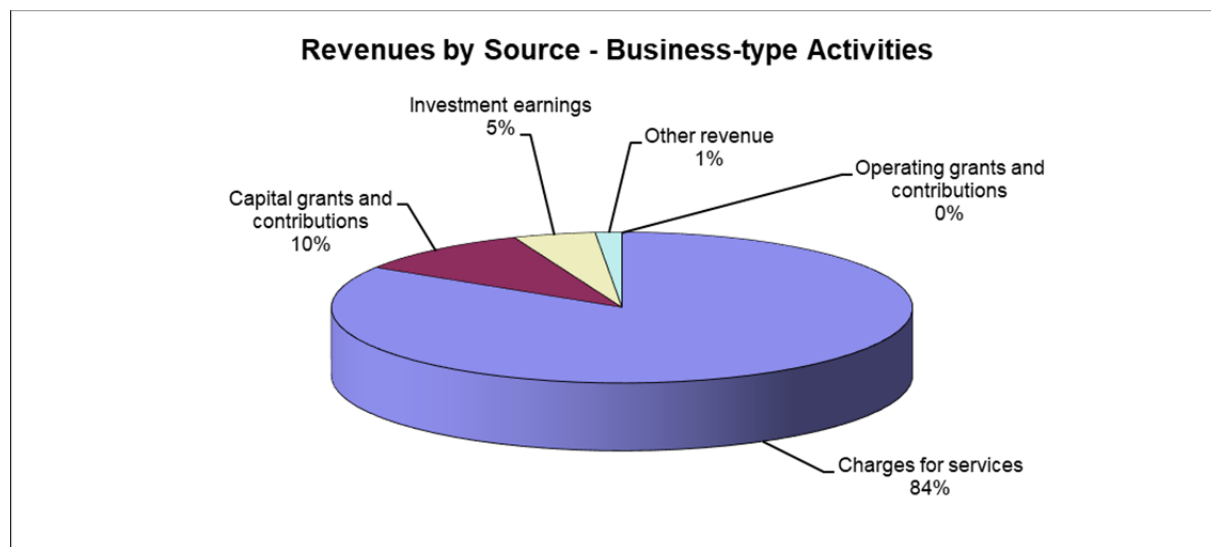
- General revenue increased \$5,932,393 (11.1 percent) with increased property and income taxes.
- Capital grants for dedicated infrastructure increased \$5,616,637 (323 percent) with the acceptance of completed residential subdivisions.
- Expenses increased by \$19,201,724 (57.9 percent). Increased expenses was from significant increases in most service areas with the largest increase in public safety. Other increases were from the pandemic response and significant maintenance to facilities throughout the City.



City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

Business-type activities. Business-type activities increased the city's net position by \$3,766,773. Key elements of the changes in net position are as follows:

- Charges for services decreased \$3,870,062 (19.1 percent). Most of the decrease was from decreased Community Center revenue during the pandemic shutdown.
- Expenses for business-type activities decreased \$1,714,783 (9.0 percent). This was generally from operating cost decrease of \$2,885,532 (44.8 percent) at the community center during the pandemic shutdown. This was offset by increased operating cost of \$1,015,858 (15.5 percent) in the sewer utility.



City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

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 \$129,582,815 an increase of \$29,042,239 in comparison with the prior year.

The general fund is the chief operating fund of the city. On December 31, 2020, the unassigned fund balance of the general fund was \$18,676,543, while the total fund balance was \$96,340,387. The city's general fund balance increased by \$28,373,346 during the current fiscal year. \$24,731,165 of the increase was from bond proceeds for capital outlay. Revenues increased by \$936,397 (1.9 percent) from increases in income tax with a decline in hotel room tax. Current expenditures increased \$4,806,383 (14.0 percent) due to increased capital outlay.

Street construction, maintenance and repair fund provides for improvement and significant maintenance activity on the street and transportation infrastructure. Capital outlay and related grants increased in 2020 for roundabout construction and improvement to State Route 741/Kings Mill Road.

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 \$3,831,622. Revenue increased by \$1,250,056 (17.7 percent) due to property taxes. Expenditures decreased \$886,192 (10.7 percent) due to pandemic response personnel paid from CARES Act funds. \$2,938,271 was transferred from the General Fund for the additional 0.12% income tax percent.

Government center bond retirement fund make the lease payments for the City's municipal center. The \$6,940,000 certificates of participation (lease) outstanding was paid off in 2020.

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 \$26,609,960 with a total increase in net position of \$1,780,524. Unrestricted net position for the storm water utility fund at the end of the year amounted to \$3,947,145, with a growth in net position of \$824,393. Unrestricted net position for the community center fund at the end of the year amounted to a negative \$551,149, but with a total change in net position of \$693,598. Unrestricted net position for

City of Mason, Ohio
Management’s Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

the golf course fund at the end of the year amounted to \$3,340,203 with a positive change in net position of \$486,114. 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 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 2020, there was a \$14,860,000 increase in appropriations between the original and the final amended budget. The total original appropriations, including those for transfers out, were \$42,893,488 while the final appropriations were \$57,753,488. An additional \$14,000,000 was transferred to the General Capital Improvement Fund for future capital projects. \$860,000 was paid for COVID-19 business recovery programs before CARES Act funds were available. 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 \$32,158,000. The actual revenue received was \$45,925,941. 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, 2020, amounted to \$347,788,026 (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 2020 over 2019 was 3.6 percent (a 6.7 percent increase for governmental activities and a 1.5 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$71,485	\$72,268	\$10,753	\$10,695	\$82,238	\$82,963
Construction in Progress	27,328	14,528	58	74	27,386	14,602
Buildings and Improvements	53,792	53,566	54,643	54,394	108,435	107,960
Machinery and Equipment	24,336	23,279	13,150	12,832	37,486	36,111
Infrastructure	112,598	107,158	106,364	104,496	218,962	211,654
Accumulated Depreciation	<u>(64,750)</u>	<u>(60,058)</u>	<u>(61,969)</u>	<u>(57,599)</u>	<u>(126,719)</u>	<u>(117,657)</u>
Total	<u>\$224,789</u>	<u>\$210,741</u>	<u>\$122,999</u>	<u>\$124,892</u>	<u>\$347,788</u>	<u>\$335,633</u>

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

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

- Mason Municipal Aquatic Center construction in progress
- Roundabout at Snider Road at Thornberry and Mason Road completed.
- Snider Road Widening between Tylersville Road and US 42 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, 2020, the city had \$66,435,000 of long-term debt outstanding (bonds and certificates of participation). Of this amount, \$58,625,000 comprises debt backed by the full faith and credit of the government. Capital lease outstanding (\$6,645,000) on December 31, 2020, are certificates of participation for the community center. Revenue bonds in the governmental activity of \$1,165,000 are funded through tax increment financing. All figures above and the table below do not include premiums and discounts.

2020 long-term debt activity included issuing \$23 million for aquatic center facilities and \$6 million for golf course refunding and improvements. The \$6.94 million outstanding for the municipal center lease was paid off 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)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$40,335	\$19,545	\$18,290	\$14,340	\$58,625	\$33,885
Certificates of Participation	0	6,940	6,645	7,300	6,645	14,240
Revenue Bonds	1,165	1,350	0	0	1,165	1,350
Total	\$41,500	\$27,835	\$24,935	\$21,640	\$66,435	\$49,475

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, 2020, the city's total net debt of 2.9% 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, 2020, the millage amount was 6.88 mills, of which 5.02 mills were restricted by the City of Mason for unvoted debt.

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2020

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 3.9 percent as recovery continues from the Covid-19 pandemic and resulting recession. As of December 31, 2019, the rate was 4.0 percent. The City's current unemployment rate is 3.6 percent. As of December 31, 2019, this rate was 3.5 percent which is lower than the current Ohio rate of 5.2 percent and the national rate of 6.5 percent (not seasonally adjusted). By promoting economic growth in Mason, the city continues to attract desirable commercial enterprises. Intense competition continues to force the city to be aggressive in its economic development objectives of increasing investment, creating employment opportunities, and retaining businesses that have already been established in Mason.

The 2021 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 2021 and future years. 2021 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 2021 including transfers and capital outlay (\$129,932,805) is twenty-two percent higher than the 2020 original appropriations (\$106,775,811) due to capital projects and early debt reduction 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.

City of Mason, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$122,274,366	\$43,934,243	\$166,208,609
Receivables (Net):			
Taxes	14,947,953	0	14,947,953
Accounts	652,763	1,327,325	1,980,088
Interest	272,019	83,521	355,540
Intergovernmental	4,661,419	0	4,661,419
Special Assessments	1,781,765	0	1,781,765
Internal Balances	5,250,000	(5,250,000)	0
Inventory	432,531	208,582	641,113
Prepaid Items	7,469	786,985	794,454
Nondepreciable Capital Assets	98,813,674	10,810,484	109,624,158
Depreciable Capital Assets, Net	125,975,520	112,188,348	238,163,868
Total Assets	375,069,479	164,089,488	539,158,967
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	940,713	1,411,281	2,351,994
Other Postemployment Benefits	5,836,599	482,018	6,318,617
	3,947,173	376,238	4,323,411
Total Deferred Outflows of Resources	10,724,485	2,269,537	12,994,022
Liabilities:			
Accounts Payable	595,351	193,168	788,519
Accrued Wages and Benefits	844,582	135,760	980,342
Contracts Payable	1,424,318	239,304	1,663,622
Retainage Payable	1,249,298	0	1,249,298
Accrued Interest Payable	124,298	71,897	196,195
Claims Payable	521,902	0	521,902
Intergovernmental Payable	47,192	0	47,192
Long-Term Liabilities:			
Due Within One Year	3,755,646	2,959,159	6,714,805
Due In More Than One Year			
Bonds	41,653,090	18,008,717	59,661,807
Certificate of Participation	0	5,899,249	5,899,249
Net Pension Liability	34,060,182	3,176,928	37,237,110
Net Other Postemployment Benefits Liability	10,088,391	2,296,330	12,384,721
Compensated Absences	1,296,158	175,864	1,472,022
Total Liabilities	95,660,408	33,156,376	128,816,784
Deferred Inflows of Resources:			
Property Taxes	6,657,148	0	6,657,148
Grants and Other Taxes	1,087,810	0	1,087,810
Pension	4,538,627	708,407	5,247,034
Other Postemployment Benefits	2,373,613	348,187	2,721,800
Total Deferred Inflows of Resources	14,657,198	1,056,594	15,713,792
Net Position:			
Net Investment in Capital Assets	181,436,817	97,717,147	279,153,964
Restricted for:			
Debt Service	3,753,205	0	3,753,205
Street Improvements	11,857,513	0	11,857,513
Public Safety	15,800,230	0	15,800,230
Parks and Recreation	184,607	0	184,607
Tax increment Financing Projects	5,149,497	0	5,149,497
Aquatic Center	5,800,000	0	5,800,000
Other Purposes	27,923	0	27,923
Unrestricted	51,466,566	34,428,908	85,895,474
Total Net Position	\$275,476,358	\$132,146,055	\$407,622,413

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$10,243,055	\$2,056,064	\$0	\$0	(\$8,186,991)	\$0	(\$8,186,991)
Public Safety	21,385,248	2,332,992	3,268,354	0	(15,783,902)	0	(15,783,902)
Community Development	4,139,870	564,363	0	0	(3,575,507)	0	(3,575,507)
Leisure Time Activities	4,056,090	525,925	0	0	(3,530,165)	0	(3,530,165)
Transportation and Street Repair	10,829,743	86,021	3,351,033	7,532,503	139,814	0	139,814
Basic Utility Service	250,649	394,571	0	0	143,922	0	143,922
Interest and Other Charges	1,455,184	0	0	0	(1,455,184)	0	(1,455,184)
Total Governmental Activities	52,359,839	5,959,936	6,619,387	7,532,503	(32,248,013)	0	(32,248,013)
Business-Type Activities:							
Sewer	7,552,934	7,270,462	0	1,212,222	0	929,750	929,750
Waste Collection	1,905,539	1,860,401	0	0	0	(45,138)	(45,138)
Stormwater Utility	1,509,497	1,469,888	0	757,721	0	718,112	718,112
Community Center	3,562,325	4,055,897	0	0	0	493,572	493,572
Golf Course	2,724,636	1,772,443	0	0	0	(952,193)	(952,193)
Total Business-Type Activities	17,254,931	16,429,091	0	1,969,943	0	1,144,103	1,144,103
Totals	\$69,614,770	\$22,389,027	\$6,619,387	\$9,502,446	(32,248,013)	1,144,103	(31,103,910)
General Revenues:							
Income Taxes					39,221,456	0	39,221,456
Property Taxes Levied for:							
General Purposes					751,185	0	751,185
Special Revenue Purposes					6,309,286	0	6,309,286
Debt Service Purposes					2,624,161	0	2,624,161
Grants and Entitlements, Not Restricted					1,644,621	0	1,644,621
Revenue in Lieu of Taxes					1,964,577	0	1,964,577
Investment Earnings					2,821,919	894,753	3,716,672
Gain on Sale of Capital Asset					2,049,159	0	2,049,159
Other Revenues					1,773,848	289,917	2,063,765
Transfers-Internal Activities					(1,438,000)	1,438,000	0
Total General Revenues and Transfers					57,722,212	2,622,670	60,344,882
Change in Net Position					25,474,199	3,766,773	29,240,972
Net Position - Beginning of Year					250,002,159	128,379,282	378,381,441
Net Position - End of Year					\$275,476,358	\$132,146,055	\$407,622,413

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	Street Construction, Maintenance and Repair	Safety	Government Center Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Investments	\$89,293,351	\$9,141,268	\$14,075,716	\$15,323	\$9,748,708	\$122,274,366
Receivables (Net):						
Taxes	7,300,507	0	5,488,289	0	2,159,157	14,947,953
Accounts	489,509	0	133,007	0	30,247	652,763
Interest	212,895	22,913	35,744	0	467	272,019
Intergovernmental	352,545	2,562,197	309,677	0	1,437,000	4,661,419
Special Assessments	2,835	0	0	0	1,778,930	1,781,765
Interfund	5,250,000	0	0	0	0	5,250,000
Inventory	383,045	0	21,871	0	27,615	432,531
Prepaid Items	7,469	0	0	0	0	7,469
Total Assets	103,292,156	11,726,378	20,064,304	15,323	15,182,124	150,280,285
Liabilities:						
Accounts Payable	522,668	0	45,183	0	27,500	595,351
Accrued Wages and Benefits	550,019	0	281,556	0	13,007	844,582
Contracts Payable	219,972	1,050,495	0	0	153,851	1,424,318
Retainage Payable	1,037,057	212,241	0	0	0	1,249,298
Claims Payable	521,902	0	0	0	0	521,902
Intergovernmental Payable	16,517	0	30,675	0	0	47,192
Total Liabilities	2,868,135	1,262,736	357,414	0	194,358	4,682,643
Deferred Inflows of Resources:						
Property Taxes	608,136	0	4,488,289	0	1,759,157	6,855,582
Income Taxes	2,756,440	0	0	0	0	2,756,440
Grants and Other Taxes	232,516	2,160,301	309,677	0	1,409,619	4,112,113
Special Assessments	2,835	0	0	0	1,778,930	1,781,765
Unavailable Amounts	483,707	9,774	15,247	0	199	508,927
Total Deferred Inflows of Resources	4,083,634	2,170,075	4,813,213	0	4,947,905	16,014,827
Fund Balances:						
Nonspendable	511,886	0	21,871	0	27,615	561,372
Restricted	5,800,000	8,293,567	14,871,806	0	9,523,202	38,488,575
Committed	0	0	0	0	686	686
Assigned	77,151,958	0	0	15,323	488,358	77,655,639
Unassigned	12,876,543	0	0	0	0	12,876,543
Total Fund Balances	96,340,387	8,293,567	14,893,677	15,323	10,039,861	129,582,815
Total Liabilities, Deferred Inflows and Fund Balances	\$103,292,156	\$11,726,378	\$20,064,304	\$15,323	\$15,182,124	\$150,280,285

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, 2020

Total Governmental Fund Balance		\$129,582,815
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		224,789,194
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	2,756,440	
Delinquent Property Taxes	198,434	
Interest	116,034	
Intergovernmental	3,024,303	
Other Receivables	<u>2,174,658</u>	
		8,269,869
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.		
		(124,298)
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		(2,411,804)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		940,713
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	5,836,599	
Deferred inflows of resources related to pensions	(4,538,627)	
Deferred outflows of resources related to OPEB	3,947,173	
Deferred inflows of resources related to OPEB	<u>(2,373,613)</u>	
		2,871,532
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds	(44,293,090)	
Net Pension Liability	(34,060,182)	
Net OPEB Liability	<u>(10,088,391)</u>	
		<u>(88,441,663)</u>
Net Position of Governmental Activities		<u>\$275,476,358</u>

See accompanying notes to the basic financial statements.

