

# Comprehensive Annual Financial Report



**City of Mason**  
**Mason, Ohio 45040**  
**Year Ended December 31, 2008**

**City of Mason, Ohio**

**Comprehensive Annual Financial Report**

**Year Ended December 31, 2008**

**Prepared by:**  
**Finance Department**

**Joseph Reigelsperger**  
**Finance Director**

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# INTRODUCTORY SECTION

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June 17, 2009

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

We are pleased to present the City of Mason Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. 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 State Auditor requires all cities to prepare financial reports within one hundred fifty days after the end of the fiscal year. The financial report must also be in conformity with generally accepted accounting principals (GAAP).



*Citizen involvement in Mason extended to a photo contest for the annual calendar. Some of the winners visited a Council meeting in September.*

The management of the City of Mason, particularly the Director of Finance's Office, assumes full responsibility for both the completeness and reliability of the information contained in this report. The accuracy of the presented data and the completeness and fairness of presentation is assured through a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed

anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark, Schaefer, Hackett & Co., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Mason's financial statements for the year ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE CITY

Mason has earned a reputation as a progressive, innovative community. The city is located in the southwest portion of Ohio, 22 miles northeast of Cincinnati and 28 miles south of Dayton. It is the largest and second fastest growing city in Warren County. Warren County is the second fastest growing county in Ohio.

Originally settled as the village of Palmyra in 1815 by Major William Mason, the community was renamed in his honor 20 years later. Incorporated as a city in 1971, Mason is governed by a charter that establishes 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 and the efficient delivery of all city services. The city provides many of the municipal services normally associated with a municipality, including emergency services; street construction and maintenance; full engineering, building, and planning services; recreation space and activities; and business recruitment and retention.

Sanitary sewer, stormwater, and solid waste collection and disposal services are provided under an Enterprise Fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. The city also operates a Community Center and Golf Course through Enterprise Funds.

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

## LOCAL ECONOMY

Mason's business community employs an estimated 22,000 persons, equivalent to about three quarters of the city's nighttime population of about 30,000. Three of the 10 largest employers in Warren County are located in Mason. Mason's ten largest employers provide work for more than 4,800 persons and generated more than \$6.7 million in income tax revenue for 2008. Overall, it is estimated that there are more than 600 businesses that operate within Mason's 18 square miles.

Mason continues to attract quality companies that are relocating or expanding. In choosing Mason, 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 workforce, and an exceptional level of support and services with a favorable business environment widely promoted in the region. Tax incentives targeting high-tech businesses and light industry are strong inducements as well. Nearly one hundred high technology, advanced manufacturing, and industrial businesses are located in Mason. Additionally, interest in the marriage between tourism, Warren County's top industry, and business development continues to be a focus for Mason.



*The Lindner Center of HOPE Behavioral Health Sciences and Research and Development Center opened in Mason in 2008.*

In the last fifteen years, Mason has become home to numerous national companies and has one of the region's largest complements of international businesses. These companies are a significant segment of greater Cincinnati's community of more than 300 firms from Japan, Western Europe, and Canada.

In an effort to further enhance the city's foreign investment strategy, Mason joined CincinnatiUSA Partnership's Regional Economic Development Council (REDC) in 2001. This regional marketing partnership has lent remarkable strength and leverage to Mason's work on both national and international recruitment projects.

Mason renewed its commitment to this innovative regional strategy in 2003, with a second three-year commitment as one of thirteen members, and only the third city, to come together to make marketing and recruitment decisions for the Greater Cincinnati region. This alliance has facilitated extended contact with national and international corporate site selectors and brokers, and has leveraged partnerships with news organizations in major metropolitan areas. As a result, the city and its corporate partners have

gained national exposure and future new investment interests in targeted industries.

The CincinnatiUSA organization also strengthens a methodology of continued relationship maintenance with valuable contacts in Europe and Asia, giving Mason the opportunity to tell the unique stories of its corporate investors to companies outside the U.S. that are looking to start new U.S. operations. In 2007, the city negotiated a contribution renewal through 2009 that combined two investment outreach organizations: CincinnatiUSA Partnership for Economic Development and CincyTechUSA. This new agreement provided Mason with access to membership on the Board of Governors and partnership with the CincyTech management team. The CincinnatiUSA and CincyTech partnerships help the city reach emerging markets, entrepreneurs, and the information technology, biosciences, and advanced manufacturing business sectors. These partnerships continue to bring significant value, exposure, and return on the city's investment in business recruitment marketing.

The year 2008 marked the city's third year of operating with the Mason Port Authority. This economic development tool has already provided advantageous flexibility with financial recruitment options. It has helped retain over 100 jobs and allowed the city to attract more than \$7 million in new capital investment, with over 100 new jobs to be created. The recruitment options provided by the Mason Port Authority open new avenues for marketing the city's industrial property on State Route 741.

Mason's reputation as a serious business environment is confirmed by corporate decisions to consolidate here and move jobs and investment to the city. New investments reported in 2008 were over \$49 million as 151,000 square feet of new corporate and industrial space were added, bringing over 729 announced new jobs to the community. While the new square footage numbers were nearly the same as the previous year, Mason's diversified environment has facilitated a climb in new investment numbers within the industrial and corporate community. New commercial investment was up over 300% and announced new jobs were up over 170% from 2007. The combined 2006 through 2008 revenues were nearly \$100 million, with over 450,000 new square feet and over 1,500 new jobs.

In 2008, several large developments underway during the previous years opened their doors, including the \$15 million Prasco Pharmaceutical Campus and the \$40 million nationally recognized Lindner Center of Hope Behavioral Health Sciences and Research and Development Center. Announcements in 2008 included Bush Trucking Corporate Headquarters relocation, Fujitec North American Corporate Headquarters relocation, AssureRx Bio Sciences Company, and American Business Personnel.



*The Prasco Pharmaceutical Campus represents a \$15 million investment in the Mason corporate community and includes a ball field.*

In 2008, industrial and office absorption continued the trend, with the private sector focusing heavily on existing real estate for expansion opportunities. Mason's traditionally strong presence in the build-to-suit sector means there is a low supply of vacant buildings, placing some major regional opportunities out of range, such as Tata Consultancy and GE Corporate Headquarters.

Difficult economic factors for companies led to Mason being impacted by the closing of four employers: Blackhawk, International Paper, Crane Fencing, and Bilvern. The result was 800 jobs lost in the manufacturing sector. In addition, Procter and Gamble reported approximately 100 jobs affected with the elimination of distance drug discovery at the Mason campus.

As each new investment is announced, job creation and payroll are projected for the next three years. Many of the jobs announced have already been realized by the city and many others will be realized in the next two years. The following projects were the largest new developments announced in the City of Mason for 2008:

**Corporate investment (new capital & payroll)**

	<u>New Capital</u>	<u>New Payroll</u>
Mitsubishi Electric Automotive America	\$14.0 M	\$0 M
Fujitec America	\$4.0 M	\$8.0 M
Tri-Health/Community Center	\$27 M	\$4 M
American Business Personnel	\$1.6 M	\$1.6 M
AssureRx	\$700,000	\$800,000

Growth and development in the City of Mason are expected to continue. Efforts to focus on growth sectors and emerging markets that bring high rates of return to the city are the key focuses of the city’s economic strategy. In 2008, Mason has seen continued interest in land sales and new construction in the industrial, manufacturing, and specialty healthcare and pharmaceutical sectors. Recognizing that the regional market outlook predicts flat activity into the next several years, Mason still expects to see positive commercial activity.

Focal areas for future growth are city-owned land that provides opportunities to offer competitive options for new investors and the I-71 corridor. This corridor has over 600 acres of undeveloped land that has the attention of the development community.



*High-profile events such as the national AVP volleyball championship provide opportunities for marrying economic development efforts with tourism.*

Mason is also well attuned to benefit from destination construction such as Great Wolf Lodge, new investments with Kings Island, and discussed expansion of high-profile events such as the Tennis Masters Series and related sports events. These are

expected to drive more interest in tourism development. The city’s economic development efforts fully recognize the positive relationship between destination tourism and the development of conference, technology, and office development.

**LONG-TERM FINANCIAL PLANNING**

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

**RELEVANT FINANCIAL POLICIES**

In 2007, Mason’s voters approved a ballot issue to phase in a full income tax credit for residents who pay a municipal income tax to other cities. In prior years, Mason residents received a credit of 50% of taxes paid to other municipalities. The charter amendment increased the credit to 65% in 2007, 80% in 2008, 90% in 2009, and 100% (full credit) in 2010 and later years. Most of the loss in revenue from residents is expected to be offset by the consistent increase in collections from businesses and by non-resident withholding.

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. State law is phasing out tangible personal property tax that is assessed on business inventory, machines, and equipment. As part of the phase-out, the state is reimbursing local governments for lost revenue for a limited period of time. In consideration, the City of Mason continues to decrease its reliance upon decreasing revenue sources for operating expenses.

## **MAJOR INITIATIVES For the Year 2008**

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

Major events that occurred in 2008 that position the city for future economic growth and improvement include:

### **Western Row Road Widening**

The City of Mason has continued its investment into infrastructure. In 2008, work began on widening 9,200 feet of Western Row Road between Cherokee Drive and Tylersville Road. The new roadway will consist of four, 11-foot wide lanes, center turn lanes or landscaped medians, curb and gutter, sidewalk, and a bike path. Landscaping, street signs, and irrigation of the islands will be completed in 2009.



*Western Row Road improvements will enhance a major east-west route in the city.*

### **Infrastructure Improvements**

Besides the Western Row Road improvement, other infrastructure improvements in 2008 included the completion of the Tylersville and Fireside Drive intersection improvement, the pedestrian bridge replacement from downtown Mason to Rose Hill Cemetery, resurfacing almost 9.5 lane miles of

streets, and continuing the construction of the Muddy Creek bike path.

### **Mason Sports Park**

During 2007, construction began on the new Mason Sports Park. The 54-acre park opened on April 19, 2008. It was a priority project in the 2004 Park Master Plan and provides needed youth baseball and football/soccer fields, along with many other recreational amenities. This project was designed in cooperation with the Park Board and Mason youth athletic organizations.

### **Community Center Expansion**

In 2008, staff and Council's Community Center Committee, in conjunction with TriHealth, continued working to develop the plan for the expansion and wellness component at the Mason Community Center.

The design for the center is completed. Next steps include working with the Community Center Committee and TriHealth to finalize construction contracts. The partnership with TriHealth extends the city's track record of success in developing mutually beneficial relationships that deliver enormous and cost-effective benefits to the residents of Mason. The partnership with TriHealth is anticipated to increase market exposure to the Mason Community Center and thereby help the center regain and increase its market share while continuing its focus on serving area families. This, in turn, will strengthen the financial position of the center into the future.

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

Accomplishments to look forward to in 2009 include:

- Constructing the Mason Community Center expansion and an attached office facility to be leased by TriHealth for medical offices
- Fire station 51 relocation
- US 42 Truck Sewer North Phase 2B
- Muddy Creek Restoration Phase 2
- Mason Road widening



*The future expansion of the Mason Community Center is the result of a partnership with TriHealth, which includes Bethesda and Group Health Associates. It will include office space for GHA physicians and Bethesda Physical Therapy as well as expanded space for the community.*

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mason for its comprehensive annual financial report

Sincerely,

Eric Hansen  
City Manager

Joseph J. Reigelsperger  
Finance Director

(CAFR) for the fiscal year ended December 31, 2007. Mason has been awarded the Certificate of Achievement each year beginning in 1997. In order to be awarded a Certificate of Achievement, the city had to publish an easily readable and efficiently organized CAFR that satisfied 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, including Mary Mueller, Bev Salatin, the staff of Plattenburg & Associates, Inc., and Clark, Schaefer, Hackett & Co. for their dedicated service in the preparation of this comprehensive annual financial report.