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City of Mason, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2020

	General	Street Construction, Maintenance and Repair	Safety	Government Center Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$1,431,026	\$0	\$6,243,414	\$0	\$2,461,801	\$10,136,241
Income Taxes	39,337,722	0	0	0	0	39,337,722
Charges for Services	2,549,209	0	668,177	0	0	3,217,386
Investment Earnings	2,270,246	220,529	362,953	13,332	9,520	2,876,580
Intergovernmental	709,415	5,417,617	629,767	0	3,038,418	9,795,217
Special Assessments	0	0	0	0	136,410	136,410
Fines, Licenses & Permits	1,374,178	0	0	0	631,741	2,005,919
Revenue in Lieu of Taxes	0	0	0	0	2,057,098	2,057,098
Other Revenues	1,780,872	0	390,440	0	140,631	2,311,943
Total Revenues	49,452,668	5,638,146	8,294,751	13,332	8,475,619	71,874,516
Expenditures:						
Current:						
General Government	8,434,704	0	0	0	433,957	8,868,661
Public Safety	8,349,844	0	7,125,434	0	2,630,020	18,105,298
Community Development	2,784,042	0	0	0	1,179,724	3,963,766
Leisure Time Activities	3,278,495	0	0	0	0	3,278,495
Transportation and Street Repair	3,893,481	3,262,038	0	0	425,154	7,580,673
Basic Utility Service	250,649	0	0	0	0	250,649
Capital Outlay	11,790,278	4,624,745	275,966	0	298,696	16,989,685
Debt Service:						
Principal	0	0	0	6,940,000	2,395,000	9,335,000
Interest and Other Charges	0	0	0	316,319	1,052,905	1,369,224
Bond Issuance Costs	418,117	0	0	0	0	418,117
Total Expenditures	39,199,610	7,886,783	7,401,400	7,256,319	8,415,456	70,159,568
Excess of Revenues Over (Under) Expenditures	10,253,058	(2,248,637)	893,351	(7,242,987)	60,163	1,714,948
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	4,053,824	0	0	0	0	4,053,824
Issuance of Long-Term Capital-Related Debt	23,000,000	0	0	0	0	23,000,000
Premium on Debt Issuance	1,731,165	0	0	0	0	1,731,165
Transfers In	0	1,334,000	2,938,271	4,725,000	257,708	9,254,979
Transfers (Out)	(10,611,591)	0	0	0	(81,388)	(10,692,979)
Total Other Financing Sources (Uses)	18,173,398	1,334,000	2,938,271	4,725,000	176,320	27,346,989
Net Change in Fund Balance	28,426,456	(914,637)	3,831,622	(2,517,987)	236,483	29,061,937
Fund Balance - Beginning of Year	67,967,041	9,208,204	11,056,258	2,533,310	9,775,763	100,540,576
Change in Reserve for Inventory	(53,110)	0	5,797	0	27,615	(19,698)
Fund Balance - End of Year	\$96,340,387	\$8,293,567	\$14,893,677	\$15,323	\$10,039,861	\$129,582,815

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, 2020

Net Change in Fund Balance - Total Governmental Funds \$29,061,937

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	20,805,544	
Depreciation Expense	<u>(4,751,909)</u>	
		16,053,635

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.

(2,004,665)

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	2,715,149	
Pension Expense	(5,276,812)	
OPEB Contributions	44,710	
OPEB Expense	<u>(1,366,583)</u>	
		(3,883,536)

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

Income Taxes	(116,266)	
Delinquent Property Taxes	99,807	
Interest	(54,661)	
Intergovernmental	1,469,667	
Other	<u>127,120</u>	
		1,525,667

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Premium on Bonds Issued (1,731,165)

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

9,335,000

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

(31,710)

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	(195,133)	
Amortization of Bond Premium	509,884	
Amortization of Deferred Charge on Refunding	(146,017)	
Change in Inventory	<u>(19,698)</u>	
		149,036

(Continued)

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, 2020

Proceeds from debt issues are an other financing source in the funds,
but a debt issue increases long-term liabilities in the statement
of net position. (23,000,000)

Change in Net Position of Governmental Activities \$25,474,199

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Sewer	Stormwater Utility	Community Center	Golf Course	Other Enterprise Fund	
Current Assets:						
Equity in Pooled Cash and Investments	\$28,078,120	\$4,132,284	\$7,359,184	\$3,254,081	\$1,110,574	\$43,934,243
Receivables (Net):						
Accounts	930,646	164,105	48,202	1,992	182,380	1,327,325
Interest	70,379	10,358	0	0	2,784	83,521
Inventory	35,847	0	63,847	108,888	0	208,582
Prepaid Items	0	0	786,985	0	0	786,985
Total Current Assets	29,114,992	4,306,747	8,258,218	3,364,961	1,295,738	46,340,656
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	4,658,424	326,117	0	5,825,943	0	10,810,484
Depreciable Capital Assets, Net	55,437,422	38,943,315	15,280,348	2,527,263	0	112,188,348
Total Noncurrent Assets	60,095,846	39,269,432	15,280,348	8,353,206	0	122,998,832
Total Assets	89,210,838	43,576,179	23,538,566	11,718,167	1,295,738	169,339,488
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	1,411,281	0	0	0	0	1,411,281
Other Postemployment Benefits	171,256	26,195	280,289	0	4,278	482,018
	133,673	20,447	218,779	0	3,339	376,238
Total Deferred Outflows of Resources	1,716,210	46,642	499,068	0	7,617	2,269,537
Liabilities:						
Current Liabilities:						
Accounts Payable	160,289	6,479	11,188	15,212	0	193,168
Accrued Wages and Benefits	45,109	7,280	82,349	0	1,022	135,760
Compensated Absences	103,586	15,795	50,492	0	4,286	174,159
Contracts Payable	13,501	6,365	63,313	0	156,125	239,304
Accrued Interest Payable	47,679	1,537	13,135	9,546	0	71,897
Interfund Payable	0	0	5,250,000	0	0	5,250,000
Long-Term Liabilities Due Within One Year	1,335,000	130,000	670,000	650,000	0	2,785,000
Total Current Liabilities	1,705,164	167,456	6,140,477	674,758	161,433	8,849,288
Long-Term Liabilities:						
Bonds	12,550,000	446,430	0	5,012,287	0	18,008,717
Certificate of Participation	0	0	5,899,249	0	0	5,899,249
Net Pension Liability	1,128,727	172,651	1,847,354	0	28,196	3,176,928
Net Other Postemployment Benefits Liability	815,860	124,795	1,335,295	0	20,380	2,296,330
Compensated Absences	119,814	13,921	40,909	0	1,220	175,864
Total Noncurrent Liabilities	14,614,401	757,797	9,122,807	5,012,287	49,796	29,557,088
Total Liabilities	16,319,565	925,253	15,263,284	5,687,045	211,229	38,406,376
Deferred Inflows of Resources:						
Pension	251,689	38,499	411,932	0	6,287	708,407
Other Postemployment Benefits	123,707	18,922	202,468	0	3,090	348,187
Total Deferred Inflows of Resources	375,396	57,421	614,400	0	9,377	1,056,594
Net Position:						
Net Investment in Capital Assets	47,622,127	38,693,002	8,711,099	2,690,919	0	97,717,147
Unrestricted	26,609,960	3,947,145	(551,149)	3,340,203	1,082,749	34,428,908
Total Net Position	\$74,232,087	\$42,640,147	\$8,159,950	\$6,031,122	\$1,082,749	\$132,146,055

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, 2020

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Sewer	Stormwater Utility	Community Center	Golf Course	Other Enterprise Fund	
Operating Revenues:						
Charges for Services	\$7,270,462	\$1,469,888	\$4,055,897	\$1,772,443	\$1,860,401	\$16,429,091
Other Revenues	89,911	36	199,657	307	6	289,917
Total Operating Revenues	7,360,373	1,469,924	4,255,554	1,772,750	1,860,407	16,719,008
Operating Expenses:						
Personal Services	1,686,467	258,598	1,510,438	0	49,285	3,504,788
Contractual Services	1,931,552	302,616	828,352	1,825,670	1,856,254	6,744,444
Materials and Supplies	576,557	31,241	517,719	548,448	0	1,673,965
Depreciation	2,750,806	899,476	524,838	199,652	0	4,374,772
Total Operating Expenses	6,945,382	1,491,931	3,381,347	2,573,770	1,905,539	16,297,969
Operating Income (Loss)	414,991	(22,007)	874,207	(801,020)	(45,132)	421,039
Non-Operating Revenues (Expenses):						
Investment Earnings	760,863	106,245	369	0	27,276	894,753
Interest (Expense)	(607,552)	(17,566)	(180,978)	(150,866)	0	(956,962)
Total Non-Operating Revenues (Expenses)	153,311	88,679	(180,609)	(150,866)	27,276	(62,209)
Income (Loss) Before Contributions and Transfers	568,302	66,672	693,598	(951,886)	(17,856)	358,830
Capital Grants and Contributions	1,212,222	757,721	0	0	0	1,969,943
Transfers In	0	0	0	1,438,000	0	1,438,000
Change in Net Position	1,780,524	824,393	693,598	486,114	(17,856)	3,766,773
Net Position - Beginning of Year	72,451,563	41,815,754	7,466,352	5,545,008	1,100,605	128,379,282
Net Position - End of Year	\$74,232,087	\$42,640,147	\$8,159,950	\$6,031,122	\$1,082,749	\$132,146,055

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, 2020

	Business-Type Activities					Total Business-Type Activities
	Enterprise Funds					
	Sewer	Stormwater Utility	Community Center	Golf Course	Other Enterprise Fund	
Cash Flows from Operating Activities:						
Cash Received from Customers	\$7,362,106	\$1,464,304	\$4,261,103	\$1,772,443	\$1,887,659	\$16,747,615
Cash Payments to Employees	(1,224,815)	(200,907)	(1,999,821)	0	(32,830)	(3,458,373)
Cash Payments to Suppliers	(2,470,497)	(333,282)	(1,849,293)	(2,359,489)	(1,851,154)	(8,863,715)
Net Cash Provided (Used) by Operating Activities	3,666,794	930,115	411,989	(587,046)	3,675	4,425,527
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	0	0	0	1,438,000	0	1,438,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	1,438,000	0	1,438,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(249,101)	(457,377)	(238,767)	(138,818)	0	(1,084,063)
Debt Proceeds	0	0	0	6,335,875	0	6,335,875
Debt Principal Payments	(1,285,000)	(125,000)	(655,000)	(4,640,000)	0	(6,705,000)
Debt Interest Payments	(623,550)	(24,694)	(173,856)	(244,524)	0	(1,066,624)
Capital Grants Received	572,852	0	0	0	0	572,852
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,584,799)	(607,071)	(1,067,623)	1,312,533	0	(1,946,960)
Cash Flows from Investing Activities:						
Earnings on Investments	793,366	110,958	369	0	28,885	933,578
Net Cash Provided (Used) by Cash Flows from Investing Activities	793,366	110,958	369	0	28,885	933,578
Net Increase (Decrease) in Cash and Cash Equivalents	2,875,361	434,002	(655,265)	2,163,487	32,560	4,850,145
Cash and Cash Equivalents - Beginning of Year	25,202,759	3,698,282	8,014,449	1,090,594	1,078,014	39,084,098
Cash and Cash Equivalents - End of Year	28,078,120	4,132,284	7,359,184	3,254,081	1,110,574	43,934,243
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	414,991	(22,007)	874,207	(801,020)	(45,132)	421,039
Adjustments:						
Depreciation	2,750,806	899,476	524,838	199,652	0	4,374,772
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	1,733	(5,620)	5,549	289	27,252	29,203
(Increase) Decrease in Inventory	(2,478)	0	91,014	19,773	0	108,309
(Increase) Decrease in Prepaid Items	0	0	(337,360)	0	0	(337,360)
(Increase) Decrease in Deferred Outflows of Resources	167,161	28,995	627,599	0	2,614	826,369
Increase (Decrease) in Payables	40,090	575	(256,876)	(5,740)	5,100	(216,851)
Increase (Decrease) in Accrued Liabilities	33,432	3,706	(312)	0	510	37,336
Increase (Decrease) in Deferred Inflows of Resources	346,898	52,855	546,390	0	8,759	954,902
Increase (Decrease) in Net Pension Liability	(231,849)	(45,338)	(1,399,726)	0	(1,291)	(1,678,204)
Increase (Decrease) in Net OPEB Liability	146,010	17,473	(263,334)	0	5,863	(93,988)
Net Cash Provided (Used) by Operating Activities	\$3,666,794	\$930,115	\$411,989	(\$587,046)	\$3,675	\$4,425,527
Schedule of Noncash Capital Activities:						
During the fiscal year, these amounts were received representing noncash contributions of:						
Capital Assets	\$639,370	\$757,721	\$0	\$0	\$0	\$1,397,091

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,636,564
Due From Others	<u>13,011</u>
Total Assets	<u>1,649,575</u>
Liabilities:	
Accounts Payable	<u>1,828</u>
Total Liabilities	<u>1,828</u>
Net Position:	
Individuals, Organizations, and Other Governments	15,739
Economic Development	1,134,375
Community Improvement	<u>497,633</u>
Total Net Position	<u>\$1,647,747</u>

See accompanying notes to the basic financial statements

City of Mason, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2020

	Custodial Funds
Additions:	
Municipal Court Receipts	\$1,801,495
Mason Port Authority Receipts	25,006
Community Improvement Corporation Receipts	<u>714,928</u>
Total Additions	<u>2,541,429</u>
Deductions:	
Municipal Court Disbursements	1,805,197
Mason Port Authority Disbursements	6,087
Community Improvement Corporation Disbursements	<u>538,324</u>
Total Deductions	<u>2,349,608</u>
Change in Net Position	191,821
Net Position - Beginning of Year, Restated	<u>1,455,926</u>
Net Position - End of Year	<u>\$1,647,747</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, 2020

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes; police and fire, parks and recreation, planning, zoning, community development, street maintenance, sewer, stormwater waste collection, community center and golf center. Council and the City Manager have direct responsibility for these activities.

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

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

The City participates in a joint venture called the Liberty Township Joint Economic Development District (JEDD). This joint venture is presented in Note 15.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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, 2020

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.

Street Construction, Maintenance and Repair Fund – 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.

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.

Government Center Bond Retirement Fund – This fund accounts for the accumulation of resources for the payment of general long-term debt principal and interest.

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, 2020

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.

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

Additionally, the City reports the following fund types:

The Custodial Fiduciary Funds are used to account for the collection and disbursement of monies by the City on behalf of other individuals, organizations or other governmental entities. The following are the City's custodial fiduciary funds. The Municipal Court Fund to account for amounts held on behalf of other governments and bonds deposited with the court pending final disposition of various causes, the Mason Port Authority 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 the Community Improvement Corporation Fund to account for custodial transactions related to community improvement.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 items, unavailable amounts and special assessments, are 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).

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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 2020, 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 \$100 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 2020 amounted to \$2,270,246 in the General fund, \$220,529 in the Street Construction, Maintenance and Repair Fund, \$362,953 in the Safety Fund, \$13,332 in the Government Center Bond Retirement Fund and \$9,520 in other governmental funds.

Inventory

Inventories are presented at cost on first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2020, 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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 \$42,572,975 in restricted net position, none were restricted by enabling legislation.

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Gain/Loss on Refunding

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. The City's investment policy as approved by Council Ordinance permits interim monies to be invested or deposited in the following securities in 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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

- (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.

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, 2020, \$7,435,383 of the City's bank balance of \$7,069,052 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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Investments

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2020:

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	Significant Other Observable Inputs		
		Level 1	Level 2		
STAR Ohio*	\$40,195,236			\$40,195,236	0.11
Commercial Paper	26,132,688		\$26,132,688		0.49
US Treasury Notes/Bonds	24,831,388	\$24,831,388			2.25
Federal National Mortgage Association	18,684,126		18,684,126		2.57
Negotiable Certificate of Deposit	16,269,531		16,269,531		1.38
Federal Home Loan Mortgage	11,742,589		11,742,589		2.68
Municipal Bonds	11,562,329		11,562,329		2.96
Federal Farm Credit Bank	7,466,673		7,466,673		1.36
Federal Home Loan Bank	5,062,580		5,062,580		2.70
Money Market Funds	43,727	43,727			0.00
	<u>\$161,990,867</u>	<u>\$24,875,115</u>	<u>\$96,920,516</u>	<u>\$40,195,236</u>	
Portfolio Weighted Average Maturity					1.33

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, 2020. STAR Ohio is reported at its share price (Net Asset value per share).

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 Notes/Bonds, 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 12% of the City's investments in Federal National Mortgage Association, 15% in US Treasury Notes/Bonds, 16% in Commercial Paper, 7% in Federal Home Loan Mortgage, 25% in STAR Ohio, 3% in Federal Home Loan Bank, 5% in Federal Farm Credit Bank, 7% in Municipal Bonds, 10% in Negotiable Certificate of Deposit and less than 1% in Money Market Funds.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

Note 4 – Receivables

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

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

Special assessments expected to be collected in more than one year amounts to \$2,835 in the General Fund and \$1,778,930 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 2020 were levied after October 1, 2019 on assessed values as of January 1, 2019, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Real Property	\$1,360,824,030
Public Utility	27,735,470
Total Valuation	<u><u>\$1,388,559,500</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, 2020, and for which there is an enforceable legal claim. In the funds, a portion of the receivable has been offset by deferred inflows

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

since the current taxes were not levied to finance 2020 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 performance requirements or relocated to another location outside the City. Despite the possible receivable, it is generally believed nothing will be owed or repaid and nothing is recognized as a receivable.

Note 5 - Risk Management

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

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

City of Mason, Ohio
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For the Year Ended December 31, 2020

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:

\$500,000/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

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

City of Mason, Ohio
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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 2020 financial statements has not been completed yet. Figures from the audited December 31, 2019 financial statements are as follows:

Current Assets	\$7,057,290
Total Assets	\$18,733,995
Deferred Outflow of Resources	\$212,916
Current Liabilities	\$4,803,877
Non-Current Liabilities	\$3,796,641
Deferred Inflows of Resources	\$15,722
Net Position	\$10,330,671

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 \$521,902 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:

Fiscal Year	Beginning of Fiscal Year Liability	Current Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2020	\$453,564	\$4,312,659	(\$4,244,321)	\$521,902
2019	425,395	3,497,688	(3,469,519)	453,564

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 6 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2020, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 7 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$72,268,060	\$1,221,855	\$2,004,655	\$71,485,260
Construction in Progress	14,527,813	17,917,012	5,116,411	27,328,414
Total Capital Assets, not being depreciated	<u>86,795,873</u>	<u>19,138,867</u>	<u>7,121,066</u>	<u>98,813,674</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	53,565,602	225,892	0	53,791,494
Equipment	23,278,748	1,117,982	60,403	24,336,327
Infrastructure	107,158,324	5,439,214	0	112,597,538
Totals at Historical Cost	<u>270,798,547</u>	<u>25,921,955</u>	<u>7,181,469</u>	<u>289,539,033</u>
Less Accumulated Depreciation:				
Buildings and Improvements	18,862,634	1,308,855	0	20,171,489
Equipment	16,080,074	1,566,442	60,392	17,586,124
Infrastructure	25,115,614	1,876,612	0	26,992,226
Total Accumulated Depreciation	<u>\$60,058,322</u>	<u>\$4,751,909</u>	<u>\$60,392</u>	<u>\$64,749,839</u>
Governmental Activities Capital Assets, Net	<u>\$210,740,225</u>	<u>\$21,170,046</u>	<u>\$7,121,077</u>	<u>\$224,789,194</u>

City of Mason, Ohio
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Depreciation expense was charged to governmental functions as follows:

	Depreciation Expense
General Government	\$748,391
Public Safety	744,607
Leisure Time Activities	376,653
Transportation and Street Repair	2,851,472
Community Development	30,786
Total Depreciation Expense	<u>\$4,751,909</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$10,694,550	\$58,000	\$0	\$10,752,550
Construction in Progress	73,713	893,829	909,608	57,934
Total Capital Assets, not being depreciated	<u>10,768,263</u>	<u>951,829</u>	<u>909,608</u>	<u>10,810,484</u>
Capital Assets, being depreciated:				
Buildings and Improvements	54,393,839	249,000	0	54,642,839
Equipment	12,832,530	323,482	5,520	13,150,492
Infrastructure	104,496,361	1,867,554	0	106,363,915
Totals at Historical Cost	<u>182,490,993</u>	<u>3,391,865</u>	<u>915,128</u>	<u>184,967,730</u>
Less Accumulated Depreciation:				
Buildings and Improvements	19,068,620	1,565,373	0	20,633,993
Equipment	8,948,835	1,047,289	4,417	9,991,707
Infrastructure	29,581,088	1,762,110	0	31,343,198
Total Accumulated Depreciation	<u>\$57,598,543</u>	<u>\$4,374,772</u>	<u>\$4,417</u>	<u>\$61,968,898</u>
Business-Type Activities Capital Assets, Net	<u>\$124,892,450</u>	<u>(\$982,907)</u>	<u>\$910,711</u>	<u>\$122,998,832</u>

Note 8 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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
Governmental Activities					
<u>General Obligation Bonds</u>					
2020A Recreational Facilities Improvement Bonds	\$0	\$15,000,000	(\$670,000)	\$14,330,000	\$565,000
Premium on 2020A Bonds	0	1,257,079	(62,854)	1,194,225	0
2020C Recreational Facilities Improvement Bonds	0	8,000,000	0	8,000,000	275,000
Premium on 2020C Bonds	0	474,086	0	474,086	0
2016 Various Purpose - Refunding	8,265,000	0	(920,000)	7,345,000	955,000
2017 Special Assessment Bonds	1,850,000	0	(75,000)	1,775,000	80,000
2011 Mason Road Widening	1,235,000	0	(120,000)	1,115,000	125,000
2011 US 42 Road Improvements	640,000	0	(50,000)	590,000	50,000
2015 Combined Financing	7,555,000	0	(375,000)	7,180,000	385,000
Premium on Bonds	1,253,696	0	(128,917)	1,124,779	0
Total General Obligation Bonds	20,798,696	24,731,165	(2,401,771)	43,128,090	2,435,000
<u>Revenue Bonds</u>					
2012 Enterprise Parke TIF Refunding	160,000	0	(50,000)	110,000	55,000
Everybody's Farm TIF	1,190,000	0	(135,000)	1,055,000	150,000
Total Revenue Bonds	1,350,000	0	(185,000)	1,165,000	205,000
<u>Certificate of Participation Bonds</u>					
Refunding Certificate of Participation	6,940,000	0	(6,940,000)	0	0
Premium on Refunding Certificate of Participation	318,113	0	(318,113)	0	0
Total Refunding Certificate of Participation Bonds	7,258,113	0	(7,258,113)	0	0
Total Long-Term Liabilities Bonds	29,406,809	24,731,165	(9,844,884)	44,293,090	2,640,000
Net Pension Liability:					
OPERS	12,068,992	0	(3,227,794)	8,841,198	0
OPF	30,425,923	0	(5,206,939)	25,218,984	0
Total Net Pension Liability	42,494,915	0	(8,434,733)	34,060,182	0
Net OPEB Liability:					
OPERS	5,941,906	448,644	0	6,390,550	0
OPF	3,394,424	303,417	0	3,697,841	0
Total Net OPEB Liability	9,336,330	752,061	0	10,088,391	0
Compensated Absences	2,216,671	1,164,669	(969,536)	2,411,804	1,115,646
Total Governmental Activities	\$83,454,725	\$26,647,895	(\$19,249,153)	\$90,853,467	\$3,755,646

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
<u>General Obligation Bonds</u>					
2020 Recreational Facilities	\$0	\$6,000,000	(\$640,000)	5,360,000	\$650,000
Premium on Recreational Facilities	0	335,875	(33,588)	302,287	0
Sewer Refunding	13,665,000	0	(1,285,000)	12,380,000	1,335,000
Stormwater Improvement	675,000	0	(125,000)	550,000	130,000
Recreational Facilities BAN 2018	4,000,000	0	(4,000,000)	0	0
Premium on Bonds	1,726,162	0	(194,732)	1,531,430	0
Total General Obligation Bonds	20,066,162	6,335,875	(6,278,320)	20,123,717	2,115,000
<u>Certificate of Participation Bonds</u>					
2019 Certificate of Participation Refunding	7,300,000	0	(655,000)	6,645,000	670,000
Discount on Certificate of Participation	(84,168)	8,417	0	(75,751)	0
Total Certificate of Participation Bonds	7,215,832	8,417	(655,000)	6,569,249	670,000
Net Pension Liability:					
OPERS	4,855,132	0	(1,678,204)	3,176,928	0
Total Net Pension Liability	4,855,132	0	(1,678,204)	3,176,928	0
Net OPEB Liability:					
OPERS	2,390,318	0	(93,988)	2,296,330	0
Total Net OPEB Liability	2,390,318	0	(93,988)	2,296,330	0
Compensated Absences - Enterprise	324,603	156,803	(131,383)	350,023	174,159
Total Business-Type Activities	\$34,852,047	\$6,501,095	(\$8,836,895)	\$32,516,247	\$2,959,159

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 are no repayment schedules for the net pension and net other postemployment benefits (OPEB) liabilities; 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
2021	\$4,550,000	\$1,957,548	\$205,000	\$64,512
2022	4,670,000	1,825,976	215,000	53,963
2023	4,840,000	1,668,956	170,000	42,838
2024	5,015,000	1,495,486	55,000	33,062
2025	5,045,000	1,307,000	60,000	29,900
2026-2030	18,520,000	13,680,255	370,000	92,000
2031-2035	9,700,000	1,434,640	90,000	5,174
2036-2040	6,285,000	358,433	0	0
	<u>\$58,625,000</u>	<u>\$23,728,294</u>	<u>\$1,165,000</u>	<u>\$321,449</u>

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

2020 Recreational Facilities Improvement Bonds

On March 12, 2020 the City issued \$15,000,000 in Recreational Facilities Improvement Bonds, Series 2020A, with an interest rate between 2.00% and 4.00%. The bond was issued for the purpose of constructing a municipal aquatic center. The bond will be paid from the general bond retirement fund and will mature December 1, 2039.

On March 12, 2020 the City issued \$6,000,000 in Recreational Facilities Improvement Bonds, Series 2020B, with an interest rate between 1.50% and 3.00%. The bond was issued for the purpose of constructing improvements to the municipal golf course. The bond will be paid from the golf course fund and will mature December 1, 2029.

On October 29, 2020 the City issued \$8,000,000 in Recreational Facilities Improvement Limited Tax General Obligation Bonds, Series 2020C, with an interest rate between 1.650% and 4.000%. The bond was issued for the purpose of paying the cost of constructing a competition pool for the municipal aquatic center and to pay certain costs related to the issuance of the bonds. The bond will be paid from the general bond retirement fund and will mature December 1, 2040.

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

The City currently has certificate of participation bonds for 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>Business-Type Activities</u>
2021	\$827,619
2022	826,727
2023	830,479
2024	828,756
2025	826,678
2026-2029	3,317,744
Total minimum lease payments	7,458,003
Less: Amount representing interest	(813,003)
Present value of minimum lease payments	<u>\$6,645,000</u>

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Certificate of Participation bond payments are made from the Community Center Fund. The costs of capital assets acquired under this capital lease are as follows:

Buildings and Improvements	\$11,360,000
Equipment	25,000

Note 11 - Defined Benefit Pension Plans

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 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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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, 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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<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	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	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 30 years and 2.5% for service years in excess of 30	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	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>	<u>Public Safety</u>	<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	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	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>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	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>	<u>Public Safety and Law Enforcement</u>	<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	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	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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee (a)	10.00%	(b)	(c)
2020 Actual Contribution Rates			
Employer:			
Pension (d)	14.00%	18.10%	18.10%
Post-employment Health Care Benefits (d)	0.00%	0.00%	0.00%
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 2020, the City's contractually required contribution was \$1,108,165, of this amount \$105,476 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 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 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.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

Under normal service retirement, 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, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2020 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 \$1,899,922 for 2020, of this amount \$140,158 is reported as accrued wages and benefits.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) 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	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$12,018,126	\$25,218,984	\$37,237,110
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06080300%	0.37436140%	
Prior Measurement Date	0.06179400%	0.37274600%	
Change in Proportionate Share	<u>-0.00099100%</u>	<u>0.00161540%</u>	
Pension Expense	\$1,890,755	\$3,613,414	\$5,504,169

At December 31 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$954,620	\$954,620
Changes in assumptions	641,909	619,060	1,260,969
Changes in employer proportionate share of net pension liability	73,371	1,021,570	1,094,941
Contributions subsequent to the measurement date	1,108,165	1,899,922	3,008,087
Total Deferred Outflows of Resources	<u>\$1,823,445</u>	<u>\$4,495,172</u>	<u>\$6,318,617</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$151,952	\$1,300,645	\$1,452,597
Net difference between projected and actual earnings on pension plan investments	2,397,346	1,218,280	3,615,626
Changes in employer proportionate share of net pension liability	130,564	48,247	178,811
Total Deferred Inflows of Resources	<u>\$2,679,862</u>	<u>\$2,567,172</u>	<u>\$5,247,034</u>

\$3,008,087 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS Traditional Plan	OPF	Total
2021	(\$291,076)	\$138,576	(\$152,500)
2022	(820,875)	286,380	(534,495)
2023	99,273	741,469	840,742
2024	(951,904)	(1,034,396)	(1,986,300)
2025	0	(103,951)	(103,951)
Total	<u>(\$1,964,582)</u>	<u>\$28,078</u>	<u>(\$1,936,504)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2019, 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, 2019, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases	3.25% to 10.75% (includes wage inflation)
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, Simple
Post-January 7, 2013 Retirees	1.40%, Simple through 2020, then 2.15%, Simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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

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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.

During 2019, 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 the 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 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees 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 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.83%
Domestic Equities	19.00%	5.75%
Real Estate	10.00%	5.20%
Private Equity	12.00%	10.70%
International Equities	21.00%	7.66%
Other Investments	13.00%	4.98%
Total	100.00%	5.61%

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Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$19,821,778	\$12,018,126	\$5,002,871

Changes in Assumptions or Benefit Terms Since the Last Measurement Date, and Changes from the Measurement Date to the Report Date

There were no recent significant changes of pension benefit terms, health care plans, investment policies, the size or composition of the population covered by the benefit terms and health care plans impacting the actuarial valuation studies for pension and health care for the measurement date of December 31, 2019.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and 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 the value 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, 2019, are presented below.