**THE CITY OF MASON, OHIO**

**LIST OF PRINCIPAL OFFICIALS**

**December 31, 2008**

**COUNCIL MEMBERS**

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Mayor	Tom Grossmann
Vice Mayor	Peter Beck
Council Member	Tony Bradburn
Council Member	Victor Kidd
Council Member	David Nichols
Council Member	Don Prince
Council Member	Christine Shimrock

**COUNCIL APPOINTED OFFICIALS**

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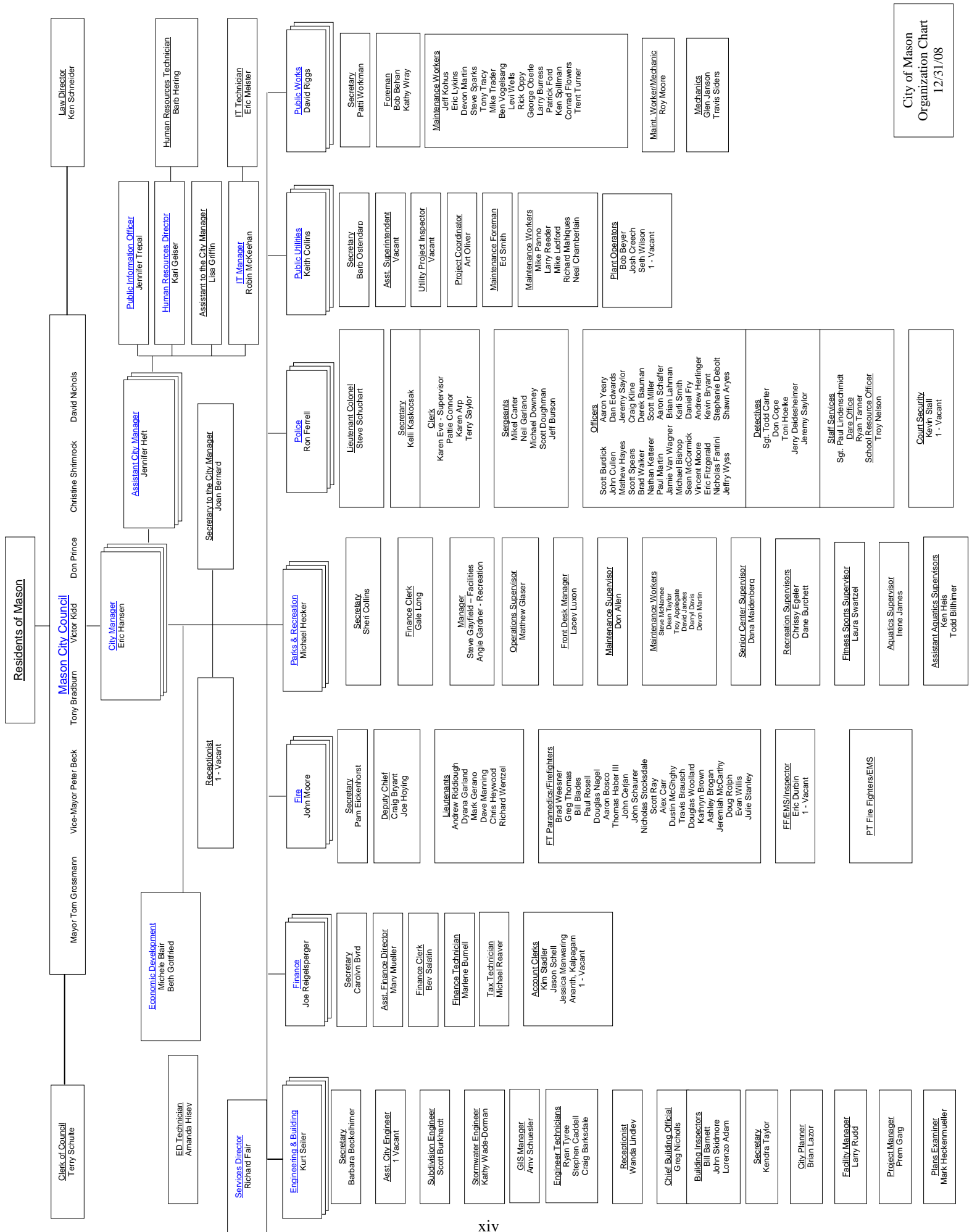
City Manager	Eric Hansen
Law Director	Ken Schneider
Clerk of Council	Terry Schulte

**DEPARTMENT HEADS**

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



City of Mason  
Organization Chart  
12/31/08



# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To City Council  
City of Mason, Ohio:

We have audited the accompanying financial statements of the governmental activities, 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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 14 and pages 60 through 69, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mason, Ohio'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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
June 17, 2009

**City of Mason, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2008**  
**(Unaudited)**

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As management of the City of Mason, we offer readers of the City of Mason's financial statement this narrative overview and analysis of the financial activities of the City of Mason for the fiscal year ended December 31, 2008. 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 of the City of Mason exceeded its liabilities at the close of 2008 by \$250,425,202 (net assets). Of this amount, \$39,462,203 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 79.9 percent of the 2008 expenses of \$49,433,124.

- The city's total net assets increased by \$8,168,568. Net assets of the governmental activities (defined below) increased \$6,623,048, which represents a 24.4 percent decrease from the 2007 increase in net assets. Net assets of the business-type activities (also defined below) increased \$1,545,520 or 56.9 percent less than 2007. These decreases were primarily the result of decreased capital grants and contributions since fewer developments were completed in 2008.
- The total cost of the city's programs increased \$397,656 or 0.8 percent. The cost of governmental activities decreased \$627,335 or 1.8 percent, while the cost of business-type activities increased \$1,024,991 or 6.4 percent.
- As of the close of the current fiscal year, the city's governmental funds reported combined ending fund balances of \$43,009,052, an increase of \$1,680,906 in comparison with the prior year. The General Fund unreserved balance of \$12,693,451 as of December 31, 2008 is 35.0 percent of the 2008 expenditures and transfers of \$36,286,992. The City of Mason strives to maintain a minimum unreserved fund balance equal to three months of expenditures (25 percent).

**Overview of the Financial Statements**

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 stormwater system, waste collection system, golf course, and the community center activities.

**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 30 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; the fire and emergency medical services fund; and the parks and recreation improvement fund. Data for the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**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, stormwater, and golf course. The waste collection fund and the community center fund are the only nonmajor proprietary funds.

**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.

**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, the street construction, maintenance and repair fund budget, the fire and emergency medical service fund budget, and the parks and recreation improvement 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 assets may serve over time as a useful indicator of a government's financial position. The city's assets exceeded liabilities by \$250,425,202 at the close of the most recent fiscal year.

The largest portion of the city's net assets (73.0 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 assets (11.3 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets (\$39,462,203) may be used to meet the city's on-going obligations to citizens and creditors. It is important to note that the unrestricted net assets of the city's business-type activities (\$8,494,022) 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 assets: for the government as a whole and for its separate governmental and business-type activities.



Overall net assets of the city increased \$8,168,568 in 2008. Net assets for governmental activities increased \$6,623,048, while net assets for business-type activities increased \$1,545,520. The increase in net assets for 2008 (\$8,168,568) was \$4,179,429 less than the increase in net assets for 2007 (\$12,347,997). This decrease is primarily the result of decreased capital grants and contributions since fewer developments were completed in 2008. This decreases the streets, stormwater, and sanitary sewers that are accepted by the City.

**City of Mason**

**Net Assets**

(amounts expressed in thousands)

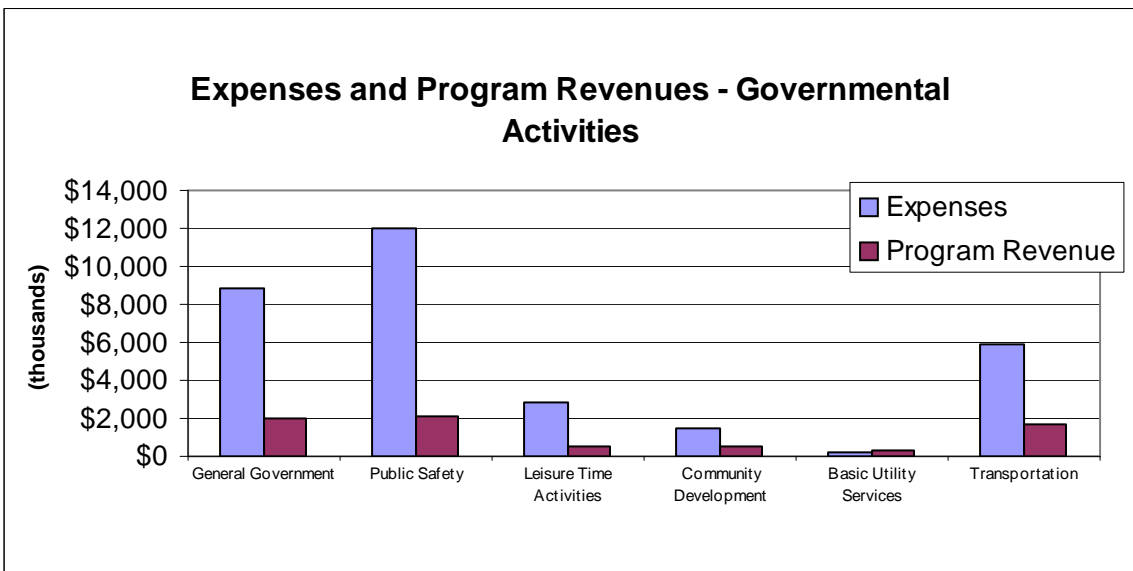
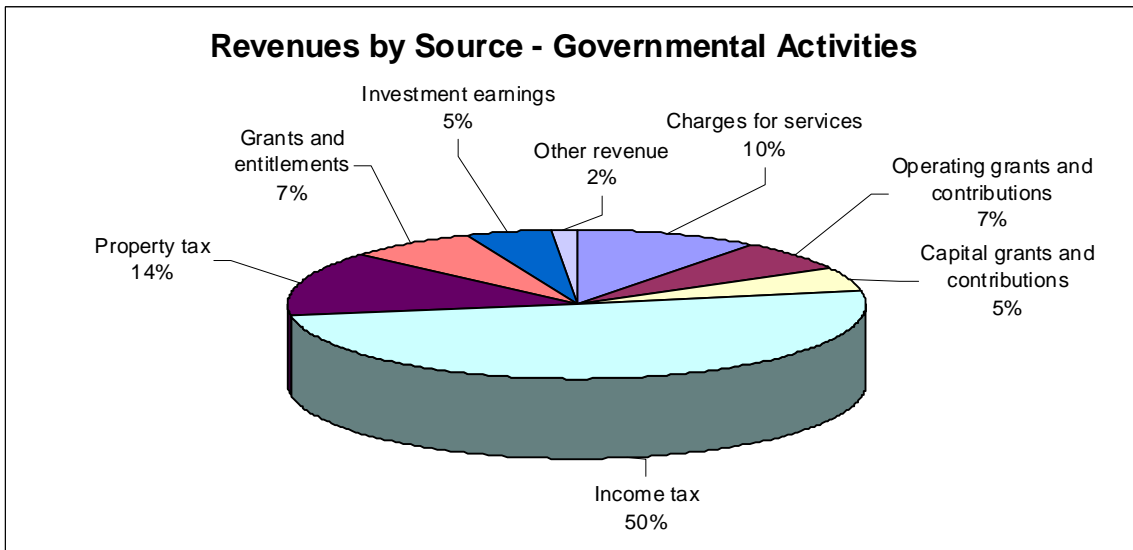
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>						
Current and other assets	\$63,819	\$65,176	\$18,726	\$19,895	\$82,545	\$85,071
Capital assets	<u>157,567</u>	<u>149,227</u>	<u>115,908</u>	<u>114,126</u>	<u>273,475</u>	<u>263,353</u>
<b>Total assets</b>	\$221,386	\$214,403	\$134,634	\$134,021	\$356,020	\$348,424
<b>Liabilities</b>						
Long-term liabilities outstanding	44,361	40,582	32,917	33,932	77,278	74,514
Other liabilities	<u>15,870</u>	<u>19,289</u>	<u>12,447</u>	<u>12,364</u>	<u>28,317</u>	<u>31,653</u>
<b>Total liabilities</b>	\$60,231	\$59,871	\$45,364	\$46,296	\$105,595	\$106,167
<b>Net Assets</b>						
Invested in capital assets, net of related debt	110,110	104,293	72,445	69,333	182,555	173,626
Restricted	20,077	16,203	8,331	10,283	28,408	26,486
Unrestricted	<u>30,968</u>	<u>34,036</u>	<u>8,494</u>	<u>8,109</u>	<u>39,462</u>	<u>42,145</u>
<b>Total Net Assets</b>	<u>\$161,155</u>	<u>\$154,532</u>	<u>\$89,270</u>	<u>\$87,725</u>	<u>\$250,425</u>	<u>\$242,257</u>