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Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increases 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 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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 pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the 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 averaged 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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	1.00%
Domestic Equity	16.00%	5.40%
Non-US Equity	16.00%	5.80%
Private Markets	8.00%	8.00%
Core Fixed Income*	23.00%	2.70%
High Yield Fixed Income	7.00%	4.70%
Private Credit	5.00%	5.50%
U.S. Inflation Linked Bonds*	17.00%	2.50%
Master Limited Partnerships	8.00%	6.60%
Real Assets	8.00%	7.40%
Private Real Estate	12.00%	6.40%
Total	120.00%	

Note: Assumptions are geometric

** levered 2x*

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 percent. 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 percent. 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 percent, 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 percent, or one percentage point higher, 9.00 percent, than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$34,952,634	\$25,218,984	\$17,077,750

Changes in Assumptions or Benefit Terms Since the Last Measurement Date, and Changes from the Measurement Date to the 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

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 postemployment 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 separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 Comprehensive Annual Financial Report 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, 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 allowing 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active 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. For 2020, OPERS did not allocate any employer contribution to health

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care for members in the Traditional Pension Plan and Combined Plan. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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 health care 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 of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental 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 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 percent and 24.00 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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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.

The City's contractually required contribution to OP&F was \$44,710 for 2020.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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	OPF	Total
Proportionate Share of the: Net OPEB Liability	\$8,686,880	\$3,697,841	\$12,384,721
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.06289100%	0.37436140%	
Prior Measurement Date	0.06390900%	0.37274600%	
Change in Proportionate Share	-0.00101800%	0.00161540%	
OPEB Expense	\$934,199	\$507,042	\$1,441,241

At December 31 2020, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$233	\$0	\$233
Changes in assumptions	1,375,041	2,161,901	3,536,942
Changes in employer proportionate share of net OPEB liability	48,010	693,516	741,526
Contributions subsequent to the measurement date	0	44,710	44,710
Total Deferred Outflows of Resources	<u>\$1,423,284</u>	<u>\$2,900,127</u>	<u>\$4,323,411</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$794,455	\$397,667	\$1,192,122
Changes in assumptions	0	788,066	788,066
Net difference between projected and actual earnings on OPEB plan investments	442,334	170,161	612,495
Changes in employer proportionate share of net OPEB liability	80,382	48,735	129,117
Total Deferred Inflows of Resources	<u>\$1,317,171</u>	<u>\$1,404,629</u>	<u>\$2,721,800</u>

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\$44,710 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, 2021. 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	OPF	Total
2021	\$220,423	\$275,513	\$495,936
2022	74,352	275,513	349,865
2023	352	310,417	310,769
2024	(189,014)	363,877	174,863
2025	0	146,418	146,418
Thereafter	0	79,050	79,050
Total	<u>\$106,113</u>	<u>\$1,450,788</u>	<u>\$1,556,901</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 health care costs 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 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, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate:	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	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-

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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. 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.

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-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 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36%	1.53%
Domestic Equities	21%	5.75%
Real Estate Investment Trusts	6%	5.69%
International Equities	23%	7.66%
Other investments	14%	4.90%
Total	100%	4.55%

Discount Rate

A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent 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

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expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be 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 percent and a municipal bond rate of 2.75 percent. 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 health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease <u>(2.16%)</u>	Current Discount Rate <u>(3.16%)</u>	1% Increase <u>(4.16%)</u>
Proportionate share of the net OPEB liability	\$11,368,177	\$8,686,880	\$6,540,035

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 1.0 percent lower or 1.0 percent 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 2020 is 10.50 percent. 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 3.50 percent in the most recent valuation.

	1% Decrease <u></u>	Current Health Care Cost Trend Rate Assumption <u></u>	1% Increase <u></u>
Proportionate share of the net OPEB liability	\$8,430,539	\$8,686,880	\$8,939,956

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with

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monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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 the value 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, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increases 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 percent.

City of Mason, Ohio
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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 the Statement of Investment Policy. A forecasted rate of inflation serves as the 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 averaged 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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	1.00%
Domestic Equity	16.00%	5.40%
Non-US Equity	16.00%	5.80%
Private Markets	8.00%	8.00%
Core Fixed Income*	23.00%	2.70%
High Yield Fixed Income	7.00%	4.70%
Private Credit	5.00%	5.50%
U.S. Inflation Linked Bonds*	17.00%	2.50%
Master Limited Partnerships	8.00%	6.60%
Real Assets	8.00%	7.40%
Private Real Estate	12.00%	6.40%
Total	120.00%	

Note: Assumptions are geometric

** levered 2x*

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

City of Mason, Ohio
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For the Year Ended December 31, 2020

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

For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution 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 of 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2033, and the municipal bond rate was applied to all health care costs after that date.

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, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Proportionate share of the net OPEB liability	\$4,585,084	\$3,697,841	\$2,960,604

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

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Changes between Measurement Date and Report Date

There was a decrease in the discount rate from 4.66 percent at prior measurement date to 3.56 percent at the current measurement date. There are no changes to benefit terms.

Note 13 – Construction and Other Commitments

Construction

The City had the following outstanding commitments at year end:

City of Mason, Ohio
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For the Year Ended December 31, 2020

Projects	Amount
Aquatic Center Improvements	\$7,751,622
SR 741 Parkside Intersection	3,933,724
SR 741 Improvement (Spyglass Hill to Welden)	1,730,495
Mason-Lebanon Trail Connection	600,175
Snider Rd Improvement (Western Row Road to US 42)	281,600
R&D Connector Road (Mason-Montgomery to Avalon)	109,977
US 42 Roundabouts	95,584
Park Signs	83,325
SR 741 Improvement (Welden to Avalon)	80,651
Heritage Oak Park Reinvestment	60,982
Common Ground Park	58,530
Mason-Montgomery Rd Sidewalk (Concord Crossing to Enterprise Drive)	53,454
Snider Road Roundabout (Mason Road, Thornberry Court)	34,960
Butler-Warren Road and Western Row Road Roundabout	31,729
Salt Barn Design	5,750
Central Park Blvd Extension	2,300
Service Center Annex	1,246
	\$14,916,104

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, 2020 were as follows:

Fund	Amount
General	\$21,463,284
Safety	390,886
Sewer	312,825
Waste Collection	160,235
Stormwater Utility	288,958
Community Center	3,025,002
Golf Course	436,340
Nonmajor Funds	12,033,805
	\$38,111,335
Total	

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, 2020

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$5,250,000	\$0	\$0	\$10,611,591
Street Construction, Maintenance and Repair Fund	0	0	1,334,000	0
Safety Fund	0	0	2,938,271	0
Government Center Bond Retirement Fund	0	0	4,725,000	0
Community Center Fund	0	5,250,000	0	0
Golf Course Fund	0	0	1,438,000	0
Other Governmental Funds	0	0	257,708	81,388
Total All Funds	\$5,250,000	\$5,250,000	\$10,692,979	\$10,692,979

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 State Highway Improvement Fund (Other Governmental Funds) to the General Bond Retirement Fund (Other Governmental Funds) of \$74,000 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 \$7,388 was for indigent driver programs.

Note 15 – Joint Venture

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

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

Mason’s use of funds provide for the improvement of the transportation network within the City, including the improvements of Bethany and Mason Roads.

Distribution of Gross Tax:

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

Net Distribution:

- 83% Liberty Township
- 2% Middletown
- 15% Mason

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 16 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Street Construction, Maintenance and Repair	Safety	Government Center Bond Retirement	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$383,045	\$0	\$21,871	\$0	\$27,615	\$432,531
Prepays	7,469	0	0	0	0	7,469
Unclaimed Monies	121,372	0	0	0	0	121,372
Total Nonspendable	511,886	0	21,871	0	27,615	561,372
Restricted for:						
Aquatic Center	5,800,000	0	0	0	0	5,800,000
Fire and Emergency Medical Service Safety	0	0	14,871,806	0	0	14,871,806
Street Construction Maintenance and Repair	0	8,293,567	0	0	0	8,293,567
Street Highway Improvement	0	0	0	0	214,008	214,008
Street Subdivision	0	0	0	0	1,128,426	1,128,426
CARES Act Federal Grant	0	0	0	0	308	308
Parks and Recreation	0	0	0	0	184,607	184,607
Drug Law Enforcement	0	0	0	0	55,422	55,422
Law Enforcement and Education	0	0	0	0	5,915	5,915
Indigent Drive	0	0	0	0	33,840	33,840
Municipal Court Computer Costs	0	0	0	0	267,657	267,657
Municipal Court Improvement Education	0	0	0	0	265,662	265,662
Municipal Court Improvement	0	0	0	0	352,853	352,853
Vehicle Immobilization Fee	0	0	0	0	17,398	17,398
Municipal Court Probation Services	0	0	0	0	69,906	69,906
Municipal Court Indigent Driver IDAM	0	0	0	0	1,294	1,294
JW Harris TIF	0	0	0	0	517,014	517,014
Central Parke TIF	0	0	0	0	781,041	781,041
Mason Enterprise Parke TIF	0	0	0	0	104,442	104,442
Tylersville Road TIF	0	0	0	0	646,402	646,402
I-71 Corridor TIF	0	0	0	0	2,663,570	2,663,570
Everybody's Farm TIF	0	0	0	0	294,296	294,296
General Obligation Bond Retirement	0	0	0	0	1,898,730	1,898,730
Special Assessment Bond Retirement	0	0	0	0	20,411	20,411
Total Restricted	5,800,000	8,293,567	14,871,806	0	9,523,202	38,488,575
Committed to:						
Police Crime Prevention	0	0	0	0	686	686
Total Committed	0	0	0	0	686	686
Assigned to:						
General Capital Improvement	61,826,365	0	0	0	0	61,826,365
Future Appropriations	10,126,555	0	0	0	0	10,126,555
Debt Service	0	0	0	15,323	0	15,323
Common Ground Park Construction	0	0	0	0	93,781	93,781
Subdivision Inspection	0	0	0	0	394,577	394,577
Protection and Enforcement	159,765	0	0	0	0	159,765
Recreation Services	139,739	0	0	0	0	139,739
Transportation Services	171,475	0	0	0	0	171,475
General Governance	350,827	0	0	0	0	350,827
Community Development	2,550,770	0	0	0	0	2,550,770
Asset Development and Management	1,816,834	0	0	0	0	1,816,834
Other Miscellaneous Services Provided	9,628	0	0	0	0	9,628
Total Assigned	77,151,958	0	0	15,323	488,358	77,655,639
Unassigned (Deficit)	12,876,543	0	0	0	0	12,876,543
Total Fund Balance	\$96,340,387	\$8,293,567	\$14,893,677	\$15,323	\$10,039,861	\$129,582,815

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 17 – Tax Abatements

As of December 31, 2020, 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.

City of Mason Tax Abatement Program	Total Amount of Taxes Abated (in thousands)	City of Mason Share of Taxes Abated (in thousands)
Community Reinvestment Area	\$4,609	\$479

Note 18 – Implementation of New Accounting Principles and Restatement of Net Position

For fiscal year 2020, the City implemented 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*.

GASB Statement No. 83 sets out to address the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of GASB Statement No. 83 was implemented in the notes to financial statements.

GASB Statement No. 84 clarifies the criteria for identifying fiduciary activities, with the focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Activities meeting certain criteria should be reported in a fiduciary fund in the financial statements. The implementation of GASB Statement No. 84 affected the accounting and reporting of fiduciary activities.

GASB Statement No. 88 sets out to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and

City of Mason, Ohio
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For the Year Ended December 31, 2020

terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. If applicable, GASB Statement No. 88 has been implemented in the notes to financial statements.

GASB Statement No. 90 sets out to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of GASB Statement No. 90 did not have an effect on the financial statements.

A net position restatement is required in order to implement GASB Statement No. 84. The custodial funds at January 1, 2020 have been restated as follows:

	Municipal Court	Mason Port Authority	Community Improvement Corporation	Total Custodial Funds
Net Position as previously reported	\$0	\$0	\$0	\$0
Adjustments:				
Presentation Changes -- GASB 84	<u>19,441</u>	<u>1,115,456</u>	<u>321,029</u>	<u>1,455,926</u>
Restated Net Position January 1, 2020	<u><u>\$19,441</u></u>	<u><u>\$1,115,456</u></u>	<u><u>\$321,029</u></u>	<u><u>\$1,455,926</u></u>

Other than restating net position for custodial funds, the City made no restatement for prior periods as the information needed to generate these restatements was not available.

Note 19 – COVID-19

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.

Note 20 – Asset Retirement Obligations (ARO)

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. At this time, due to limitations associated with the existing plant’s age and building materials within the plant, the engineer consulted would not have a reasonable estimate to calculate a liability for this year.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 21 – Subsequent Event

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.

In June 2021, the City called and paid off the 2011 Various Purpose Bonds for the Mason Road Widening, US 42 Road Improvements and Stormwater Improvement. Total amount outstanding and paid off was \$2,255,000.

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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.06080300%	0.06179400%	0.06043500%	0.06167100%	0.06357900%
City's Proportionate Share of the Net Pension Liability	\$12,018,126	\$16,924,124	\$9,481,080	\$14,004,435	\$11,012,684
City's Covered Payroll	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958	\$9,235,283
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.48%	202.77%	118.70%	175.65%	119.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.70%	74.70%	84.66%	77.25%	81.08%

(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.

2015	2014
0.06477700%	0.06477700%
\$7,812,829	\$7,636,364
\$7,967,975	\$8,325,577
98.05%	91.72%
86.45%	86.36%

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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.37436140%	0.37274600%	0.37405900%	0.35072000%	0.33845900%
City's Proportionate Share of the Net Pension Liability	\$25,218,984	\$30,425,923	\$22,957,690	\$22,214,253	\$21,773,305
City's Covered Payroll	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353	\$7,354,405
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	285.34%	324.67%	253.18%	263.47%	296.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%	66.77%

(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.

2015	2014
0.33722890%	0.33722890%
\$17,469,862	\$16,424,105
\$6,931,636	\$5,687,506
252.03%	288.78%
72.20%	73.00%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$1,108,165	\$1,197,690	\$1,168,491	\$1,038,340	\$956,755
Contributions in Relation to the Contractually Required Contribution	<u>(1,108,165)</u>	<u>(1,197,690)</u>	<u>(1,168,491)</u>	<u>(1,038,340)</u>	<u>(956,755)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$7,915,464	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	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.

<u>2015</u>	<u>2014</u>
\$1,108,234	\$956,157
<u>(1,108,234)</u>	<u>(956,157)</u>
<u>\$0</u>	<u>\$0</u>
\$9,235,283	\$7,967,975
12.00%	12.00%

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

	2020	2019	2018	2017	2016
Contractually Required Contribution	\$1,899,922	\$1,867,527	\$1,780,557	\$1,722,883	\$1,601,957
Contributions in Relation to the Contractually Required Contribution	<u>(1,899,922)</u>	<u>(1,867,527)</u>	<u>(1,780,557)</u>	<u>(1,722,883)</u>	<u>(1,601,957)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353
Contributions as a Percentage of Covered Payroll	19.00%	21.13%	19.00%	19.00%	19.00%

(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.

2015	2014
\$1,477,500	\$1,411,281
<u>(1,477,500)</u>	<u>(1,411,281)</u>
<u>\$0</u>	<u>\$0</u>
\$7,354,405	\$6,931,636
20.09%	20.36%

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 Four Fiscal Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.06289100%	0.06390900%	0.06261000%	0.06372551%
City's Proportionate Share of the Net OPEB Liability	\$8,686,880	\$8,332,224	\$6,798,985	\$6,436,492
City's Covered Payroll	\$8,554,929	\$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	101.54%	99.83%	85.12%	80.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	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 Four Fiscal Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.37436140%	0.37274600%	0.37405900%	0.35072000%
City's Proportionate Share of the Net OPEB Liability	\$3,697,841	\$3,394,424	\$21,193,659	\$16,647,890
City's Covered Payroll	\$8,838,273	\$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	41.84%	36.22%	233.72%	197.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	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 for
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll	\$7,915,464	\$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%	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 for
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Police and Fire Pension Fund
 Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$44,710	\$43,816	\$41,701	\$104,088	\$185,509
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(44,710)</u>	<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>	<u>\$0</u>
City's Covered Payroll	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353
Contributions to OPEB as a Percentage of Covered Payroll	0.45%	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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$35,683,000	\$38,683,000	\$39,995,680	\$1,312,680
Fines, Licenses and Permits	1,743,000	1,743,000	1,431,358	(311,642)
Intergovernmental	55,000	55,000	707,313	652,313
Charges for Services	987,000	987,000	832,413	(154,587)
Investment Earnings	200,000	200,000	1,369,648	1,169,648
Other Revenues	490,000	490,000	1,589,529	1,099,529
Total Revenues	39,158,000	42,158,000	45,925,941	3,767,941
Expenditures:				
Current:				
General Government				
City Manager	385,787	385,787	372,283	13,504
Assistant City Manager	857,860	857,860	755,896	101,964
Finance	675,361	675,361	544,783	130,578
Earnings Tax	867,946	767,946	602,901	165,045
Refunds and Reimbursements	1,500,000	1,600,000	1,561,337	38,663
Law Director	433,939	478,939	453,953	24,986
Council	370,555	370,555	281,116	89,439
Municipal Court	1,545,651	1,545,651	1,365,616	180,035
Land, Buildings and Grounds	898,763	898,763	824,229	74,534
Information Technology	942,385	942,385	810,570	131,815
Auditor's Deductions	772,950	727,950	539,604	188,346
Contingency	250,000	250,000	0	250,000
Total General Government	9,501,197	9,501,197	8,112,288	1,388,909
Public Safety				
Police Department	6,814,841	6,814,841	6,029,514	785,327
Street Lighting	398,984	433,984	417,668	16,316
Campus Security	1,397,119	66,630	40,542	26,088
Diaster Services	41,630	1,337,119	1,078,821	258,298
Total Public Safety	8,652,574	8,652,574	7,566,545	1,086,029
Leisure Time Activities				
Recreation Programs	588,596	588,596	421,779	166,817
Parks	1,724,024	1,724,024	1,503,726	220,298
Swimming Pool	272,021	272,021	22,519	249,502
Senior Center	172,183	172,183	86,801	85,382
Total Leisure Time Activities	2,756,824	2,756,824	2,034,825	721,999
Community Development				
Community Planning-Zoning	426,424	426,424	280,515	145,909
Building Inspections	879,159	879,159	769,167	109,992
Economic Development	708,221	708,221	516,148	192,073
Community Development	3,938,587	4,798,587	3,332,445	1,466,142
Total Community Development	5,952,391	6,812,391	4,898,275	1,914,116
Transportation & Street Repair				
Traffic Signals	267,822	267,822	179,085	88,737
Street Maintenance & Repair	3,702,484	3,702,484	2,828,938	873,546
Garage	503,281	503,281	425,136	78,145
Engineering	806,916	806,916	702,341	104,575
Total Transportation & Street Repair	5,280,503	5,280,503	4,135,500	1,145,003

(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, 2020

	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	33,843,489	34,703,489	28,447,433	6,256,056
Excess of Revenues Over (Under) Expenditures	5,314,511	7,454,511	17,478,508	10,023,997
Other Financing Sources (Uses):				
Transfers (Out)	(9,050,000)	(23,050,000)	(21,098,591)	1,951,409
Total Other Financing Sources (Uses)	(9,050,000)	(23,050,000)	(21,098,591)	1,951,409
Net Change in Fund Balance	(3,735,489)	(15,595,489)	(3,620,083)	11,975,406
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,581,986	16,581,986	16,581,986	0
Fund Balance End of Year	<u>\$12,846,497</u>	<u>\$986,497</u>	<u>\$12,961,903</u>	<u>\$11,975,406</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, 2020

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$10,407,446	\$6,207,446	\$5,440,785	(\$766,661)
Investment Earnings	0	0	171,349	171,349
Other Revenues	0	0	43,760	43,760
Total Revenues	10,407,446	6,207,446	5,655,894	(551,552)
Expenditures:				
Current:				
Transportation and Street Repair	2,173,171	3,303,171	1,882,298	1,420,873
Capital Outlay	15,670,079	15,670,079	16,381,651	(711,572)
Total Expenditures	17,843,250	18,973,250	18,263,949	709,301
Excess of Revenues Over (Under) Expenditures	(7,435,804)	(12,765,804)	(12,608,055)	157,749
Other Financing Sources (Uses):				
Transfers In	500,000	500,000	1,500,000	1,000,000
Transfers (Out)	(166,000)	(166,000)	(166,000)	0
Total Other Financing Sources (Uses)	334,000	334,000	1,334,000	1,000,000
Net Change in Fund Balance	(7,101,804)	(12,431,804)	(11,274,055)	1,157,749
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,653,304	11,452,212	9,653,304	(1,798,908)
Fund Balance End of Year	<u>\$2,551,500</u>	<u>(\$979,592)</u>	<u>(\$1,620,751)</u>	<u>(\$641,159)</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, 2020

	Safety Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,091,000	\$5,091,000	\$5,243,414	\$152,414
Intergovernmental	576,000	576,000	629,767	53,767
Charges for Services	600,000	600,000	669,631	69,631
Investment Earnings	0	0	237,558	237,558
Other Revenues	0	0	389,313	389,313
Total Revenues	6,267,000	6,267,000	7,169,683	902,683
Expenditures:				
Current:				
Public Safety	8,680,059	8,690,059	7,394,204	1,295,855
Capital Outlay	589,130	589,130	356,542	232,588
Total Expenditures	9,269,189	9,279,189	7,750,746	1,528,443
Excess of Revenues Over (Under) Expenditures	(3,002,189)	(3,012,189)	(581,063)	2,431,126
Other Financing Sources (Uses):				
Transfers In	2,500,000	2,500,000	2,938,271	438,271
Total Other Financing Sources (Uses)	2,500,000	2,500,000	2,938,271	438,271
Net Change in Fund Balance	(502,189)	(512,189)	2,357,208	2,869,397
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,078,173	11,161,845	11,078,173	(83,672)
Fund Balance End of Year	\$10,575,984	\$10,649,656	\$13,435,381	\$2,785,725

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, 2020

Note 1 – Budgetary Process

All funds, except custodial 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.

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2020

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).
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, the street construction, maintenance and repair fund and the safety fund.

Net Change in Fund Balance

	General	Street Construction, Maintenance and Repair	Safety
GAAP Basis	\$28,426,456	(\$914,637)	\$3,831,622
Revenue Accruals	(3,526,727)	17,748	(1,125,068)
Expenditure Accruals	16,394,251	222,850	41,540
Issuance of Debt	(24,731,165)	0	0
Proceeds of Capital Assets	(4,053,824)	0	0
Transfers In	0	166,000	0
Transfers (Out)	(10,487,000)	(166,000)	0
Advances (Out)	0	0	0
Encumbrances	(5,642,074)	(10,600,016)	(390,886)
Budget Basis	<u>(\$3,620,083)</u>	<u>(\$11,274,055)</u>	<u>\$2,357,208</u>

Note 2 – Net Pension Liability

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

Changes in assumptions:

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2020

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:

2020-2014: There were no changes in benefit terms for the period.

Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms

Changes in assumptions:

2020-2019: 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:

2020-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability

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

Changes in assumptions:

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2020

retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability. The single discount rate changed from 3.96% to 3.16%, municipal bond rate changed from 3.71% to 2.75% and health care cost trend rate changed from 10.00% to 10.50%.

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 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. The single discount rate changed from 3.85% to 3.96%, municipal bond rate changed from 3.31% to 3.71% and health care cost trend rate changed from 7.50% to 10.00%.

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

Changes in benefit terms:

2020-2018: There were no changes in benefit terms for the period.

Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms

Changes in assumptions:

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

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%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

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

Changes in benefit terms:

2020: There were no changes in benefit terms for the period.

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

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

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

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. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. 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, 2020

	Government Center Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$30,730	\$30,730
Total Revenues	0	30,730	30,730
Expenditures:			
Debt Service:			
Principal Retirement	6,940,000	6,940,000	0
Interest and Fiscal Charges	327,500	316,979	10,521
Total Expenditures	7,267,500	7,256,979	10,521
Excess of Revenues Over (Under) Expenditures	(7,267,500)	(7,226,249)	41,251
Other Financing Sources (Uses):			
Transfers In	4,755,697	4,725,000	(30,697)
Total Other Financing Sources (Uses)	4,755,697	4,725,000	(30,697)
Net Change in Fund Balance	(2,511,803)	(2,501,249)	10,554
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,516,572	2,516,572	0
Fund Balance End of Year	\$4,769	\$15,323	\$10,554

Nonmajor Governmental Funds

Special Revenue Funds

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

Debt Service Funds

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

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$8,127,072	\$1,519,141	\$102,495	\$9,748,708
Receivables (Net):				
Taxes	0	2,159,157	0	2,159,157
Accounts	30,247	0	0	30,247
Interest	467	0	0	467
Intergovernmental	1,314,537	122,463	0	1,437,000
Special Assessments	0	1,778,930	0	1,778,930
Inventory	27,615	0	0	27,615
Total Assets	9,499,938	5,579,691	102,495	15,182,124
Liabilities:				
Accounts Payable	27,500	0	0	27,500
Accrued Wages and Benefits	13,007	0	0	13,007
Contracts Payable	145,137	0	8,714	153,851
Total Liabilities	185,644	0	8,714	194,358
Deferred Inflows of Resources:				
Property Taxes	0	1,759,157	0	1,759,157
Grants and Other Taxes	1,287,156	122,463	0	1,409,619
Special Assessments	0	1,778,930	0	1,778,930
Unavailable Amounts	199	0	0	199
Total Deferred Inflows of Resources	1,287,355	3,660,550	0	4,947,905
Fund Balances:				
Nonspendable	27,615	0	0	27,615
Restricted	7,604,061	1,919,141	0	9,523,202
Committed	686	0	0	686
Assigned	394,577	0	93,781	488,358
Total Fund Balances	8,026,939	1,919,141	93,781	10,039,861
Total Liabilities, Deferred Inflows and Fund Balances	\$9,499,938	\$5,579,691	\$102,495	\$15,182,124

City of Mason, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$2,461,801	\$0	\$2,461,801
Investment Earnings	9,520	0	0	9,520
Intergovernmental	2,797,421	240,997	0	3,038,418
Special Assessments	0	136,410	0	136,410
Fines, Licenses & Permits	631,741	0	0	631,741
Revenue in Lieu of Taxes	2,057,098	0	0	2,057,098
Other Revenues	76,713	0	63,918	140,631
Total Revenues	5,572,493	2,839,208	63,918	8,475,619
Expenditures:				
Current:				
General Government	433,957	0	0	433,957
Public Safety	2,630,020	0	0	2,630,020
Community Development	1,179,724	0	0	1,179,724
Transportation and Street Repair	80,000	0	345,154	425,154
Capital Outlay	284,652	0	14,044	298,696
Debt Service:				
Principal	185,000	2,210,000	0	2,395,000
Interest and Other Charges	74,025	978,880	0	1,052,905
Total Expenditures	4,867,378	3,188,880	359,198	8,415,456
Excess of Revenues Over (Under) Expenditures	705,115	(349,672)	(295,280)	60,163
Other Financing Sources (Uses):				
Transfers In	17,708	240,000	0	257,708
Transfers (Out)	(81,388)	0	0	(81,388)
Total Other Financing Sources (Uses)	(63,680)	240,000	0	176,320
Net Change in Fund Balance	641,435	(109,672)	(295,280)	236,483
Fund Balance - Beginning of Year	7,357,889	2,028,813	389,061	9,775,763
Change in Reserve for Inventory	27,615	0	0	27,615
Fund Balance - End of Year	\$8,026,939	\$1,919,141	\$93,781	\$10,039,861

Nonmajor Special Revenue Funds

Fund Descriptions

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.

Cares Act Federal Grant - This fund accounts for the grant proceeds provided to the local governments who have been financially impacted by the outbreak of COVID-19. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding may only be used to cover costs that are necessary expenditures incurred in response to the COVID-19 outbreak.

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

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

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

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

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

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

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

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

Nonmajor Special Revenue Funds

Fund Descriptions (Continued)

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, 2020

	State Highway Improvement	Street Subdivision	Cares Act Federal Grant	Parks and Recreation	Police Crime Prevention
Assets:					
Equity in Pooled Cash and Investments	\$186,359	\$1,128,426	\$23,885	\$184,607	\$686
Receivables (Net):					
Accounts	0	0	0	0	0
Interest	467	0	0	0	0
Intergovernmental	78,619	0	0	0	0
Inventory	0	0	27,615	0	0
Total Assets	265,445	1,128,426	51,500	184,607	686
Liabilities:					
Accounts Payable	0	0	23,577	0	0
Accrued Wages and Benefits	0	0	0	0	0
Contracts Payable	0	0	0	0	0
Total Liabilities	0	0	23,577	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	51,238	0	0	0	0
Unavailable Amounts	199	0	0	0	0
Total Deferred Inflows of Resources	51,437	0	0	0	0
Fund Balances:					
Nonspendable	0	0	27,615	0	0
Restricted	214,008	1,128,426	308	184,607	0
Committed	0	0	0	0	686
Assigned	0	0	0	0	0
Total Fund Balances	214,008	1,128,426	27,923	184,607	686
Total Liabilities, Deferred Inflows and Fund Balances	\$265,445	\$1,128,426	\$51,500	\$184,607	\$686

Drug Law Enforcement	Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement	Vehicle Immobilization Fee
\$54,547	\$5,865	\$36,340	\$264,256	\$264,129	\$347,753	\$17,398
875	50	125	4,351	1,533	8,437	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>55,422</u>	<u>5,915</u>	<u>36,465</u>	<u>268,607</u>	<u>265,662</u>	<u>356,190</u>	<u>17,398</u>
0	0	2,625	950	0	0	0
0	0	0	0	0	3,337	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>2,625</u>	<u>950</u>	<u>0</u>	<u>3,337</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
55,422	5,915	33,840	267,657	265,662	352,853	17,398
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>55,422</u>	<u>5,915</u>	<u>33,840</u>	<u>267,657</u>	<u>265,662</u>	<u>352,853</u>	<u>17,398</u>
<u>\$55,422</u>	<u>\$5,915</u>	<u>\$36,465</u>	<u>\$268,607</u>	<u>\$265,662</u>	<u>\$356,190</u>	<u>\$17,398</u>

Continued

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF	Mason Enterprise Parke TIF
Assets:					
Equity in Pooled Cash and Investments	\$61,773	\$570	\$662,151	\$781,041	\$104,442
Receivables (Net):					
Accounts	14,133	724	0	0	0
Interest	0	0	0	0	0
Intergovernmental	0	0	0	0	59,340
Inventory	0	0	0	0	0
Total Assets	75,906	1,294	662,151	781,041	163,782
Liabilities:					
Accounts Payable	348	0	0	0	0
Accrued Wages and Benefits	5,652	0	0	0	0
Contracts Payable	0	0	145,137	0	0
Total Liabilities	6,000	0	145,137	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	59,340
Unavailable Amounts	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	59,340
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	69,906	1,294	517,014	781,041	104,442
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Total Fund Balances	69,906	1,294	517,014	781,041	104,442
Total Liabilities, Deferred Inflows and Fund Balances	\$75,906	\$1,294	\$662,151	\$781,041	\$163,782

Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$646,402	\$2,663,570	\$294,296	\$398,576	\$8,127,072
0	0	0	19	30,247
0	0	0	0	467
457,422	496,135	223,021	0	1,314,537
0	0	0	0	27,615
<u>1,103,824</u>	<u>3,159,705</u>	<u>517,317</u>	<u>398,595</u>	<u>9,499,938</u>
0	0	0	0	27,500
0	0	0	4,018	13,007
0	0	0	0	145,137
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,018</u>	<u>185,644</u>
457,422	496,135	223,021	0	1,287,156
0	0	0	0	199
<u>457,422</u>	<u>496,135</u>	<u>223,021</u>	<u>0</u>	<u>1,287,355</u>
0	0	0	0	27,615
646,402	2,663,570	294,296	0	7,604,061
0	0	0	0	686
0	0	0	394,577	394,577
<u>646,402</u>	<u>2,663,570</u>	<u>294,296</u>	<u>394,577</u>	<u>8,026,939</u>
<u>\$1,103,824</u>	<u>\$3,159,705</u>	<u>\$517,317</u>	<u>\$398,595</u>	<u>\$9,499,938</u>