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for services	\$4,464	\$4,337	\$12,199	\$12,499	\$16,663	\$16,836
Operating grants and contributions	2,936	2,567			2,936	2,567
Capital grants and contributions	2,244	3,080	762	3,517	3,006	6,597
General revenues:						
Income tax	22,266	20,515			22,266	20,515
Property tax	6,187	7,098			6,187	7,098
Grants and entitlements	3,149	3,104			3,149	3,104
Investment earnings	1,997	2,725	720	1,121	2,717	3,846
Other revenue	666	820	11	1	677	821
<b>Total Revenues</b>	43,909	44,246	13,692	17,138	57,601	61,384
<b>Expenses:</b>						
General Government	8,797	8,821			8,797	8,821
Public Safety	12,042	12,058			12,042	12,058
Leisure Time Activities	2,884	2,644			2,884	2,644
Community Development	1,454	1,669			1,454	1,669
Basic Utility Services	252	253			252	253
Transportation	5,928	6,495			5,928	6,495
Interest and fiscal charges	2,214	2,259			2,214	2,259
Sewer utility			6,467	6,309	6,467	6,309
Waste Collection			1,391	1,269	1,391	1,269
Stormwater utility			1,097	1,073	1,097	1,073
Community Center			3,042	3,040	3,042	3,040
Golf Course			3,865	3,146	3,865	3,146
<b>Total Expenses</b>	33,571	34,199	15,862	14,837	49,433	49,036
Increase (decrease) in net assets before transfers	10,338	10,047	(2,170)	2,301	8,168	12,348
Transfers - internal activities	(3,715)	(1,287)	3,715	1,287		
Increase (decrease) in net assets	6,623	8,760	1,545	3,588	8,168	12,348
<b>Net Assets beginning of year</b>	154,532	145,772	87,725	84,137	242,257	229,909
<b>Net Assets end of year</b>	\$161,155	\$154,532	\$89,270	\$87,725	\$250,425	\$242,257

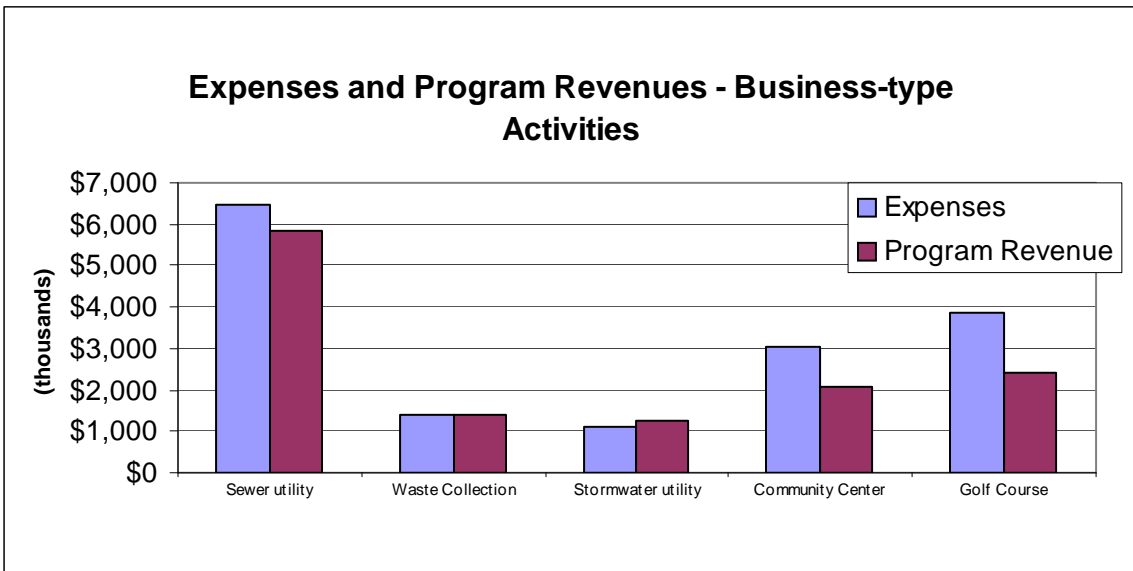
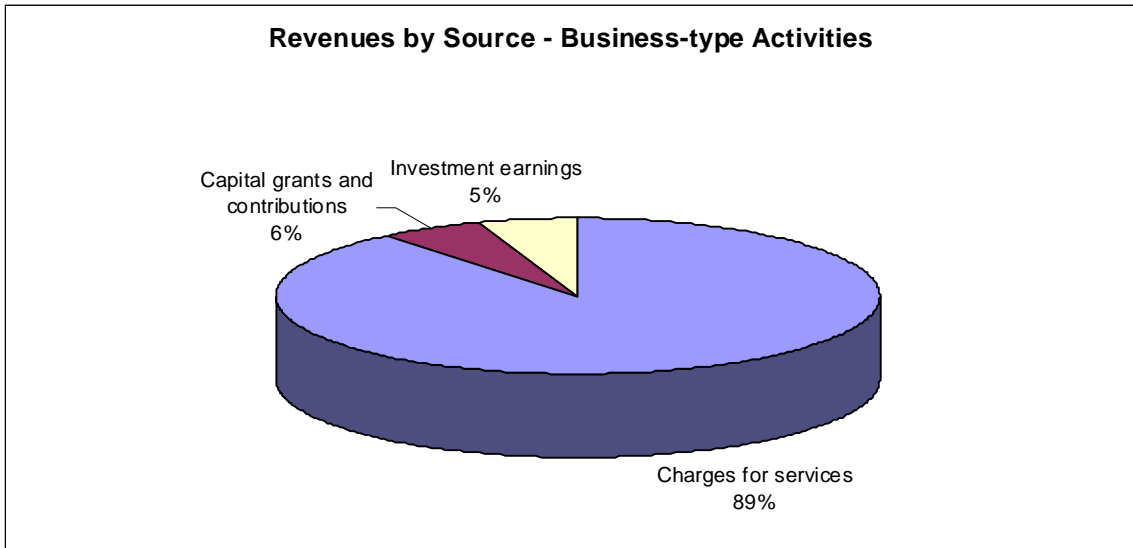
**Governmental activities.** Governmental activities increased the city’s net assets by \$6,623,048. This was a \$2,137,061 (24.4 percent) decrease from the previous year change in net assets. Key elements of the changes in net assets are as follows:

- Transfers from internal activities increased \$2,428,232. This was due to capital improvements that were paid by governmental funds for stormwater and sewer capital items plus transfers for golf course operations.
- Income tax increased \$1,750,802 (8.5 percent) over the previous year due to economic development activities.
- Property tax revenue decreased by \$909,464 (12.8 percent) due to the elimination of personal property tax.
- Investment earnings decreased \$728,002 (26.7 percent) over the previous year as a result of the decrease in the market.



**Business-type activities.** Business-type activities increased the city’s net assets by \$1,545,520. Key elements of the changes in net assets are as follows:

- Although the net assets increased, Capital Grants and Contributions decreased from the previous year by \$2,754,621 due to the decrease in developments completed this year that were accepted by the city. This amount varies from year to year.
- Operational costs increased by 6.4 percent resulting from a full year of operation of the golf course.
- Investment earnings decreased \$401,183 (35.8 percent) over the previous year as a result of the decrease in the market.



## **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 *unreserved 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 \$43,009,052, an increase of \$1,680,906 in comparison with the prior year. \$28,101,521 of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period. The most significant changes in fund balance were debt related. In the General Fund, \$6,850,000 was paid towards debt principal retirement. \$6,970,000 was received from the issuance of long-term bonds.

The general fund is the chief operating fund of the city. At December 31, 2008, the unreserved fund balance of the general fund was \$12,693,451, while the total fund balance was \$24,652,873. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved fund balance* and *total fund balance* to *total fund expenditures* (including transfers out). *Unreserved fund balance* represents 35.0 percent of the *total general fund expenditures* (including transfers out), while *total fund balance* represents 67.8 percent of that same amount. The *unreserved fund balance* is roughly equal to four and a half months of *total fund expenditures*, which is higher than the City's target minimum for an *unreserved fund balance* of three months.

The fund balance of the city's general fund increased by \$1,918,173 during the current fiscal year. The increase was lower than the increase in 2007.

Key factors in this change are as follows:

- Revenue decreased from the previous year by \$937,189, which is a 2.9% decrease. The decrease in investment earnings, charges for services and lower tax revenue contributed the most to the decrease in revenue.
- Expenditures and transfers increased from the prior year by \$7,588,864, a 24.8% increase, due to increased transfers to capital improvement funds for street improvements/maintenance, operating transfer for the golf course and community center, and large debt service payments.

The street construction, maintenance and repair fund pays for all major street construction and improvements. The fund balance increased by \$1,032,173, which is a \$575,522 increase from the previous fiscal year.

The fire and emergency medical service fund provides public safety services to the City of Mason using a five-mill property tax levy as its major source of revenue. The fund balance increased by \$938,313, which is a \$474,054 increase from the previous fiscal year. Revenue increased by \$25,388, 0.4%, while expenditures decreased by \$430,545, 8.0%.

The parks and recreation improvement fund was used for the construction of the Mason Sports Park in 2007. The short-term note used to construct the park was converted to 20-year bonds in 2008.

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

Unrestricted net assets for the sewer fund at the end of the year amounted to \$6,119,812, with a total growth in net assets of \$43,419. Unrestricted net assets for the stormwater utility fund at the end of the year amounted to \$1,367,232, with a total growth in net assets of \$422,657. Unrestricted net assets for the golf course fund at the end of the year amounted to \$174,652, with a total growth in net assets of \$57,339. Other factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

### **Budgetary Highlights**

**General fund.** During the year 2008, there was a \$6,975,002 increase in appropriations between the original and final amended budget. The total original appropriations, including those for transfers out, were \$54,264,316, while the final appropriations were \$61,239,318. 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. \$4,359,769 was used to encumber the real estate bond anticipation note that is due in 2009. Appropriations increased by \$871,431 for additional capital outlay including improvements to Pine Hill Lake, constructing Alliance Drive, and software upgrades. Additional service needs increased the police department's appropriations by \$603,701. \$550,000 was needed as an additional advance to the Community Center Fund. The appropriation for income tax refunds was increased by \$475,000 for refunds from the full credit phase-in. Rising cost of snow clearing and service needs from Hurricane Ike wind event increased street maintenance and repair by \$425,001. Other operational corrections were made during the re-appropriation process. The original revenue budgets are very conservative estimates and are adjusted near the end of the year based on actual revenue.