City of Mason, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2020

	State Highway Improvement	Street Subdivision	Cares Act Federal Grant	Parks and Recreation	Police Crime Prevention
Revenues:					
Investment Earnings	\$5,768	\$0	\$0	\$3,752	\$0
Intergovernmental	167,979	0	2,629,442	0	0
Fines, Licenses & Permits	0	128,816	0	59,573	0
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	0	0	0	50,000	0
Total Revenues	173,747	128,816	2,629,442	113,325	0
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	2,629,134	0	0
Community Development	0	0	0	0	0
Transportation and Street Repair	0	80,000	0	0	0
Capital Outlay	0	0	0	132,461	0
Debt Service:					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
Total Expenditures	0	80,000	2,629,134	132,461	0
Excess of Revenues Over (Under) Expenditures	173,747	48,816	308	(19,136)	0
Other Financing Sources (Uses):					
Transfers In	0	10,320	0	0	0
Transfers (Out)	(74,000)	0	0	0	0
Total Other Financing Sources (Uses)	(74,000)	10,320	0	0	0
Net Change in Fund Balance	99,747	59,136	308	(19,136)	0
Fund Balance - Beginning of Year	114,261	1,069,290	0	203,743	686
Change in Reserve for Inventory	0	0	27,615	0	0
Fund Balance - End of Year	\$214,008	\$1,128,426	\$27,923	\$184,607	\$686

Drug Law Enforcement	Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement	Vehicle Immobilization Fee
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
10,138	825	6,158	59,369	21,114	115,096	0
0	0	0	0	0	0	0
0	0	0	0	0	10,371	0
10,138	825	6,158	59,369	21,114	125,467	0
0	0	39,930	87,984	6,650	90,671	0
886	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
886	0	39,930	87,984	6,650	90,671	0
9,252	825	(33,772)	(28,615)	14,464	34,796	0
0	0	7,388	0	0	0	0
0	0	0	0	0	0	0
0	0	7,388	0	0	0	0
9,252	825	(26,384)	(28,615)	14,464	34,796	0
46,170	5,090	60,224	296,272	251,198	318,057	17,398
0	0	0	0	0	0	0
<u>\$55,422</u>	<u>\$5,915</u>	<u>\$33,840</u>	<u>\$267,657</u>	<u>\$265,662</u>	<u>\$352,853</u>	<u>\$17,398</u>

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, 2020

	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF	Mason Enterprise Parke TIF
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0
Fines, Licenses & Permits	160,668	6,995	0	0	0
Revenue in Lieu of Taxes	0	0	0	49,622	94,418
Other Revenues	9,834	0	0	0	0
Total Revenues	170,502	6,995	0	49,622	94,418
Expenditures:					
Current:					
General Government	208,722	0	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	0	0	32,088
Transportation and Street Repair	0	0	0	0	0
Capital Outlay	7,054	0	145,137	0	0
Debt Service:					
Principal	0	0	0	0	50,000
Interest and Other Charges	0	0	0	0	5,600
Total Expenditures	215,776	0	145,137	0	87,688
Excess of Revenues Over (Under) Expenditures	(45,274)	6,995	(145,137)	49,622	6,730
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	(7,388)	0	0	0
Total Other Financing Sources (Uses)	0	(7,388)	0	0	0
Net Change in Fund Balance	(45,274)	(393)	(145,137)	49,622	6,730
Fund Balance - Beginning of Year	115,180	1,687	662,151	731,419	97,712
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance - End of Year	\$69,906	\$1,294	\$517,014	\$781,041	\$104,442

Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$9,520
0	0	0	0	2,797,421
0	0	0	62,989	631,741
221,943	972,843	718,272	0	2,057,098
0	0	0	6,508	76,713
<u>221,943</u>	<u>972,843</u>	<u>718,272</u>	<u>69,497</u>	<u>5,572,493</u>
0	0	0	0	433,957
0	0	0	0	2,630,020
78,560	455,911	502,066	111,099	1,179,724
0	0	0	0	80,000
0	0	0	0	284,652
0	0	135,000	0	185,000
0	0	68,425	0	74,025
<u>78,560</u>	<u>455,911</u>	<u>705,491</u>	<u>111,099</u>	<u>4,867,378</u>
<u>143,383</u>	<u>516,932</u>	<u>12,781</u>	<u>(41,602)</u>	<u>705,115</u>
0	0	0	0	17,708
0	0	0	0	(81,388)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(63,680)</u>
143,383	516,932	12,781	(41,602)	641,435
503,019	2,146,638	281,515	436,179	7,357,889
0	0	0	0	27,615
<u>\$646,402</u>	<u>\$2,663,570</u>	<u>\$294,296</u>	<u>\$394,577</u>	<u>\$8,026,939</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, 2020

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$160,000	\$169,476	\$9,476
Investment Earnings	0	4,585	4,585
Total Revenues	160,000	174,061	14,061
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	160,000	174,061	14,061
Other Financing Sources (Uses):			
Transfers (Out)	(175,000)	(174,000)	1,000
Total Other Financing Sources (Uses)	(175,000)	(174,000)	1,000
Net Change in Fund Balance	(15,000)	61	15,061
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	182,999	182,999	0
Fund Balance End of Year	\$167,999	\$183,060	\$15,061

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, 2020

	Street Subdivision Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$128,816	\$128,816
Total Revenues	0	128,816	128,816
Expenditures:			
Current:			
Transportation and Street Repair	80,000	80,000	0
Total Expenditures	80,000	80,000	0
Excess of Revenues Over (Under) Expenditures	(80,000)	48,816	128,816
Other Financing Sources (Uses):			
Transfers In	0	10,320	10,320
Transfers (Out)	(220,000)	0	220,000
Total Other Financing Sources (Uses)	(220,000)	10,320	230,320
Net Change in Fund Balance	(300,000)	59,136	359,136
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,069,290	1,069,290	0
Fund Balance End of Year	\$769,290	\$1,128,426	\$359,136

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, 2020

	Cares Act Federal Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,629,442	\$2,629,442	\$0
Total Revenues	2,629,442	2,629,442	0
Expenditures:			
Current:			
Public Safety	2,629,442	2,629,442	0
Total Expenditures	2,629,442	2,629,442	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2020

	Parks and Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$40,000	\$59,573	\$19,573
Investment Earnings	0	3,105	3,105
Other Revenues	50,000	50,000	0
Total Revenues	<u>90,000</u>	<u>112,678</u>	<u>22,678</u>
Expenditures:			
Capital Outlay	<u>136,509</u>	<u>136,196</u>	<u>313</u>
Total Expenditures	<u>136,509</u>	<u>136,196</u>	<u>313</u>
Net Change in Fund Balance	(46,509)	(23,518)	22,991
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>201,119</u>	<u>201,119</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$154,610</u></u>	<u><u>\$177,601</u></u>	<u><u>\$22,991</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, 2020

	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, 2020

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,000	\$9,513	\$8,513
Total Revenues	1,000	9,513	8,513
Expenditures:			
Current:			
Public Safety	30,000	886	29,114
Total Expenditures	30,000	886	29,114
Net Change in Fund Balance	(29,000)	8,627	37,627
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	45,919	45,919	0
Fund Balance End of Year	\$16,919	\$54,546	\$37,627

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, 2020

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$850	\$350
Total Revenues	500	850	350
Expenditures:			
Current:			
Public Safety	4,000	0	4,000
Total Expenditures	4,000	0	4,000
Net Change in Fund Balance	(3,500)	850	4,350
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,015	5,015	0
Fund Balance End of Year	<u>\$1,515</u>	<u>\$5,865</u>	<u>\$4,350</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, 2020

	Indigent Driver Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$13,500	\$6,383	(\$7,117)
Total Revenues	13,500	6,383	(7,117)
Expenditures:			
Current:			
General Government	81,900	52,130	29,770
Total Expenditures	81,900	52,130	29,770
Excess of Revenues Over (Under) Expenditures	(68,400)	(45,747)	22,653
Other Financing Sources (Uses):			
Transfers In	0	7,388	7,388
Total Other Financing Sources (Uses)	0	7,388	7,388
Net Change in Fund Balance	(68,400)	(38,359)	30,041
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	64,959	64,959	0
Fund Balance End of Year	(\$3,441)	\$26,600	\$30,041

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, 2020

	Municipal Court Computer Costs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$60,000	\$62,561	\$2,561
Total Revenues	60,000	62,561	2,561
Expenditures:			
Current:			
General Government	126,833	94,339	32,494
Capital Outlay	10,000	0	10,000
Total Expenditures	136,833	94,339	42,494
Net Change in Fund Balance	(76,833)	(31,778)	45,055
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	288,728	288,728	0
Fund Balance End of Year	\$211,895	\$256,950	\$45,055

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, 2020

	Municipal Court Computer Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$20,000	\$22,241	\$2,241
Total Revenues	20,000	22,241	2,241
Expenditures:			
Current:			
General Government	38,000	12,413	25,587
Total Expenditures	38,000	12,413	25,587
Net Change in Fund Balance	(18,000)	9,828	27,828
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	248,538	248,538	0
Fund Balance End of Year	\$230,538	\$258,366	\$27,828

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, 2020

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$120,000	\$121,328	\$1,328
Other Revenues	0	10,336	10,336
Total Revenues	120,000	131,664	11,664
Expenditures:			
Current:			
General Government	262,551	95,712	166,839
Total Expenditures	262,551	95,712	166,839
Net Change in Fund Balance	(142,551)	35,952	178,503
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	306,117	306,117	0
Fund Balance End of Year	\$163,566	\$342,069	\$178,503

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, 2020

	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, 2020

	Municipal Court Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$150,000	\$160,875	\$10,875
Other Revenues	0	9,803	9,803
Total Revenues	150,000	170,678	20,678
Expenditures:			
Current:			
General Government	244,934	214,975	29,959
Capital Outlay	7,500	7,054	446
Total Expenditures	252,434	222,029	30,405
Net Change in Fund Balance	(102,434)	(51,351)	51,083
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	106,742	106,742	0
Fund Balance End of Year	\$4,308	\$55,391	\$51,083

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, 2020

	Municipal Court Indigent Driver IDAM Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$6,295	\$6,864	\$569
Total Revenues	6,295	6,864	569
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	6,295	6,864	569
Other Financing Sources (Uses):			
Transfers (Out)	(7,388)	(7,388)	0
Total Other Financing Sources (Uses)	(7,388)	(7,388)	0
Net Change in Fund Balance	(1,093)	(524)	569
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,093	1,093	0
Fund Balance End of Year	\$0	\$569	\$569

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, 2020

	JW Harris TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Transportation and Street Repair	662,154	662,154	0
Total Expenditures	662,154	662,154	0
Net Change in Fund Balance	(662,154)	(662,154)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	662,154	662,154	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</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, 2020

	Central Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$44,000	\$49,622	\$5,622
Total Revenues	44,000	49,622	5,622
Expenditures:			
Current:			
Community Development	775,000	0	775,000
Total Expenditures	775,000	0	775,000
Net Change in Fund Balance	(731,000)	49,622	780,622
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	731,421	731,421	0
Fund Balance End of Year	\$421	\$781,043	\$780,622

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, 2020

	Mason Enterprise Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$85,000	\$94,418	\$9,418
Total Revenues	85,000	94,418	9,418
Expenditures:			
Current:			
Community Development	37,000	32,088	4,912
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	5,600	5,600	0
Total Expenditures	92,600	87,688	4,912
Net Change in Fund Balance	(7,600)	6,730	14,330
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	97,714	97,714	0
Fund Balance End of Year	\$90,114	\$104,444	\$14,330

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, 2020

	Tylersville Road TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$150,000	\$221,943	\$71,943
Total Revenues	150,000	221,943	71,943
Expenditures:			
Current:			
Community Development	80,000	78,560	1,440
Capital Outlay	120,000	120,000	0
Total Expenditures	200,000	198,560	1,440
Net Change in Fund Balance	(50,000)	23,383	73,383
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	503,021	503,021	0
Fund Balance End of Year	\$453,021	\$526,404	\$73,383

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, 2020

	I-71 Corridor TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$850,000	\$972,843	\$122,843
Total Revenues	850,000	972,843	122,843
Expenditures:			
Current:			
Community Development	462,000	455,911	6,089
Total Expenditures	462,000	455,911	6,089
Net Change in Fund Balance	388,000	516,932	128,932
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,146,639	2,146,639	0
Fund Balance End of Year	<u>\$2,534,639</u>	<u>\$2,663,571</u>	<u>\$128,932</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, 2020

	Everybody's Farm TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$850,000	\$718,272	(\$131,728)
Total Revenues	850,000	718,272	(131,728)
Expenditures:			
Current:			
Community Development	520,000	502,066	17,934
Debt Service:			
Principal Retirement	135,000	135,000	0
Interest and Fiscal Charges	70,000	68,425	1,575
Total Expenditures	725,000	705,491	19,509
Net Change in Fund Balance	125,000	12,781	(112,219)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	281,517	281,517	0
Fund Balance End of Year	\$406,517	\$294,298	(\$112,219)

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, 2020

	Subdivision Inspection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$50,000	\$62,989	\$12,989
Other Revenues	0	6,489	6,489
Total Revenues	50,000	69,478	19,478
Expenditures:			
Current:			
Community Development	123,472	111,603	11,869
Total Expenditures	123,472	111,603	11,869
Net Change in Fund Balance	(73,472)	(42,125)	31,347
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	439,714	439,714	0
Fund Balance End of Year	\$366,242	\$397,589	\$31,347

Nonmajor Debt Service Funds

Fund Descriptions

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

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

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,498,730	\$20,411	\$1,519,141
Receivables (Net):			
Taxes	2,159,157	0	2,159,157
Intergovernmental	122,463	0	122,463
Special Assessments	0	1,778,930	1,778,930
Total Assets	3,780,350	1,799,341	5,579,691
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources:			
Property Taxes	1,759,157	0	1,759,157
Grants and Other Taxes	122,463	0	122,463
Special Assessments	0	1,778,930	1,778,930
Total Deferred Inflows of Resources	1,881,620	1,778,930	3,660,550
Fund Balances:			
Restricted	1,898,730	20,411	1,919,141
Total Fund Balances	1,898,730	20,411	1,919,141
Total Liabilities, Deferred Inflows and Fund Balances	\$3,780,350	\$1,799,341	\$5,579,691

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, 2020

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Property and Other Taxes	\$2,461,801	\$0	\$2,461,801
Intergovernmental	240,997	0	240,997
Special Assessments	0	136,410	136,410
Total Revenues	<u>2,702,798</u>	<u>136,410</u>	<u>2,839,208</u>
Expenditures:			
Debt Service:			
Principal	2,135,000	75,000	2,210,000
Interest and Other Charges	919,680	59,200	978,880
Total Expenditures	<u>3,054,680</u>	<u>134,200</u>	<u>3,188,880</u>
Excess of Revenues Over (Under) Expenditures	<u>(351,882)</u>	<u>2,210</u>	<u>(349,672)</u>
Other Financing Sources (Uses):			
Transfers In	240,000	0	240,000
Total Other Financing Sources (Uses)	<u>240,000</u>	<u>0</u>	<u>240,000</u>
Net Change in Fund Balance	(111,882)	2,210	(109,672)
Fund Balance - Beginning of Year	<u>2,010,612</u>	<u>18,201</u>	<u>2,028,813</u>
Fund Balance - End of Year	<u>\$1,898,730</u>	<u>\$20,411</u>	<u>\$1,919,141</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, 2020

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,000,000	\$2,061,801	\$61,801
Intergovernmental	230,000	240,997	10,997
Total Revenues	2,230,000	2,302,798	72,798
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	2,135,000	2,135,000	0
Interest and Fiscal Charges	941,100	919,680	21,420
Total Expenditures	3,076,100	3,054,680	21,420
Excess of Revenues Over (Under) Expenditures	(846,100)	(751,882)	94,218
Other Financing Sources (Uses):			
Transfers In	240,000	240,000	0
Total Other Financing Sources (Uses)	240,000	240,000	0
Net Change in Fund Balance	(606,100)	(511,882)	94,218
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,010,613	2,010,613	0
Fund Balance End of Year	\$1,404,513	\$1,498,731	\$94,218

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, 2020

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$130,000	\$136,410	\$6,410
Total Revenues	130,000	136,410	6,410
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	75,000	75,000	0
Interest and Fiscal Charges	60,000	59,200	800
Total Expenditures	135,000	134,200	800
Net Change in Fund Balance	(5,000)	2,210	7,210
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,203	18,203	0
Fund Balance End of Year	<u>\$13,203</u>	<u>\$20,413</u>	<u>\$7,210</u>

Nonmajor Capital Project Fund

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, 2020

	Common Ground Parks Construction Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$23,917	\$63,918	\$40,001
Total Revenues	23,917	63,918	40,001
Expenditures:			
Current:			
Transportation and Street Repair	467,887	445,222	22,665
Capital Outlay	15,000	14,044	956
Total Expenditures	482,887	459,266	23,621
Net Change in Fund Balance	(458,970)	(395,348)	63,622
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	463,014	463,014	0
Fund Balance End of Year	\$4,044	\$67,666	\$63,622

Nonmajor Enterprise Fund

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.