### **Capital Asset and Debt Administration**

**Capital assets.** The city's investment in capital assets for its governmental and business-type activities as of December 31, 2008, amounted to \$273,475,449 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings, system improvements, machinery and equipment, park facilities, roads, streets, and traffic signals. The total increase in the city's investment in capital assets for 2008 was 3.7 percent (a 5.3 percent increase for governmental activities and a 1.5 percent increase 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$59,219	\$58,481	\$10,578	\$9,849	\$69,797	\$68,330
Construction in Progress	7,603	11,899	2,596	176	10,199	12,075
Buildings and Improvements	42,798	35,414	35,298	35,207	78,096	70,621
Machinery and Equipment	13,925	13,126	6,994	6,894	20,919	20,020
Infrastructure	59,040	52,401	77,630	76,221	136,670	128,622
Accumulated Depreciation	(25,017)	(22,094)	(17,188)	(14,221)	(42,205)	(36,315)
Total	<u>\$157,568</u>	<u>\$149,227</u>	<u>\$115,908</u>	<u>\$114,126</u>	<u>\$273,476</u>	<u>\$263,353</u>

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

- The widening of Western Row Road.
- Several projects concluded including: the Mason Sports Park (\$5.5 million of additions), Downtown Streetscape (\$2.4 million), and Mason-Montgomery Road Widening (\$1.2 million).

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

**Long-term debt.** At December 31, 2008, the city had \$76,000,000 of long-term debt outstanding (bonds and capital leases). Of this amount, \$23,355,000 comprises debt backed by the full faith and credit of the government and \$295,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. \$3,140,000 of the general obligation debt is funded through tax increment financing. Capital leases outstanding (\$19,640,000) at December 31, 2008, are certificates of participation for the municipal center. The remainder of the city's debt represents bonds secured solely by specified revenue sources.

The city issued bond anticipation notes totaling \$14,920,000 (\$4,200,000 for governmental and \$10,720,000 for business-type activities).

The City maintains an "Aa2" rating from Moody's Investors Service for its outstanding debt.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$23,355	\$6,465			\$23,355	\$6,465
General obligation notes converted to bonds in 2008		12,450				12,450
Special assessment debt with governmental commitment	262	358	33	38	295	396
Capital Leases	19,640	20,335			19,640	20,335
Revenue Bonds			32,710	33,745	32,710	33,745
<b>Total</b>	<b>\$43,257</b>	<b>\$39,608</b>	<b>\$32,743</b>	<b>\$33,783</b>	<b>\$76,000</b>	<b>\$73,391</b>

The city is within all of its legal debt limitations. The Ohio Revised code provides that the net debt (as defined in the Ohio Revised code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value for taxation. The statutory limitations on debt are measured by the ratio of debt to tax valuation and expressed in terms of a percentage. At December 31, 2008, the city's total net debt of 3.25% 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. At December 31, 2008, the millage amount was 4.3241 mills, of which 3.5113 mills were restricted by the City of Mason for unvoted debt.

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

**Economic Factors and Next Year's Budgets**

The City of Mason is located in Warren County, which currently has an unemployment rate of 6.2 percent. This is lower than the current national and Ohio rates of 7.1 percent and 7.6 percent respectively. The City of Mason continues to promote economic growth in Mason while many neighboring municipalities continue to suffer with declining local economies. The city continues to attract desirable commercial enterprises while maintaining a balance of continued growth. 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 2009 budget was prepared similar to prior years by conservatively estimating revenue while seeking opportunities for cost savings. Based on concerns about the current recession, every effort is made to reduce expenditures while maintaining the current level of services. As part of the budget process, a capital improvement plan was completed and evaluated for 2009 and future years. The total appropriations for 2009 including transfers and capital outlay (\$101,727,653) are 12.0 percent less than 2008 original appropriations (\$115,664,788).

### **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 [jreigelsperger@masonoh.org](mailto:jreigelsperger@masonoh.org).

City of Mason, Ohio  
Statement of Net Assets  
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$42,479,721	\$14,798,542	\$57,278,263
Restricted Cash and Investments	3,391,317	3,456,936	6,848,253
Receivables:			
Taxes	10,720,068	0	10,720,068
Accounts	430,684	1,298,914	1,729,598
Interest	152,512	52,284	204,796
Intergovernmental	4,158,494	0	4,158,494
Special Assessments	199,631	0	199,631
Internal Balances	1,550,000	(1,550,000)	0
Prepays	0	466,692	466,692
Deferred Bond Issuance Costs	404,626	0	404,626
Inventory	331,716	202,527	534,243
Nondepreciable Capital Assets	66,821,315	13,174,162	79,995,477
Depreciable Capital Assets, Net	90,746,129	102,733,843	193,479,972
<b>Total Assets</b>	<b>221,386,213</b>	<b>134,633,900</b>	<b>356,020,113</b>
Liabilities:			
Accounts Payable	856,176	408,844	1,265,020
Accrued Wages and Benefits	970,419	153,501	1,123,920
Retainage Payable	447,729	152,253	599,982
Accrued Interest Payable	216,867	339,129	555,996
Contracts Payable	1,391,665	672,095	2,063,760
Unearned Revenue	7,404,570	0	7,404,570
Claims Payable	382,751	0	382,751
General Obligation Notes Payable	4,200,000	10,720,000	14,920,000
Long-Term Liabilities:			
Due Within One Year	2,394,254	1,170,360	3,564,614
Due In More Than One Year	41,966,949	31,747,349	73,714,298
<b>Total Liabilities</b>	<b>60,231,380</b>	<b>45,363,531</b>	<b>105,594,911</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	110,110,444	72,445,005	182,555,449
Restricted for:			
Special Revenue	13,930,740	0	13,930,740
Debt Service	3,772,727	3,304,683	7,077,410
Capital Projects	2,372,741	0	2,372,741
Replacement and Improvement	0	5,026,659	5,026,659
Unrestricted	30,968,181	8,494,022	39,462,203
<b>Total Net Assets</b>	<b>\$161,154,833</b>	<b>\$89,270,369</b>	<b>\$250,425,202</b>

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$8,797,340	\$2,047,656	\$0	\$0
Public Safety	12,041,878	1,048,709	1,013,724	0
Leisure Time Activities	2,884,015	561,063	0	0
Community Development	1,453,739	513,136	16,875	0
Basic Utility Service	251,649	286,189	0	0
Transportation and Street Repair	5,928,246	7,600	1,905,340	2,243,632
Interest and Fiscal Charges	2,214,589	0	0	0
<b>Total Governmental Activities</b>	<b>33,571,456</b>	<b>4,464,353</b>	<b>2,935,939</b>	<b>2,243,632</b>
<b>Business-Type Activities:</b>				
Sewer	6,467,230	5,486,608	0	348,691
Waste Collection	1,390,404	1,392,019	0	0
Stormwater Utility	1,097,373	836,751	0	401,461
Community Center	3,041,733	2,074,846	0	12,062
Golf Course	3,864,928	2,408,790	0	0
<b>Total Business-Type Activities</b>	<b>15,861,668</b>	<b>12,199,014</b>	<b>0</b>	<b>762,214</b>
<b>Totals</b>	<b>\$49,433,124</b>	<b>\$16,663,367</b>	<b>\$2,935,939</b>	<b>\$3,005,846</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
    Debt Service Purposes  
    Capital Projects Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Refunds and Reimbursements  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$6,749,684)	\$0	(\$6,749,684)
(9,979,445)	0	(9,979,445)
(2,322,952)	0	(2,322,952)
(923,728)	0	(923,728)
34,540	0	34,540
(1,771,674)	0	(1,771,674)
(2,214,589)	0	(2,214,589)
<u>(23,927,532)</u>	<u>0</u>	<u>(23,927,532)</u>
0	(631,931)	(631,931)
0	1,615	1,615
0	140,839	140,839
0	(954,825)	(954,825)
<u>0</u>	<u>(1,456,138)</u>	<u>(1,456,138)</u>
<u>0</u>	<u>(2,900,440)</u>	<u>(2,900,440)</u>
<u>(23,927,532)</u>	<u>(2,900,440)</u>	<u>(26,827,972)</u>
22,265,663	0	22,265,663
1,294,885	0	1,294,885
3,966,207	0	3,966,207
380,224	0	380,224
546,268	0	546,268
3,149,438	0	3,149,438
1,997,266	720,066	2,717,332
445,778	0	445,778
220,119	10,626	230,745
<u>(3,715,268)</u>	<u>3,715,268</u>	<u>0</u>
<u>30,550,580</u>	<u>4,445,960</u>	<u>34,996,540</u>
6,623,048	1,545,520	8,168,568
<u>154,531,785</u>	<u>87,724,849</u>	<u>242,256,634</u>
<u>\$161,154,833</u>	<u>\$89,270,369</u>	<u>\$250,425,202</u>

City of Mason, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2008

	General	Street Construction, Maintenance and Repair	Fire and Emergency Medical Service	Parks and Recreation
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$26,382,977	\$3,394,398	\$7,241,678	\$222,003
Restricted Cash and Investments	0	447,729	0	0
<b>Receivables:</b>				
Taxes	4,829,911	13,335	4,311,218	0
Accounts	166,479	0	216,472	0
Interest	100,600	15,234	28,928	887
Intergovernmental	1,666,681	1,336,684	752,389	0
Special Assessments	0	0	0	0
Interfund	1,550,000	0	0	0
Inventory	250,671	0	81,045	0
<b>Total Assets</b>	<b>34,947,319</b>	<b>5,207,380</b>	<b>12,631,730</b>	<b>222,890</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	782,318	0	43,575	0
Accrued Wages and Benefits	700,139	0	242,758	0
Retainage Payable	0	447,729	0	0
Accrued Interest Payable	57,592	0	0	0
Contracts Payable	187,213	1,015,463	10,246	63,557
Deferred Revenue	3,984,433	865,375	5,115,906	367
Claims Payable	382,751	0	0	0
General Obligation Notes Payable	4,200,000	0	0	0
<b>Total Liabilities</b>	<b>10,294,446</b>	<b>2,328,567</b>	<b>5,412,485</b>	<b>63,924</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	11,708,751	2,441,677	354,521	11,255
Reserved for Inventory	250,671	0	81,045	0
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	12,693,451	0	0	0
Special Revenue Funds	0	437,136	6,783,679	147,711
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>24,652,873</b>	<b>2,878,813</b>	<b>7,219,245</b>	<b>158,966</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$34,947,319</b>	<b>5,207,380</b>	<b>\$12,631,730</b>	<b>\$222,890</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$5,238,665	\$42,479,721
2,943,588	3,391,317
1,565,604	10,720,068
47,733	430,684
6,863	152,512
402,740	4,158,494
199,631	199,631
0	1,550,000
0	331,716
<u>10,404,824</u>	<u>63,414,143</u>
30,283	856,176
27,522	970,419
0	447,729
0	57,592
115,186	1,391,665
2,132,678	12,098,759
0	382,751
0	4,200,000
<u>2,305,669</u>	<u>20,405,091</u>
59,611	14,575,815
0	331,716
0	12,693,451
2,491,698	9,860,224
145,176	145,176
5,402,670	5,402,670
<u>8,099,155</u>	<u>43,009,052</u>
<u>\$10,404,824</u>	<u>\$63,414,143</u>

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City of Mason, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2008

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Total Governmental Fund Balance		\$43,009,052
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		157,567,444
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	\$2,083,069	
Delinquent Property Taxes	176,537	
Interest	62,436	
Intergovernmental	2,130,113	
Other	242,034	
		4,694,189
In the statement of net assets 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.		(159,275)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(1,104,203)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		404,626
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		(43,257,000)
Net Assets of Governmental Activities		<u>\$161,154,833</u>

See accompanying notes to the basic financial statements.



City of Mason, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	General	Street Construction, Maintenance and Repair	Fire and Emergency Medical Service	Parks and Recreation
<b>Revenues:</b>				
Taxes	\$23,330,456	\$5,718	\$3,988,691	\$0
Fines, Licenses and Permits	1,446,352	0	0	16,300
Charges for Services	1,413,846	0	512,238	0
Investment Earnings	1,452,946	258,184	363,991	16,073
Intergovernmental	2,810,787	1,657,569	960,778	0
Special Assessments	0	0	0	0
Other Revenues	812,295	25,100	10,674	0
<b>Total Revenues</b>	<b>31,266,682</b>	<b>1,946,571</b>	<b>5,836,372</b>	<b>32,373</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	7,598,481	0	0	0
Public Safety	6,481,757	0	4,855,877	0
Leisure Time Activities	2,488,160	0	0	0
Community Development	1,066,453	0	0	0
Basic Utility Service	251,649	0	0	0
Transportation and Street Repair	3,224,980	318,568	0	0
Capital Outlay	2,003,019	5,595,830	66,108	133,976
<b>Debt Service:</b>				
Principal Retirement	6,850,000	0	0	5,600,000
Interest and Fiscal Charges	540,793	0	0	250,600
<b>Total Expenditures</b>	<b>30,505,292</b>	<b>5,914,398</b>	<b>4,921,985</b>	<b>5,984,576</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>761,390</b>	<b>(3,967,827)</b>	<b>914,387</b>	<b>(5,952,203)</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of Long-Term Capital-Related Debt	6,970,000	5,000,000	0	5,600,000
Transfers In	0	0	0	0
Transfers (Out)	(5,781,700)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,188,300</b>	<b>5,000,000</b>	<b>0</b>	<b>5,600,000</b>
<b>Net Change in Fund Balance</b>	<b>1,949,690</b>	<b>1,032,173</b>	<b>914,387</b>	<b>(352,203)</b>
<b>Fund Balance Beginning of Year</b>	<b>22,734,700</b>	<b>1,846,640</b>	<b>6,280,932</b>	<b>511,169</b>
<b>Change in Reserve for Inventory</b>	<b>(31,517)</b>	<b>0</b>	<b>23,926</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$24,652,873</b>	<b>\$2,878,813</b>	<b>\$7,219,245</b>	<b>\$158,966</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$899,227	\$28,224,092
747,516	2,210,168
0	1,926,084
113,581	2,204,775
485,584	5,914,718
93,501	93,501
147,950	996,019
2,487,359	41,569,357
469,888	8,068,369
6,160	11,343,794
0	2,488,160
385,900	1,452,353
0	251,649
0	3,543,548
2,753,172	10,552,105
1,471,000	13,921,000
1,620,989	2,412,382
6,707,109	54,033,360
(4,219,750)	(12,464,003)
0	17,570,000
2,369,200	2,369,200
(5,000)	(5,786,700)
2,364,200	14,152,500
(1,855,550)	1,688,497
9,954,705	41,328,146
0	(7,591)
\$8,099,155	\$43,009,052

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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, 2008

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Net Change in Fund Balance - Total Governmental Funds \$1,688,497

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	\$11,490,107	
Depreciation Expense	<u>(3,092,751)</u>	
		8,397,356

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. (56,779)

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

Income Taxes	\$526,016	
Delinquent Property Taxes	(44,764)	
Interest	(207,509)	
Intergovernmental	162,315	
Other	<u>(102,752)</u>	
		333,306

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 13,921,000

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 197,793

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	(\$257,413)	
Amortization of Bond Issuance Cost	(23,121)	
Change in Inventory	<u>(7,591)</u>	
		(288,125)

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 assets. (17,570,000)

Change in Net Assets of Governmental Activities \$6,623,048

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2008

	Sewer	Stormwater Utility	Golf Course	Other Enterprise Funds	Total Business-Type Activities
<b>Current Assets:</b>					
Equity in Pooled Cash and Investments	\$11,053,238	\$1,272,968	\$306,700	\$2,165,636	\$14,798,542
Restricted Cash and Investments	3,447,781	9,155	0	0	3,456,936
<b>Receivables:</b>					
Accounts	889,687	123,981	70,584	214,662	1,298,914
Interest	46,643	5,122	0	519	52,284
Prepays	0	0	0	466,692	466,692
Inventory	50,653	0	149,730	2,144	202,527
<b>Total Current Assets</b>	<b>15,488,002</b>	<b>1,411,226</b>	<b>527,014</b>	<b>2,849,653</b>	<b>20,275,895</b>
<b>Noncurrent Assets:</b>					
Nondepreciable Capital Assets	6,238,425	595,970	5,664,442	675,325	13,174,162
Depreciable Capital Assets, Net	66,546,139	33,042,670	3,145,034	0	102,733,843
<b>Total Noncurrent Assets</b>	<b>72,784,564</b>	<b>33,638,640</b>	<b>8,809,476</b>	<b>675,325</b>	<b>115,908,005</b>
<b>Total Assets</b>	<b>88,272,566</b>	<b>35,049,866</b>	<b>9,336,490</b>	<b>3,524,978</b>	<b>136,183,900</b>
<b>Liabilities:</b>					
Accounts Payable	118,846	18,959	139,957	131,082	408,844
Accrued Wages and Benefits	56,123	8,842	0	88,536	153,501
Compensated Absences	67,723	3,251	0	25,386	96,360
Retainage Payable	143,098	9,155	0	0	152,253
Accrued Interest Payable	125,032	1,692	212,405	0	339,129
Contracts Payable	456,591	0	0	215,504	672,095
Interfund Payable	0	0	0	1,550,000	1,550,000
General Obligation Notes Payable	0	1,900,000	8,820,000	0	10,720,000
Long-Term Liabilities Due Within One Year	1,074,000	0	0	0	1,074,000
<b>Total Current Liabilities</b>	<b>2,041,413</b>	<b>1,941,899</b>	<b>9,172,362</b>	<b>2,010,508</b>	<b>15,166,182</b>
<b>Long-Term Liabilities:</b>					
Compensated Absences	69,435	2,095	0	6,819	78,349
Bonds, Notes & Loans Payable	31,669,000	0	0	0	31,669,000
<b>Total Noncurrent Liabilities</b>	<b>31,738,435</b>	<b>2,095</b>	<b>0</b>	<b>6,819</b>	<b>31,747,349</b>
<b>Total Liabilities</b>	<b>33,779,848</b>	<b>1,943,994</b>	<b>9,172,362</b>	<b>2,017,327</b>	<b>46,913,531</b>
<b>Net Assets:</b>					
Invested in Capital Assets, Net of Related Debt	40,041,564	31,738,640	(10,524)	675,325	72,445,005
<b>Restricted for:</b>					
Debt Service	3,304,683	0	0	0	3,304,683
Replacement and Improvement	5,026,659	0	0	0	5,026,659
Unrestricted	6,119,812	1,367,232	174,652	832,326	8,494,022
<b>Total Net Assets</b>	<b>\$54,492,718</b>	<b>\$33,105,872</b>	<b>\$164,128</b>	<b>\$1,507,651</b>	<b>\$89,270,369</b>

See accompanying notes to the basic financial statements

City of Mason, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2008

	Sewer	Stormwater Utility	Golf Course	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:					
Charges for Services	\$5,486,608	\$836,751	\$2,408,790	\$3,466,865	\$12,199,014
Other Revenues	0	2,000	0	8,626	10,626
<b>Total Operating Revenues</b>	<b>5,486,608</b>	<b>838,751</b>	<b>2,408,790</b>	<b>3,475,491</b>	<b>12,209,640</b>
Operating Expenses:					
Personal Services	1,111,661	165,212	1,975,041	1,564,537	4,816,451
Contractual Services	1,341,712	165,439	546,764	2,697,322	4,751,237
Materials and Supplies	322,934	59,140	981,375	170,278	1,533,727
Depreciation	2,168,829	647,622	150,678	0	2,967,129
Other Expenses	0	0	1,651	0	1,651
<b>Total Operating Expenses</b>	<b>4,945,136</b>	<b>1,037,413</b>	<b>3,655,509</b>	<b>4,432,137</b>	<b>14,070,195</b>
<b>Operating Income (Loss)</b>	<b>541,472</b>	<b>(198,662)</b>	<b>(1,246,719)</b>	<b>(956,646)</b>	<b>(1,860,555)</b>
Non-Operating Revenues (Expenses):					
Investment Earnings	636,647	62,863	977	19,579	720,066
Interest (Expense)	(1,522,094)	(59,960)	(209,419)	0	(1,791,473)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(885,447)</b>	<b>2,903</b>	<b>(208,442)</b>	<b>19,579</b>	<b>(1,071,407)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(343,975)</b>	<b>(195,759)</b>	<b>(1,455,161)</b>	<b>(937,067)</b>	<b>(2,931,962)</b>
Capital Grants and Contributions	382,394	618,416	0	59,172	1,059,982
Transfers In	5,000	0	1,512,500	1,900,000	3,417,500
<b>Change in Net Assets</b>	<b>43,419</b>	<b>422,657</b>	<b>57,339</b>	<b>1,022,105</b>	<b>1,545,520</b>
<b>Net Assets Beginning of Year</b>	<b>54,449,299</b>	<b>32,683,215</b>	<b>106,789</b>	<b>485,546</b>	<b>87,724,849</b>
<b>Net Assets End of Year</b>	<b>\$54,492,718</b>	<b>\$33,105,872</b>	<b>\$164,128</b>	<b>\$1,507,651</b>	<b>\$89,270,369</b>

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, 2008

	Sewer	Stormwater Utility	Golf Course	Other Enterprise Funds	Total Business-Type Activities
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$5,508,470	\$836,738	\$2,354,343	\$3,487,822	\$12,187,373
Cash Payments to Employees	(1,093,619)	(161,554)	(1,975,041)	(1,550,109)	(4,780,323)
Cash Payments to Suppliers	(1,780,143)	(285,189)	(1,501,556)	(2,618,706)	(6,185,594)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,634,708</b>	<b>389,995</b>	<b>(1,122,254)</b>	<b>(680,993)</b>	<b>1,221,456</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Payments from Other Funds	0	0	1,512,500	3,000,000	4,512,500
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>1,512,500</b>	<b>3,000,000</b>	<b>4,512,500</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Payments for Capital Acquisitions	(2,523,345)	(342,766)	0	(628,215)	(3,494,326)
Debt Proceeds	0	1,910,146	8,862,424	0	10,772,570
Debt Principal Payments	(1,035,000)	(2,010,000)	(9,000,000)	0	(12,045,000)
Debt Interest Payments	(1,524,275)	(69,959)	(381,438)	0	(1,975,672)
Capital Grants Received	249,375	0	0	12,062	261,437
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,833,245)</b>	<b>(512,579)</b>	<b>(519,014)</b>	<b>(616,153)</b>	<b>(6,480,991)</b>
<b>Cash Flows from Investing Activities:</b>					
Earnings on Investments	774,784	76,149	977	20,364	872,274
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>774,784</b>	<b>76,149</b>	<b>977</b>	<b>20,364</b>	<b>872,274</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,423,753)</b>	<b>(46,435)</b>	<b>(127,791)</b>	<b>1,723,218</b>	<b>125,239</b>
Cash and Cash Equivalents Beginning of Year	15,924,772	1,328,558	434,491	442,418	18,130,239
Cash and Cash Equivalents End of Year	14,501,019	1,282,123	306,700	2,165,636	\$18,255,478
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	541,472	(198,662)	(1,246,719)	(956,646)	(\$1,860,555)
Adjustments:					
Depreciation	2,168,829	647,622	150,678	0	2,967,129
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	25,781	(2,013)	(54,447)	12,331	(18,348)
(Increase) Decrease in Inventory	(3,154)	0	26,208	(537)	22,517
(Increase) Decrease in Prepays	0	0	0	38,589	38,589
Increase (Decrease) in Payables	(115,987)	(60,610)	2,026	210,821	36,250
Increase (Decrease) in Accrued Liabilities	17,767	3,658	0	14,449	35,874
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$2,634,708</b>	<b>\$389,995</b>	<b>(\$1,122,254)</b>	<b>(\$680,993)</b>	<b>\$1,221,456</b>
<b>Schedule of Noncash Capital Activities:</b>					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$382,394	\$618,416	\$0	\$59,172	\$1,059,982

See accompanying notes to the basic financial statements.