City of Mason, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Fund
December 31, 2020

	Waste Collection
Assets:	
Equity in Pooled Cash and Investments	\$1,110,574
Receivables (Net):	
Accounts	182,380
Interest	<u>2,784</u>
Total Assets	<u>1,295,738</u>
Deferred Outflows of Resources:	
Pension	4,278
Other Postemployment Benefits	<u>3,339</u>
Total Deferred Outflows of Resources	<u>7,617</u>
Liabilities:	
Current Liabilities:	
Accrued Wages and Benefits	1,022
Compensated Absences	4,286
Contracts Payable	<u>156,125</u>
Total Current Liabilities	<u>161,433</u>
Long-Term Liabilities:	
Net Pension Liability	28,196
Net Other Postemployment Benefits Liability	20,380
Compensated Absences	<u>1,220</u>
Total Noncurrent Liabilities	<u>49,796</u>
Total Liabilities	<u>211,229</u>
Deferred Inflows of Resources:	
Pension	6,287
Other Postemployment Benefits	<u>3,090</u>
Total Deferred Inflows of Resources	<u>9,377</u>
Net Position:	
Unrestricted	<u>1,082,749</u>
Total Net Position	<u>\$1,082,749</u>

City of Mason, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Fund
For the Fiscal Year Ended December 31, 2020

	Waste Collection
Operating Revenues:	
Charges for Services	\$1,860,401
Other Revenues	<u>6</u>
Total Operating Revenues	<u>1,860,407</u>
Operating Expenses:	
Personal Services	49,285
Contractual Services	<u>1,856,254</u>
Total Operating Expenses	<u>1,905,539</u>
Operating Income (Loss)	<u>(45,132)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>27,276</u>
Total Non-Operating Revenues (Expenses)	<u>27,276</u>
Change in Net Position	(17,856)
Net Position - Beginning of Year	<u>1,100,605</u>
Net Position - End of Year	<u><u>\$1,082,749</u></u>

City of Mason, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Fund
For the Fiscal Year Ended December 31, 2020

	Waste Collection
Cash Flows from Operating Activities:	
Cash Received from Customers	\$1,887,659
Cash Payments to Employees	(32,830)
Cash Payments to Suppliers	<u>(1,851,154)</u>
Net Cash Provided (Used) by Operating Activities	<u>3,675</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>28,885</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>28,885</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,560
Cash and Cash Equivalents - Beginning of Year	<u>1,078,014</u>
Cash and Cash Equivalents - End of Year	<u><u>1,110,574</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(45,132)
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	27,252
(Increase) Decrease in Deferred Outflows of Resources	2,614
Increase (Decrease) in Payables	5,100
Increase (Decrease) in Accrued Liabilities	510
Increase (Decrease) in Deferred Inflows of Resources	8,759
Increase (Decrease) in Net Pension Liability	(1,291)
Increase (Decrease) in Net OPEB Liability	<u>5,863</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$3,675</u></u>

Other General Funds

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

Fund Descriptions

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

General Economic Sustainability – 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, 2020

	General Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$496,380	\$0	(\$496,380)
Total Revenues	496,380	0	(496,380)
Expenditures:			
Current:			
Capital Outlay	31,788,626	28,980,759	2,807,867
Debt Service:			
Interest and Fiscal Charges	235,000	234,400	600
Total Expenditures	32,023,626	29,215,159	2,808,467
Excess of Revenues Over (Under) Expenditures	(31,527,246)	(29,215,159)	2,312,087
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	4,053,824	4,053,824
Issuance of Debt	20,000,000	24,547,448	4,547,448
Transfers In	100,000	14,100,000	14,000,000
Transfers (Out)	(13,513,000)	(5,513,000)	8,000,000
Total Other Financing Sources (Uses)	6,587,000	37,188,272	30,601,272
Net Change in Fund Balance	(24,940,246)	7,973,113	32,913,359
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	38,111,674	38,111,674	0
Fund Balance End of Year	\$13,171,428	\$46,084,787	\$32,913,359

(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, 2020

	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	2,000,000	2,000,000
Total Other Financing Sources (Uses)	0	2,000,000	2,000,000
Net Change in Fund Balance	0	2,000,000	2,000,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,000,000	1,000,000	0
Fund Balance End of Year	<u>\$1,000,000</u>	<u>\$3,000,000</u>	<u>\$2,000,000</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, 2020

	Employee Medical Insurance Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$4,000,000	\$4,092,806	\$92,806
Other Revenues	0	235,028	235,028
Total Revenues	<u>4,000,000</u>	<u>4,327,834</u>	<u>327,834</u>
Expenditures:			
Current:			
General Government	<u>4,492,398</u>	<u>4,437,176</u>	<u>55,222</u>
Total Expenditures	<u>4,492,398</u>	<u>4,437,176</u>	<u>55,222</u>
Net Change in Fund Balance	(492,398)	(109,342)	383,056
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,199,830</u>	<u>4,199,830</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,707,432</u></u>	<u><u>\$4,090,488</u></u>	<u><u>\$383,056</u></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, 2020

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$3,517	\$3,517
Total Revenues	0	3,517	3,517
Expenditures:			
Current:			
General Government	40,000	500	39,500
Total Expenditures	40,000	500	39,500
Net Change in Fund Balance	(40,000)	3,017	43,017
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	117,855	117,855	0
Fund Balance End of Year	<u>\$77,855</u>	<u>\$120,872</u>	<u>\$43,017</u>

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

Other Nonmajor Funds

Custodial Funds are used to account for assets held by the City for individuals, private organizations, other governmental units.

Fund Descriptions

Custodial 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.

Custodial 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.

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

City of Mason, Ohio
Combining Statement of Net Position
Custodial Funds
December 31, 2020

	Municipal Court	Mason Port Authority	Community Improvement Corporation	Total
Assets:				
Equity in Pooled Cash and Investments	\$2,728	\$1,136,203	\$497,633	\$1,636,564
Due From Others	13,011	0	0	13,011
Total Assets	15,739	1,136,203	497,633	1,649,575
Liabilities:				
Accounts Payable	0	1,828	0	1,828
Total Liabilities	0	1,828	0	1,828
Net Position:				
Individuals, Organizations, and Other Governments	15,739	0	0	15,739
Economic Development	0	1,134,375	0	1,134,375
Community Improvement	0	0	497,633	497,633
Total Net Position	\$15,739	\$1,134,375	\$497,633	\$1,647,747

City of Mason, Ohio
Combining Statement of Changes in Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2020

	Municipal Court	Mason Port Authority	Community Improvement Corporation	Total
Additions:				
Municipal Court Receipts	\$1,801,495	\$0	\$0	\$1,801,495
Mason Port Authority Receipts	0	25,006	0	25,006
Community Improvement Corporation Receipts	0	0	714,928	714,928
Total Additions	1,801,495	25,006	714,928	2,541,429
Deductions:				
Municipal Court Disbursements	1,805,197	0	0	1,805,197
Mason Port Authority Disbursements	0	6,087	0	6,087
Community Improvement Corporation Disbursements	0	0	538,324	538,324
Total Deductions	1,805,197	6,087	538,324	2,349,608
Change in Net Position	(3,702)	18,919	176,604	191,821
Net Position - Beginning of Year, Restated	19,441	1,115,456	321,029	1,455,926
Net Position - End of Year	\$15,739	\$1,134,375	\$497,633	\$1,647,747

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STATISTICAL SECTION

Statistical Section

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

Contents

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

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

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

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

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

Sources

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

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

	Fiscal Year									
	2011	2012	2013	2014 (1)	2015	2016	2017(2)	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$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	\$181,436,817
Restricted	16,842,649	13,822,941	14,942,529	15,932,379	15,733,642	16,650,729	24,171,568	26,736,081	32,001,705	42,572,975
Unrestricted	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	51,466,566
Total Governmental Activities Net Position	\$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	\$275,476,358
Business-Type Activities										
Net Investment in Capital Assets	\$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	\$97,717,147
Restricted	4,135,486	784,933	786,591	788,035	791,199	796,196	792,282	800,603	10,694	0
Unrestricted	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	34,428,908
Total Business-Type Activities Net Position	\$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	\$132,146,055
Primary Government										
Net Investment in Capital Assets	\$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	\$279,153,964
Restricted	20,978,135	14,607,874	15,729,120	16,720,414	16,524,841	17,446,925	24,963,850	27,536,684	32,012,399	42,572,975
Unrestricted	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	85,895,474
Total Governmental Activities Net Position	\$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	\$407,622,413

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$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	\$10,243,055
Public Safety	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	21,385,248
Community Development	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	4,139,870
Leisure Time Activities	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	4,056,090
Transportation and Street Repair	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	10,829,743
Basic Utility Service	295,972	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330	250,649
Interest, Fiscal Charges and Bond Issuance Cost	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	1,455,184
Total Governmental Activities Expenses	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	52,359,839
Business-type activities										
Sewer	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	7,552,934
Waste Collection	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	1,905,539
Stormwater Utility	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	1,509,497
Community Center	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	3,562,325
Golf Course	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	2,724,636
Total business-type activities expenses	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	17,254,931
Total primary government expenses	\$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	\$69,614,770
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$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	\$2,056,064
Public Safety	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	2,332,992
Community Development	472,771	503,782	599,799	589,526	950,199	960,420	1,087,732	903,229	661,452	564,363
Leisure Time Activities	452,927	443,332	432,908	1,047,156	461,836	645,031	674,459	668,815	637,164	525,925
Transportation and Street Repair	12,245	10,400	26,679	73,791	129,475	180,820	386,068	253,338	248,976	86,021
Basic Utility Service	303,507	319,006	298,529	316,009	299,193	336,955	341,426	402,405	391,111	394,571
Operating Grants and Contributions	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	6,619,387
Capital Grants and Contributions	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	7,532,503
Total Governmental Activities Program Revenues	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	20,111,826
Business-Type Activities										
Charges for Services:										
Sewer	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	7,270,462
Waste Collection	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	1,860,401

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Charges for Services: (continued)										
Stormwater Utility	964,294	1,078,126	1,142,264	1,472,169	1,307,652	1,436,238	1,315,890	1,635,985	1,535,164	1,469,888
Community Center	4,530,466	5,985,612	6,445,131	6,653,029	7,033,126	6,993,632	6,767,137	6,556,750	7,107,884	4,055,897
Golf Course	1,978,633	1,966,766	1,871,546	1,936,890	1,987,022	1,910,162	1,735,919	1,643,063	1,792,821	1,772,443
Operating Grants and Contributions	0	20,000	0	0	0	0	0	0	0	0
Capital Grants and Contributions	963,382	1,572,077	779,644	2,786,840	2,818,892	2,323,669	2,501,470	3,568,694	1,610,184	1,969,943
Total Business-Type Activities Program Revenues	15,379,054	18,137,859	17,921,333	20,956,707	21,655,594	21,552,308	21,247,939	23,001,213	21,909,337	18,399,034
Total Primary Government Program Revenues	\$24,873,762	\$30,002,264	\$27,847,478	\$32,058,216	\$32,743,220	\$36,890,675	\$36,216,414	\$35,931,845	\$35,807,058	\$38,510,860
Net (Expense)/Revenue										
Governmental Activities	(\$24,019,356)	(\$22,317,676)	(\$24,785,442)	(\$25,162,614)	(\$25,960,830)	(\$27,851,577)	(\$30,779,376)	(\$33,399,636)	(\$19,260,394)	(\$32,248,013)
Business-Type Activities	(1,565,428)	1,531,779	596,423	3,386,664	3,625,732	3,355,756	1,551,893	4,157,539	2,939,923	1,144,103
Total Primary Government Net Expense	(\$25,584,784)	(\$20,785,897)	(\$24,189,019)	(\$21,775,950)	(\$22,335,098)	(\$24,495,821)	(\$29,227,483)	(\$29,242,097)	(\$16,320,471)	(\$31,103,910)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$20,615,343	\$22,957,701	\$26,314,564	\$25,867,801	\$30,159,378	\$30,932,502	\$31,924,252	\$37,542,739	\$36,291,906	\$39,221,456
Property Taxes Levied for:										
General Purposes	583,084	542,228	611,485	423,801	301,725	545,186	964,574	256,782	677,876	751,185
Special Revenue Purposes	3,860,898	3,823,815	3,966,997	3,886,757	3,927,783	4,143,329	5,494,947	3,381,854	5,125,291	6,309,286
Debt Service Purposes	1,547,804	1,536,649	1,523,714	1,541,012	1,580,755	1,636,134	2,157,903	1,475,246	2,151,515	2,624,161
Unrestricted Grants and Entitlements	2,870,852	2,514,375	2,608,730	1,337,037	1,905,927	1,808,925	1,856,392	1,957,353	2,226,651	1,644,621
Payment in Lieu of Taxes	1,026,869	2,398,676	1,007,338	1,192,962	1,194,327	2,972,508	2,249,384	2,236,927	2,278,530	1,964,577
Investment Earnings	211,821	257,148	105,613	318,366	410,879	495,491	564,352	1,302,099	3,078,024	2,821,919
Gain on Sale of Capital Asset	0	0	0	0	0	0	0	0	0	2,049,159
Other Revenues	964,417	887,160	985,437	455,638	1,156,154	604,055	883,407	906,821	1,398,026	1,773,848
Transfers-Internal Activities	(1,586,000)	(996,500)	(1,054,000)	(1,046,000)	(1,564,000)	(1,452,500)	(2,521,776)	(1,547,000)	(1,486,000)	(1,438,000)
Total Governmental Activities	30,095,088	33,921,252	36,069,878	33,977,374	39,072,928	41,685,630	43,573,435	47,512,821	51,741,819	57,722,212
Business-Type Activities										
Investment Earnings	97,787	63,321	29,511	83,495	91,509	183,385	204,091	515,977	1,126,581	894,753
Other Revenues	20,572	13,663	26,313	61,133	35,020	37,286	92,559	109,481	98,011	289,917
Transfers-Internal Activities	1,586,000	996,500	1,054,000	1,046,000	1,564,000	1,452,500	2,521,776	1,547,000	1,486,000	1,438,000
Extraordinary Item	0	0	0	0	609,184	0	0	0	0	0
Total Business-Type Activities	1,704,359	1,073,484	1,109,824	1,190,628	2,299,713	1,673,171	2,818,426	2,172,458	2,710,592	2,622,670
Total Primary Government	\$31,799,447	\$34,994,736	\$37,179,702	\$35,168,002	\$41,372,641	\$43,358,801	\$46,391,861	\$49,685,279	\$54,452,411	\$60,344,882

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Changes in Net Position										
Governmental Activities	\$6,075,732	\$11,603,576	\$11,284,436	\$8,814,760	\$13,112,098	\$13,834,053	\$12,794,059	\$14,113,185	\$32,481,425	\$25,474,199
Business-Type Activities	138,931	2,605,263	1,706,247	4,577,292	5,925,445	5,028,927	4,370,319	6,329,997	5,650,515	3,766,773
Total Primary Government	\$6,214,663	\$14,208,839	\$12,990,683	\$13,392,052	\$19,037,543	\$18,862,980	\$17,164,378	\$20,443,182	\$38,131,940	\$29,240,972