City of Mason, Ohio  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Fund  
December 31, 2008

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$100,578
Receivables:	
Accounts	<u>3,000</u>
Total Assets	<u><u>103,578</u></u>
Liabilities:	
Due to Others	<u>103,578</u>
Total Liabilities	<u><u>\$103,578</u></u>

See accompanying notes to the basic financial statements.



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**City of Mason, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2008**

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**NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

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

**Reporting Entity**

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

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

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

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

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For proprietary funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City's accounting policies are described below.

### **Measurement Focus**

#### Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

#### Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 assets 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 assets 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 assets 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 offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

## Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. 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 liabilities is reported as fund balance. The following are the City's major governmental funds:

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

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

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

Parks and Recreation Special Revenue Fund – This special revenue fund accounts for monies received from residential building permits and other sources collected for the purpose of providing funds for recreational capital improvements.

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

#### Proprietary Funds

Proprietary fund reporting focuses on changes in net assets, 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.

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

## Fiduciary Funds

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

## **Basis of Accounting**

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

## Revenues - Exchange and Non-exchange Transactions

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

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

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

#### Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

#### Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

#### Expenses/Expenditures

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

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

### **Equity in Pooled Cash and Investments**

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

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

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

Following the Ohio Revised Code, the City has specified certain funds to receive an allocation of interest earnings. Interest revenues during 2008 amounted to \$2,924,841 (on the fund financial statements). The general fund interest revenue was \$1,452,946.

### **Inventory**

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

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

### **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets 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 assets and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets are also capitalized. The City uses a \$5,000 capitalization threshold. The City reported all infrastructure with the initial implementation of GASB 34.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City'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
Machinery and 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 reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

## **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, and inventories are recorded as a reservation of fund balance.

## **Restricted Assets**

Restricted assets consist of resources whose use is restricted by bond covenant agreements and retainage for various contractors.

## **Net Assets**

Net assets represent the difference between assets and liabilities. 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 assets are 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 Debt Service, Tax Increment Financing, Central Parke TIF, Mason Enterprise Parke TIF, Tylersville Road TIF, Government Center Reserve and Sewer funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements and replacement and improvement of capital assets and park improvements. Of the City's \$28,407,550 in restricted net assets, 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.

### **Estimates**

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

### **NOTE 3 – EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2008, \$2,028,459 of the City's bank balance of \$2,278,459 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

## Investments

As of December 31, 2008, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$5,440,069	0.00
Federal Home Loan Bank	8,280,922	0.28
Federal National Mortgage Association	8,236,154	0.34
Federal National Mortgage Association - Discount Notes	20,141,592	0.45
Federal Home Loan Mortgage Corporation - Discount Notes	21,534,230	0.34
	<u>\$63,632,967</u>	
Portfolio Weighted Average Maturity		0.34

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 Money Market Funds, Federal Home Loan Bank, Federal National Mortgage Association, Federal National Mortgage Association – Discount Notes, and in Federal Home Loan Mortgage Corporation – Discount Notes were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service.

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 9% of the City’s investments in Money Market Funds, 13% in Federal Home Loan Bank, 13% in Federal National Mortgage Association, 31% in Federal National Mortgage Association-Discount Notes and 34% in Federal Home Loan Mortgage Corporation – Discount Notes.

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 either insured and registered in the name of the City or at least registered in the name of the City.

**NOTE 4 – RECEIVABLES**

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

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

Special assessments expected to be collected in more than one year amounts to \$134,427 in the Special Assessments Bond Retirement Fund.

**Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are 25 percent of true value.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending in 2008. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

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

	<u>Amount</u>
Real Property	\$1,063,362,220
Public Utility	<u>13,457,340</u>
Total Valuation	<u><u>\$1,076,819,560</u></u>

Real property taxes are payable annually or semi-annually. The first payment is due January 20 with the remainder payable by June 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of year end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue.

### **Income Taxes**

In November 2006, Mason voters approved an amendment to the City's charter that changed the City's Tax Ordinance. The change gradually increases the credit for taxes paid to other cities.

In prior years, residents employed in another city that has an earnings tax received a maximum credit of up to fifty percent (50%) of the tax due on the portion of their earnings taxes by the City where employed. For the tax year 2007, residents employed in another city that has an earnings tax will receive a maximum credit of up to sixty-five (65%) of the tax due on the portion of their earnings taxed by the city where employed. The maximum credit will be 80% for tax years 2008 and 90% for tax year 2009. In tax year 2010 and beyond, the maximum tax credit will be 100%.

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.

### **NOTE 5 - RISK MANAGEMENT**

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The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention. During 2008, the MVRMA Board made a decision not to expand into the Columbus market at this time by adding the three members of CORMA, another risk pool.

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:

General Liability: \$10,000,000/occurrence

Automobile Liability: \$10,000,000/occurrence

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

Police Professional Liability: \$10,000,000/occurrence

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America – Annual aggregate \$10 million per member

Property (effective 7/1/08-7/1/09):

\$1,000,000,000/occurrence

MVRMA SIR: \$200,000/occurrence

Coverage excess SIR provided by PEPPIP USA with carriers as follows:

Lexington Insurance Company (Primary \$25 million)

List of carriers for layers excess of \$25 million provided upon request.

Flood: \$25 million/occurrence and annual aggregate (Flood Zone A & V - \$5 million/occurrence and annual aggregate)

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

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

Earthquake: \$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler &

Machinery: \$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company – (Primary \$25 million)

List of carries for layers excess of \$25 million provided upon request.

Member Deductible/occurrence - \$2,500

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 \$382,751 reported in the General Fund at year end is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amounts were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$340,000	\$2,624,809	(\$2,582,058)	\$382,751
2007	216,086	2,659,710	(2,535,796)	340,000

## **NOTE 6 – CONTINGENT LIABILITIES**

### **Litigation**

The City of Mason is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

### **Federal and State Grants**

For the period January 1, 2008 to December 31, 2008, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. 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
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$58,480,519	\$738,141	\$0	\$59,218,660
Construction in Progress	11,899,273	9,081,662	13,378,280	7,602,655
Total Capital Assets, not being depreciated	70,379,792	9,819,803	13,378,280	66,821,315
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	35,413,945	7,383,850	0	42,797,795
Equipment	13,126,099	1,025,029	225,686	13,925,442
Infrastructure	52,400,585	6,639,705	0	59,040,290
Totals at Historical Cost	171,320,421	24,868,387	13,603,966	182,584,842
Less Accumulated Depreciation:				
Buildings and Improvements	6,484,766	977,489	0	7,462,255
Equipment	7,266,200	1,129,529	168,907	8,226,822
Infrastructure	8,342,588	985,733	0	9,328,321
Total Accumulated Depreciation	22,093,554	3,092,751	168,907	25,017,398
Governmental Activities Capital Assets, Net	\$149,226,867	\$21,775,636	\$13,435,059	\$157,567,444
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$9,848,612	\$729,863	\$0	\$10,578,475
Construction in Progress	175,527	3,761,704	1,341,544	2,595,687
Total Capital Assets, not being depreciated	10,024,139	4,491,567	1,341,544	13,174,162
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	* 35,206,894	90,933	0	35,297,827
Equipment	* 6,894,566	98,971	0	6,993,537
Infrastructure	* 76,220,720	1,409,535	0	77,630,255
Totals at Historical Cost	128,346,319	6,091,006	1,341,544	133,095,781
Less Accumulated Depreciation:				
Buildings and Improvements	* 1,627,711	1,137,712	0	2,765,423
Equipment	1,093,854	535,583	0	1,629,437
Infrastructure	* 11,499,082	1,293,834	0	12,792,916
Total Accumulated Depreciation	14,220,647	2,967,129	\$0	17,187,776
Business-Type Activities Capital Assets, Net	\$114,125,672	\$3,123,877	\$1,341,544	\$115,908,005

\* - Beginning balance amounts were re-classed within the Depreciable Net Capital Assets for the Business-Type Activities.

Depreciation expense was charged to governmental functions as follows:

	Depreciation Expense
General Government	\$584,225
Public Safety	571,924
Leisure Time Activities	378,015
Transportation and Street Repair	1,557,686
Community Development	901
Total Depreciation Expense	<u>\$3,092,751</u>

**NOTE 8 – COMPENSATED ABSENCES**

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**Accumulated Unpaid Vacation**

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

**Accumulated Unpaid Sick Leave**

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

**Sick Leave Conversion at Retirement**

- a. Upon retirement, a full-time, regular employee who meets the age and length of service requirements of the Public Employees Retirement System or the Police and Fireman's Disability and Pension Fund, whichever is applicable, and who was also in the service of the City of Mason for a period of ten (10) continuous years prior to retirement from the service of the City of Mason may redeem his or her accumulated sick leave providing all other criteria are met in order to receive the benefits (i.e. age for retirement).
- b. Redemption shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to one hundred twenty (120) days.
- c. Redemption for police officers 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 thirty seven and a half (37 ½) 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 seventy-five (275) sick days. A police officer must have at least fifty (50) sick days to be eligible for converting sick leave at retirement.
- d. Payment will be based on the employee's base rate of pay at the time of retirement.
- e. The conversion of sick leave to cash will be made as a lump sum payment and will eliminate all sick leave credit accrued by the employee.

**NOTE 9 – NOTES PAYABLE**

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

	Rate	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>					
General Fund:					
Road Improvement Note	4.50%	\$2,550,000	\$0	(\$2,550,000)	\$0
Road Improvement Note	4.50%	1,000,000	0	(1,000,000)	0
Real Estate Acquisition Note	4.50%	4,350,000	0	(4,350,000)	0
Real Estate Acquisition Note	2.75%	0	4,200,000	0	4,200,000
Total Governmental Activities		<u>\$7,900,000</u>	<u>\$4,200,000</u>	<u>(\$7,900,000)</u>	<u>\$4,200,000</u>
<b>Business-Type Activities</b>					
Stormwater Fund:					
Stormwater Utility Improvement Note	2.50%	\$2,010,000	\$1,900,000	(\$2,010,000)	\$1,900,000
Golf Course Fund:					
Golf Course Acquisition Note	3.00%	9,000,000	8,820,000	(9,000,000)	8,820,000
Total Business-Type Activities		<u>\$11,010,000</u>	<u>\$10,720,000</u>	<u>(\$11,010,000)</u>	<u>\$10,720,000</u>

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

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## NOTE 10 – LONG-TERM DEBT

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

	Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>General Obligation Bonds</u>						
Road Improvement	4.47%	\$3,200,000	\$0	(\$235,000)	\$2,965,000	\$245,000
Tax Increment Financing	5.30%	600,000	0	0	600,000	0
Central Parke TIF	5.25%	995,000	0	(55,000)	940,000	60,000
Enterprise Parke TIF	6.00%	650,000	0	(40,000)	610,000	50,000
Tylersville TIF	1.25%	1,020,000	0	(30,000)	990,000	30,000
Road Improvement BAN	4.50%	2,850,000	0	(2,850,000)	0	0
Park Improvement BAN	4.25%	5,600,000	0	(5,600,000)	0	0
Downtown Improvement BAN	4.50%	4,000,000	0	(4,000,000)	0	0
2008 Series - Various Purpose		0	17,570,000	(320,000)	17,250,000	650,000
Total General Obligation Bonds		<u>18,915,000</u>	<u>17,570,000</u>	<u>(13,130,000)</u>	<u>23,355,000</u>	<u>1,035,000</u>
<u>Special Assessment Bonds</u>						
Northeast	6.75%	220,000	0	(55,000)	165,000	55,000
Snider Road	6.76%	60,000	0	(15,000)	45,000	15,000
Lindemann C.G	7.78%	3,000	0	(1,000)	2,000	2,000
Route 741	7.38%	75,000	0	(25,000)	50,000	25,000
Total Special Assessment Bonds		<u>358,000</u>	<u>0</u>	<u>(96,000)</u>	<u>262,000</u>	<u>97,000</u>
Capital Leases		<u>20,335,000</u>	<u>0</u>	<u>(695,000)</u>	<u>19,640,000</u>	<u>725,000</u>
Total Long-Term Liabilities Bonds		<u>39,608,000</u>	<u>17,570,000</u>	<u>(13,921,000)</u>	<u>43,257,000</u>	<u>1,857,000</u>
Compensated Absences		<u>973,957</u>	<u>856,720</u>	<u>(726,474)</u>	<u>1,104,203</u>	<u>537,254</u>
Total Governmental Activities		<u>\$40,581,957</u>	<u>\$18,426,720</u>	<u>(\$14,647,474)</u>	<u>\$44,361,203</u>	<u>\$2,394,254</u>
<b>Business-Type Activities</b>						
<u>Special Assessment Bonds</u>						
Diley Utility	6.00%	<u>\$38,000</u>	<u>\$0</u>	<u>(\$5,000)</u>	<u>\$33,000</u>	<u>\$4,000</u>
<u>Mortgage Revenue Bonds</u>						
Sewer Mortgage Revenue	4.47%	<u>33,745,000</u>	<u>0</u>	<u>(1,035,000)</u>	<u>32,710,000</u>	<u>1,070,000</u>
Compensated Absences - Enterprise		<u>148,569</u>	<u>107,557</u>	<u>(81,417)</u>	<u>174,709</u>	<u>96,360</u>
Total Business-Type Activities		<u>\$33,931,569</u>	<u>\$107,557</u>	<u>(\$1,121,417)</u>	<u>\$32,917,709</u>	<u>\$1,170,360</u>

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 and the Tylersville Road TIF 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. The Sewer Mortgage Revenue Bond will be paid from the Sewer Fund. The City was in violation of the debt coverage ratio on the Sewer Mortgage Revenue Bonds. The City will complete a rate study in 2009.

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

	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$1,035,000	\$931,947	\$101,000	\$20,114	\$1,070,000	\$1,498,400
2010	1,140,000	895,754	100,000	13,109	1,100,000	1,460,950
2011	1,180,000	854,602	76,000	6,203	1,145,000	1,416,950
2012	1,215,000	811,948	5,000	1,080	1,195,000	1,371,150
2013	1,265,000	765,919	6,000	780	1,230,000	1,329,325
2014-2018	7,180,000	3,034,715	7,000	420	7,005,000	5,818,097
2019-2023	5,570,000	1,662,552	0	0	8,830,000	4,005,788
2024-2028	4,770,000	518,556	0	0	11,135,000	1,704,320
	<u>\$23,355,000</u>	<u>\$9,475,993</u>	<u>\$295,000</u>	<u>\$41,706</u>	<u>\$32,710,000</u>	<u>\$18,604,980</u>

### **NOTE 11 – LEASES**

The City leases the municipal building under a capital lease that extend into future years.

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

Year Ending December 31	
2009	\$1,671,400
2010	1,671,676
2011	1,669,964
2012	1,671,210
2013	1,670,130
2014-2018	8,351,431
2019-2023	8,348,750
2024-2026	5,007,000
Total minimum lease payments	<u>30,061,561</u>
Less: Amount representing interest	<u>(10,421,561)</u>
Present value of minimum lease payments	<u>\$19,640,000</u>

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

Buildings and Improvements      \$24,400,000

## **NOTE 12 – PENSION PLANS**

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### **Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2008, 2007 and 2006 were \$537,950, \$621,822 and \$623,653, respectively. The full amount has been contributed for 2007 and 2006 and 92% has been contributed for 2008.

### **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at [www.op-f.org](http://www.op-f.org).

Plan members are required to contribute 10% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$735,414, \$638,635, and \$523,462, respectively. The full amount has been contributed for 2007 and 2006 and 90% has been contributed for 2008.

## **NOTE 13 – POST EMPLOYMENT BENEFITS**

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### **Ohio Public Employees Retirement System**

#### Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

#### Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.



OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

#### Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$268,975 for 2008, \$110,537 for the period of January 1 through June 30, 2007 and were \$136,736 for the period of July 1 through December 31, 2007 and \$289,911 for 2006.

#### OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

#### Other Information

At December 31, 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2007, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

### **Ohio Police and Fire Pension Fund**

#### Plan Description

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

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

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

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

### Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

### Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2008 were \$141,894 for police and \$91,546 for fire; for the year ending December 31, 2007 were \$79,953 for police and \$54,783 for fire; and for the year ending December 31, 2006 were \$197,133 for police and \$107,109 for fire, respectively, was allocated to the healthcare plan.

## Other Information

The number of participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters. OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875.

## **NOTE 14 – CONDUIT DEBT OBLIGATIONS**

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

The following is the conduit debt outstanding at December 31, 2008:

<u>Issuance</u>	<u>Year Issued</u>	<u>Original Amount</u>	<u>Outstanding December 31, 2008</u>	<u>Year Mature</u>
Spears, Inc. Series A	1989	\$3,300,000	\$100,000	2009
Cedar Village	1997	20,300,000	11,170,000	2017
Mt. Healthy Christian Home				
Healthcare 1997A	1997	4,600,000	3,995,000	2032
Housing 1997B	1997	2,150,000	1,870,000	2032
Mason Christian Village				
Healthcare Refunding	1998	7,650,000	6,545,000	2032
Healthcare Facilities	2000	4,400,000	4,015,000	2035
Crane Plastics Company	2007	8,000,000	8,000,000	2033
Total Conduit Debt Outstanding			<u>\$35,695,000</u>	

**NOTE 15 – CONSTRUCTION COMMITMENTS**

The City had the following outstanding commitments at year end:

Projects	Amount
Downtown Streetscape	\$119,549
Alliance Drive Construction	106,635
New Fire Station 51 - Construction	331,781
Western Row Road Widening	2,330,839
Bethany Road Improvements	67,926
US 42 and Tylersville Intersect	189,100
Mason Road Widening	146,937
W.R. & I75 & St. Rt. 741 Interchange Study	9,433
US 42 Widening - Tylersville to Butler-Warren	299,614
Traffic Signal - Snider & Cedar Village	9,567
Fireside Drive & Tylersville Road	7,493
Muddy Creek Bike Path - Phase II	25,842
Sports Park & Memorial Park	63,557
Street Lights on Parkside	1,345
Kings Island Directional Signal Project	16,301
US 42 Trunk Sewer - North Phase 2B	365,147
Parkside Lift Station Elimination	22,500
Water Reclamation Plant Demolition	9,337
Olympia Dr. Sanitary Sewer Replacement	106,346
Bethany Road Sewer Improvement	6,000
Muddy Creek Restoration	259,672
Community Center Expansion	1,170,940
Total	\$5,665,861

**NOTE 16 – INTERFUND TRANSACTIONS**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,550,000	\$0	\$0	\$5,781,700
Sewer Fund	0	0	5,000	0
Golf Course Fund	0	0	1,512,500	0
Other Governmental Funds	0	0	2,369,200	5,000
Other Enterprise Funds	0	1,550,000	1,900,000	0
Total All Funds	\$1,550,000	\$1,550,000	\$5,786,700	\$5,786,700

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

#### **NOTE 17 – JOINT VENTURE**

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

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

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

#### Distribution of Gross Tax:

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

#### Net Distribution:

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

#### **NOTE 18 – SUBSEQUENT EVENT**

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In March 2009, the City issued \$8,420,000 in bond anticipation note to refinance a bond anticipation note for real estate acquisition of the Golf Center at Kings Island. The note is due in March 2010.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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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, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$23,257,197	\$23,257,197	\$24,337,650	\$1,080,453
Fines, Licenses and Permits	1,262,100	1,262,100	1,413,669	151,569
Intergovernmental	1,894,299	1,894,299	2,872,775	978,476
Charges for Services	939,534	939,534	1,414,675	475,141
Investment Earnings	420,000	420,000	1,374,450	954,450
Other Revenues	510,150	510,150	885,185	375,035
<b>Total Revenues</b>	<b>28,283,280</b>	<b>28,283,280</b>	<b>32,298,404</b>	<b>4,015,124</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>City Manager</b>				
Personal Services	326,244	326,244	286,801	39,443
Employee Development	16,761	26,761	23,745	3,016
Contractual Services	101,227	44,327	24,758	19,569
Material and Supplies	15,608	15,608	7,962	7,646
<b>Total City Manager</b>	<b>459,840</b>	<b>412,940</b>	<b>343,266</b>	<b>69,674</b>
<b>Assistant City Manager</b>				
Personal Services	783,014	783,014	673,793	109,221
Employee Development	36,152	54,152	43,379	10,773
Contractual Services	107,253	86,553	67,512	19,041
Material and Supplies	11,535	14,235	11,068	3,167
<b>Total Assistant City Manager</b>	<b>937,954</b>	<b>937,954</b>	<b>795,752</b>	<b>142,202</b>
<b>Finance</b>				
Personal Services	431,508	431,508	399,740	31,768
Employee Development	12,783	12,783	9,556	3,227
Contractual Services	154,923	154,773	139,505	15,268
Material and Supplies	17,027	17,027	14,347	2,680
Refunds and Reimbursements	0	150	100	50
<b>Total Finance</b>	<b>616,241</b>	<b>616,241</b>	<b>563,248</b>	<b>52,993</b>
<b>Earnings Tax</b>				
Personal Services	439,982	376,482	317,911	58,571
Employee Development	9,708	9,708	2,900	6,808
Contractual Services	292,291	322,291	313,709	8,582
Material and Supplies	16,600	19,100	17,802	1,298
Refunds and Reimbursements	475,000	950,000	947,412	2,588
<b>Total Earnings Tax</b>	<b>1,233,581</b>	<b>1,677,581</b>	<b>1,599,734</b>	<b>77,847</b>
<b>Law Director</b>				
Personal Services	103,922	103,922	101,362	2,560
Employee Development	2,000	2,000	0	2,000
Contractual Services	487,732	487,732	453,109	34,623
Material and Supplies	5,550	5,550	3,740	1,810
<b>Total Law Director</b>	<b>599,204</b>	<b>599,204</b>	<b>558,211</b>	<b>40,993</b>