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	Property tax revenue for:					
	Income Tax	General	Special Revenue	Debt Service	Total Property Taxes	Total
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
2020	39,221,456	751,185	6,309,286	2,624,161	9,684,632	48,906,088

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>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>	<u>2020</u>
General Fund										
Nonspendable	\$324,731	\$282,460	\$282,398	\$344,898	\$560,194	\$501,274	\$360,487	\$430,197	\$554,010	\$511,886
Restricted	0	0	0	0	0	0	0	0	0	5,800,000
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	77,151,958
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	12,876,543
Total General Fund	\$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	\$96,340,387
All Other Governmental Funds										
Nonspendable	32,267	31,565	26,839	18,997	27,595	27,424	19,157	15,657	16,074	49,486
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	32,688,575
Committed	686	686	686	686	686	10,146	686	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	503,681
Unassigned	0	(238,084)	(215,251)	(172,219)	(128,747)	(1,812,193)	(26,894)	0	0	0
Total All Other Governmental Funds	\$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	\$33,242,428

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>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>	<u>2020</u>
Revenues										
Taxes	\$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	\$49,473,963
Charges for Services	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	3,217,386
Investment Earning	220,863	236,004	91,918	307,704	399,249	481,325	534,372	1,296,309	3,022,069	2,876,580
Intergovernmental	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	9,795,217
Fines, Licenses & Permits	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	2,005,919
Special Assessments	62,767	13,364	13,426	6,477	0	0	0	136,948	136,415	136,410
Revenue in Lieu of Taxes	890,486	2,351,777	1,101,682	1,193,794	1,164,715	2,952,032	2,280,491	2,195,903	2,186,013	2,057,098
Other Revenue	1,377,092	1,293,884	1,417,134	2,193,185	1,631,646	1,137,776	1,425,838	1,406,476	3,856,946	2,311,943
Total Revenues	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	71,874,516
Expenditures										
General Government	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	8,868,661
Public Safety	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	18,105,298
Community Development	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	3,963,766
Leisure Time Activities	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	3,278,495
Transportation and Street Repair	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	7,580,673
Basic Utility Service	295,972	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330	250,649
Capital Outlay	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	16,989,685
Debt Service										
Principal Retirement	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	9,335,000
Interest, Fiscal Charges and Bond Issuance Cost	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	1,787,341
Total Expenditures	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	70,159,568
Excess of Revenues										
Over (Under) Expenditures	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	1,714,948

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Sale of Capital Assets	0	0	0	0	1,430,890	116,833	31,945	0	0	4,053,824
Issuance of Long-Term Capital-Related Debt	4,936,009	450,000	0	0	9,000,000	8,575,000	2,000,000	0	0	23,000,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(9,600,367)	0	0	0	0
Premium on Debt Issuance	0	0	0	0	534,150	1,156,623	0	0	0	1,731,165
Issuance of Capital Leases	0	0	25,000	0	0	0	0	0	0	0
Transfer In	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	9,254,979
Transfer Out	(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)	(10,692,979)
Total Other Financing Sources (Uses)	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)	27,346,989
Net Change in Fund Balances	\$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	\$29,061,937
Debt Service as a Percentage of Noncapital Expenditures	18.9%	14.9%	13.2%	11.3%	19.1%	11.8%	10.4%	13.4%	7.6%	22.5%

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>Percentage of Total</u>		
	<u>Total</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Business</u>	<u>Individual</u>	<u>Withholding</u>	<u>Business</u>	<u>Total</u>
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%				
2020	26,962,882	6,559,837	5,101,020	38,623,739	69.8%	17.0%	13.2%	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>
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
2020	768,456	262,856	9,451,939	28,140,489	38,623,739

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		
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%
2020	1,360,824,030	3,888,068,657	27,735,470	79,244,200	1,388,559,500	3,967,312,857	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
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%
2020	0.58%	4.40%	1.74%	6.72%	87.10%	6.28%	2.70%	2.00%	104.80%

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, 2020
Table 9

Taxpayer	Fiscal Year 2020			Fiscal Year 2010		
	Assessed Valuation (1)	Rank	Percentage Of Total Assessed Valuation	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation
Duke Energy Ohio Inc.	\$27,711,350	1	2.04%	\$14,711,750	2	1.44%
Kings Island Company	21,286,040	2	1.56%	20,078,954	1	1.97%
Mason Family Resorts	18,000,690	3	1.32%			
Lens Crafters, Inc	8,518,700	4	0.63%			
Indiana senior Housing	8,298,560	5	0.61%			
Twin Fountains of Mason	8,044,720	6	0.59%			
Mason Christian Village	6,941,560	7	0.51%			
Cintas Sales Corporation	5,991,210	8	0.44%	8,695,050	4	0.85%
Scion Real Estate Investments	4,852,670	9	0.36%	6,969,967	6	0.68%
Mitsubishi Electric Auto	4,445,650	10	0.33%	7,489,412	5	0.73%
Linder Center of Hope				4,153,135	8	0.41%
Makino				12,686,429	3	1.24%
Health Alliance				5,992,039	7	0.59%
H J Heinz Co LLP				4,134,445	9	0.40%
All Others	1,246,732,880		91.61%	2,757,610	10	0.27%
				933,788,319		91.42%
Total Assessed Valuation	\$1,360,824,030		100.00%	\$1,021,457,110		100.00%

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:	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Fiscal Year:	<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>	<u>2020</u>
Current Tax Levy	\$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	\$8,929,969
Current Tax Collections	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	8,048,674
Percent of Levy Collected	96.27%	97.97%	98.39%	98.59%	97.49%	98.47%	98.52%	98.66%	98.86%	90.13%
Delinquent Tax Collections (1)	142,457	414,651	188,875	128,004	105,306	185,931	122,090	162,859	123,644	113,556
Total Tax Collections	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	8,162,230
Ratio of Total Tax Collections to Current Taxes Levied	98.40%	104.02%	101.20%	100.53%	99.06%	101.03%	100.15%	100.76%	100.29%	91.40%

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

Tax Year	Current Assessments Billings	Current Assessments Collected	Ratio of Collection To Amount Billed
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%
2019	141,233	140,580	99.54%

Source: Warren County Auditor's Office

Note: Tax Year 2018 is billed and due in 2019

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	
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	20,965,000	0	1,695,000	9,165,000	2,000,000	0					33,825,000
2018	18,275,000	0	1,530,000	8,075,000	1,925,000	0					29,805,000
2019	17,695,000	0	1,350,000	6,940,000	1,850,000	0					27,835,000
2020	38,560,000	0	1,165,000	0	1,775,000	0					41,500,000

Fiscal Year	Business-Type Activities										Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	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			
2011	\$8,815,000	\$29,395,000	\$0	\$10,765,000	\$18,000	\$48,993,000					\$97,213,000	7.87%	\$3,121
2012	30,270,000	0	0	10,465,000	13,000	40,748,000					86,088,000	6.73%	2,753
2013	28,780,000	0	0	10,155,000	7,000	38,942,000					86,342,000	6.32%	2,746
2014	27,265,000	0	0	9,840,000	0	37,105,000					79,585,000	5.73%	2,518
2015	25,710,000	0	0	9,515,000	0	35,225,000					75,260,000	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
2020	18,290,000	0	0	6,645,000	0	24,935,000					66,435,000	3.46%	1,942

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.

(1) See the Schedule of Demographic and Economic Statistics on Table 17 for personal income and population data.

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

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	General Bonded Debt ⁽³⁾	Less Debt Service Fund ⁽⁴⁾	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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
2020	34,209	1,388,559,500	56,850,000	1,898,730	54,951,270	3.96%	1,606

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

Fiscal Year	Principal	Interest (2)	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service To General Government Expenditures
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	576,875	3,322,875	7,620,161	46.22%
2019	655,000	682,994	1,337,994	7,638,961	17.52%
2020	2,135,000	896,848	3,031,848	8,868,661	34.19%

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, 2020
 Table 15

	Net General Obligations Bonded Debt Outstanding (1)	Percentage Applicable (2) to City	Amount Applicable to City
Mason City School District	\$32,610,000	59.00%	\$19,239,900
Kings Local School District	34,630,000	14.95%	5,177,185
Great Oaks Career Center Joint Vocational School	0	5.39%	0
Lebanon City School District	39,762,669	0.22%	87,478
Deerfield Township	4,170,000	1.44%	60,048
Warren County Career Center Jt. Voc. School	150,000	2.81%	4,215
Warren County	28,785,000	17.59%	5,063,282
Subtotal Overlapping Debt	140,107,669		29,632,107
City of Mason - Direct Debt	\$41,500,000	100.00%	\$41,500,000
Total Direct and Overlapping Debt	\$181,607,669		\$71,132,107

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Debt Limit (1)										
Total Debt Limit (10.5%)	\$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	\$145,798,748
Total Net Debt Applicable to Limits	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	40,316,270
Legal Debt Limit Margin	\$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	\$105,482,478
Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit	28.26%	28.05%	30.78%	23.41%	22.58%	18.99%	18.26%	14.32%	15.31%	27.65%
Total Unvoted Debt Limit (1)										
Total Unvoted Debt Limit (5.5%)	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	76,370,773
Total Net Debt Applicable to Limits	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	40,316,270
Legal Unvoted Debt Limit Margin	\$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	\$36,054,503
Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit	53.95%	53.56%	58.77%	44.70%	43.10%	36.26%	34.85%	27.34%	29.23%	52.79%

Legal Debt Margin Calculation for Fiscal Year 2020

Net assessed valuation	\$1,388,559,500	Total Unvoted Debt Limit	\$1,388,559,500
Statutory legal debt limitation (1)	10.5%		
Total debt limitation	\$145,798,748		
Debt applicable to limit:			
Debt applicable to limit(2)	42,215,000		
Less: applicable debt service fund amounts(3)	(1,898,730)		
Total net debt applicable to limit	40,316,270		
Legal debt margin	\$105,482,478		

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, 2020
 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
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%
2020	19.2	34,209	1,918,953,855	56,095	42.4	10,283	4.0%	5.2%	6.5%

Sources:

- (1) U.S. Census Bureau, estimates. 2020 census data not available. 2020 estimate based upon growth and history
- (2) Population estimate times per capita person income
- (3) U.S. Department of Commerce, Bureau of Economic Analysis for the Cincinnati Metropolitan Statistical Area. 2020 information not available.
- (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 2020				Fiscal Year 2010			
<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees (1)</u>	<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees (1)</u>	<u>Income Tax Withholding Ranking (2)</u>	<u>Income Tax Withholding Ranking (2)</u>
Procter & Gamble Company	Healthcare research	3,047	Procter & Gamble Company	Healthcare research	1,895		
EssilorLuxottica	Eyewear and lens	1,621	Luxottica (Lenscrafters)	Eyewear and lens	1,858		
Cintas Corporation	Professional uniforms	1,335	Mason City Schools	Local school district	1,400		
Kings Island	Amusement park	1,250	Cintas Corporation	Professional uniforms	1,052		
Mason City Schools	Local school district	1,090	L3 Cincinnati Electronics	Aerospace and defense industry electronics	615		
L3 Harris Technologies Inc	Aerospace and defense industry electronics	850	H.J. Heinz/Portion Pac	Portion-controlled condiments	410		
Honeywell-inteligrated	Material handling solutions	794	Mitsubishi Electric	Automotive electrical components	361		
Mitsubishi Electric Automotive	Automotive electrical components	772	Linder Center of Hope	Mental health treatment center	300		
Harris-Mason Processing	Meat Processing/Packaging	610	Intelligrated Systems LLC	Material handling solutions	268		
AtriCure Inc.	Medical device provider	379	Cedar Village	not for profit retirement community	222		
<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees (1)</u>	<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees (1)</u>	<u>Income Tax Withholding Ranking (2)</u>	<u>Income Tax Withholding Ranking (2)</u>
Procter & Gamble Company	Healthcare research	1	Procter & Gamble Company	Healthcare research	1		
Cintas Corporation	Professional uniforms	2	Luxottica (Lenscrafters)	Eyewear and lens	2		
EssilorLuxottica	Eyewear and lens	3	Cintas Corporation	Professional uniforms	3		
L3 Harris Technologies Inc	Aerospace and defense industry electronics	6	Mason City Schools	Local school district	4		
Mason City Schools	Local school district	5	L3 Cincinnati Electronics	Aerospace and defense industry electronics	5		
Honeywell-inteligrated	Material handling solutions	4	Kings Island	Amusement park	6		
Mitsubishi Electric Automotive America	Automotive electrical components	8	Mitsubishi Electric	Automotive electrical components	7		
AtriCure Inc	Medical device provider	7	H.J. Heinz/Portion Pac	Portion-controlled condiments	8		
Scion Companies LLC	Pharmaceutical	9	Makino	Machining manufacturer	9		
Rhinestahl Corporation	Advanced manufacturing	10	City of Mason	Local government	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Administration	10	10	10	10	10	11	11	11	11	11
Council	1	1	1	1	1	1	1	1	1	1
Facility	1	1	1	3	3	4	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
Public Safety										
Police										
Officers	43	43	43	43	43	46	47	52	52	52
Non-sworn	7	7	7	7	7	7	7	7	7	7
Fire	33	36	42	42	42	46	46	52	52	52
Leisure Time Activities										
Recreation/Community Center	22	22	22	15	15	14	14	15	15	15
Park Maintenance				6	6	6	6	6	6	6
Community Development										
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
Basic Utility Service										
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
Transportation and Street Repair										
Engineering	8	8	8	8	8	7	7	7	7	7
Public Works/Street Maintenance	20	20	20	19	19	19	19	19	19	19
Total Full-Time Positions	206	209	215	215	215	222	223	235	235	235
Total Part-Time Positions	188	182	203	208	210	206	186	185	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									
	<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>	<u>2020</u>
Police Protection:										
Number of Marked Patrol Vehicles	21	21	19	19	19	19	19	19	22	24
Calls for Service	27,448	31,545	36,635	41,193	41,267	46,412	55,331	61,373	62,996	51,236
Moving Violation Citations	2,460	2,638	2,502	2,226	2,579	2,977	3,451	2,900	2,411	1,540
Arrests	843	536	910	908	961	980	991	1,076	991	880
Fire & Emergency Medical:										
Fire Responses	886	1,118	978	1,229	974	968	992	1,181	1,209	1,059
Emergency Medical Responses	2,516	2,601	2,477	2,767	2,823	3,086	2,852	2,963	3,316	2,866
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Emergency Vehicles	20	20	19	19	20	20	21	21	20	20
Leisure Time Activities										
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	1,467	1,634	1,798	2,257	2,432	2,685	2,648	2,766	2,927	1,751
Basic	1,690	1,467	1,368	1,304	1,208	1,135	1,203	1,178	1,156	743
Golf Center Rounds Played										
Grizzly Course	32,959	37,708	39,750	39,676	40,211	39,243	38,474	37,056	39,146	43,775
Bruin Course (9 hole Oct. 2010, closed)	7,245	7,345	7,428	5,858	5,905	4,069	0	0	0	0
Community Development										
Building Permits Issued	49	54	92	192	153	155	171	153	153	138
Utility Services										
Number of Sewer Customers	10,200	10,243	10,283	10,410	10,580	10,628	10,873	10,961	11,075	11,165
Number of Refuse Customers	8,781	8,941	8,928	9,064	9,113	9,181	9,377	9,565	9,691	9,763
Number of Stormwater Customers	10,297	10,348	10,389	10,609	10,763	10,809	10,911	11,198	11,330	11,407
Storm sewers (miles)	94	95	95	96	98	99	99	101	102	103
Sanitary sewers (miles)	136	137	137	138	141	142	142	145	146	147
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
Transportation & Street Repair										
Number of Streets (dedicated)	448	452	452	454	459	466	466	477	477	478
Lane Miles	356	357	357	359	360	362	362	364	367	372
Traffic Signals	40	40	40	40	40	42	42	42	42	42
Bike Paths (miles)	19	19	19	19	20	20	20	20	21	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 9/2/2021

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

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