(Continued)

City of Mason, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Council				
Personal Services	180,424	180,424	180,061	363
Employee Development	43,358	73,358	62,411	10,947
Contractual Services	3,890,719	3,728,219	3,656,048	72,171
Material and Supplies	20,459	22,959	17,515	5,444
Total Council	4,134,960	4,004,960	3,916,035	88,925
Municipal Court				
Personal Services	667,836	634,836	614,869	19,967
Employee Development	3,809	3,809	3,711	98
Contractual Services	399,332	432,332	412,870	19,462
Material and Supplies	50,412	50,412	43,072	7,340
Refunds and Reimbursements	1,000	1,000	1,000	0
Total Municipal Court	1,122,389	1,122,389	1,075,522	46,867
Land, Buildings and Grounds				
Personal Services	92,310	94,310	93,662	648
Employee Development	2,954	2,954	454	2,500
Contractual Services	799,272	725,272	627,462	97,810
Material and Supplies	137,216	159,216	138,077	21,139
Total Land, Buildings and Grounds	1,031,752	981,752	859,655	122,097
Engineering				
Personal Services	707,632	729,632	725,416	4,216
Employee Development	17,269	17,269	10,663	6,606
Contractual Services	566,475	399,476	222,556	176,920
Material and Supplies	31,267	31,267	21,001	10,266
Total Engineering	1,322,643	1,177,644	979,636	198,008
Auditor's Deductions				
Personal Services	35,450	35,450	24,753	10,697
Contractual Services	539,311	709,311	676,194	33,117
Material and Supplies	2,000	2,000	725	1,275
Refunds and Reimbursements	477,062	477,062	445,119	31,943
Total Auditor's Deductions	1,053,823	1,223,823	1,146,791	77,032
City Contribution				
Other Expenses	120,200	120,200	0	120,200
Total City Contribution	120,200	120,200	0	120,200
Unclaimed Funds				
Other Expenses	21,400	21,400	17	21,383
Total City Contribution	21,400	21,400	17	21,383
Total General Government	12,653,987	12,896,088	11,837,867	1,058,221

(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, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Public Safety				
Police Department				
Personal Services	4,507,011	4,952,011	4,943,615	8,396
Employee Development	60,756	74,756	67,019	7,737
Contractual Services	276,657	323,558	296,314	27,244
Material and Supplies	340,244	438,044	399,051	38,993
Total Police Department	5,184,668	5,788,369	5,705,999	82,370
Street Lighting				
Contractual Services	246,558	250,558	231,765	18,793
Material and Supplies	88,972	122,972	119,898	3,074
Total Street Lighting	335,530	373,530	351,663	21,867
Disaster Services				
Contractual Services	28,893	32,593	30,957	1,636
Material and Supplies	8,000	8,000	7,078	922
Total Disaster Services	36,893	40,593	38,035	2,558
Employee Medical Insurance				
Personal Services	391,768	391,768	337,056	54,712
Total Employee Medical Insurance	391,768	391,768	337,056	54,712
Total Public Safety	5,948,859	6,594,260	6,432,753	106,795
Leisure Time Activities				
Recreation Programs				
Personal Services	369,871	320,871	273,919	46,952
Employee Development	12,663	12,663	4,813	7,850
Contractual Services	563,104	603,104	557,447	45,657
Material and Supplies	77,227	78,989	72,732	6,257
Refunds and Reimbursements	5,000	12,000	9,973	2,027
Total Recreation Programs	1,027,865	1,027,627	918,884	108,743
Parks				
Personal Services	956,334	913,134	858,125	55,009
Employee Development	25,023	25,023	17,607	7,416
Contractual Services	271,678	271,678	242,456	29,222
Material and Supplies	430,825	430,825	375,783	55,042
Total Parks	1,683,860	1,640,660	1,493,971	146,689
Swimming Pool				
Personal Services	226,748	197,348	178,706	18,642
Employee Development	1,000	1,000	934	66
Contractual Services	35,225	46,825	38,578	8,247
Material and Supplies	56,283	59,520	53,801	5,719
Refunds and Reimbursements	200	2,500	2,462	38
Total Swimming Pool	319,456	307,193	274,481	32,712

(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, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Employee Medical Insurance				
Personal Services	141,400	141,400	141,400	0
Total Employee Medical Insurance	141,400	141,400	141,400	0
Total Leisure Time Activites	3,172,581	3,116,880	2,828,736	288,144
Community Development				
Community Planning - Zoning				
Personal Services	167,995	117,995	93,733	24,262
Employee Development	2,657	2,657	1,685	972
Contractual Services	199,267	199,267	132,527	66,740
Material and Supplies	7,730	7,730	3,385	4,345
Refunds and Reimbursements	750	750	300	450
Total Community Planning - Zoning	378,399	328,399	231,630	96,769
Building Inspections				
Personal Services	585,901	568,901	531,495	37,406
Employee Development	13,988	13,988	6,327	7,661
Contractual Services	24,027	22,527	9,023	13,504
Material and Supplies	14,533	16,033	11,583	4,450
Refunds and Reimbursements	11,369	28,369	26,715	1,654
Total Building Inspections	649,818	649,818	585,143	64,675
Economic Development				
Personal Services	359,002	261,202	237,562	23,640
Employee Development	39,560	39,560	33,426	6,134
Contractual Services	186,534	186,534	154,951	31,583
Material and Supplies	8,617	8,617	3,958	4,659
Total Economic Development	593,713	495,913	429,897	66,016
Enviromental				
Contractual Services	500	500	0	500
Material and Supplies	1,900	1,900	220	1,680
Total Environmental	2,400	2,400	220	2,180
Employee Medical Insurance				
Personal Services	28,000	28,000	28,000	0
Total Employee Medical Insurance	28,000	28,000	28,000	0
Total Community Development	1,652,330	1,504,530	1,274,890	229,640
Basic Utility Service				
Employee Medical Insurance				
Personal Services	247,336	247,336	247,336	0
Total Employee Medical Insurance	247,336	247,336	247,336	0
Total Basic Utility Service	247,336	247,336	247,336	0

(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, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Transportation and Street Repair				
Street Construction				
Contractual Services	243,231	229,530	205,178	24,352
Material and Supplies	5,000	12,501	12,501	0
Total Street Construction	248,231	242,031	217,679	24,352
Street Maintenance and Repair				
Personal Services	1,508,532	1,416,132	1,386,784	29,348
Employee Development	10,506	10,506	8,732	1,774
Contractual Services	529,858	575,558	554,193	21,365
Material and Supplies	620,955	1,092,656	1,040,100	52,556
Total Street Maintenance and Repair	2,669,851	3,094,852	2,989,809	105,043
Garage				
Personal Services	243,128	265,128	263,804	1,324
Employee Development	7,713	9,713	8,291	1,422
Contractual Services	46,627	51,627	48,111	3,516
Material and Supplies	100,150	102,150	91,908	10,242
Total Garage	397,618	428,618	412,114	16,504
Total Transportation and Street Repair	3,315,700	3,765,501	3,619,602	145,899
Capital Outlay	4,636,073	5,507,504	4,960,655	546,849
Debt Service:				
Principal Retirement	14,750,000	18,950,000	18,950,000	0
Interest and Fiscal Charges	615,750	775,519	775,519	0
Total Debt Service	15,365,750	19,725,519	19,725,519	0
Total Expenditures	46,992,616	53,357,618	50,927,358	2,375,548
Excess of Revenues Over (Under) Expenditures	(18,709,336)	(25,074,338)	(18,628,954)	6,390,672
Other Financing Sources (Uses):				
Issuance of Debt	10,700,000	11,074,402	11,074,402	0
Advances (Out)	(550,000)	(1,100,000)	(1,100,000)	0
Transfers (Out)	(6,721,700)	(6,781,700)	(6,781,700)	0
Total Other Financing Sources (Uses)	3,428,300	3,192,702	3,192,702	0
Net Change in Fund Balance	(15,281,036)	(21,881,636)	(15,436,252)	6,390,672
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,231,953	28,231,953	28,231,953	0
Fund Balance End of Year	\$12,950,917	\$6,350,317	\$12,795,701	\$6,390,672

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, 2008

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$12,271	\$5,580	\$5,718	\$138
Intergovernmental	2,473,379	1,546,256	1,392,473	(153,783)
Investment Earnings	15,000	15,000	207,928	192,928
Other Revenues	1,000,000	25,100	25,100	0
<b>Total Revenues</b>	<b>3,500,650</b>	<b>1,591,936</b>	<b>1,631,219</b>	<b>39,283</b>
Expenditures:				
Current:				
Transportation and Street Repair	9,754,388	631,714	605,413	26,301
Capital Outlay	0	7,532,852	7,308,746	224,106
<b>Total Expenditures</b>	<b>9,754,388</b>	<b>8,164,566</b>	<b>7,914,159</b>	<b>250,407</b>
Excess of Revenues Over (Under) Expenditures	(6,253,738)	(6,572,630)	(6,282,940)	289,690
Other Financing Sources (Uses):				
Issuance of Debt	5,000,000	5,000,000	5,000,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(1,253,738)</b>	<b>(1,572,630)</b>	<b>(1,282,940)</b>	<b>289,690</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,603,384	1,603,384	1,603,384	0
<b>Fund Balance End of Year</b>	<b>\$349,646</b>	<b>\$30,754</b>	<b>\$320,444</b>	<b>\$289,690</b>

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, 2008

	Fire and Emergency Medical Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,900,700	\$3,900,700	\$3,988,691	\$87,991
Intergovernmental	930,000	930,000	960,778	30,778
Charges for Services	500,000	500,000	399,129	(100,871)
Investment Earnings	25,000	25,000	318,118	293,118
Other Revenues	0	0	10,718	10,718
Total Revenues	<u>5,355,700</u>	<u>5,355,700</u>	<u>5,677,434</u>	<u>321,734</u>
Expenditures:				
Current:				
Public Safety				
Fire and Emergency Medical Service				
Personal Services	3,689,743	4,064,743	4,050,472	14,271
Employee Development	109,370	127,370	110,513	16,857
Contractual Services	526,903	508,903	397,049	111,854
Material and Supplies	492,218	589,018	504,979	84,039
Total Public Safety	<u>4,818,234</u>	<u>5,290,034</u>	<u>5,063,013</u>	<u>227,021</u>
Capital Outlay	<u>5,200,000</u>	<u>5,610,000</u>	<u>408,135</u>	<u>5,201,865</u>
Total Expenditures	<u>10,018,234</u>	<u>10,900,034</u>	<u>5,471,148</u>	<u>5,428,886</u>
Net Change in Fund Balance	(4,662,534)	(5,544,334)	206,286	5,750,620
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,351,261</u>	<u>6,351,261</u>	<u>6,351,261</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,688,727</u>	<u>\$806,927</u>	<u>\$6,557,547</u>	<u>\$5,750,620</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, 2008

	Parks and Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses and Permits	\$40,000	\$16,700	\$16,700	\$0
Intergovernmental	0	35,000	35,000	0
Investment Earnings	25,000	23,445	24,017	572
Total Revenues	<u>65,000</u>	<u>75,145</u>	<u>75,717</u>	<u>572</u>
Expenditures:				
Capital Outlay	523,936	536,436	510,442	25,994
Debt Service:				
Principal Retirement	5,600,000	5,600,000	5,600,000	0
Interest and Fiscal Charges	259,500	259,500	250,600	8,900
Total Expenditures	<u>6,383,436</u>	<u>6,395,936</u>	<u>6,361,042</u>	<u>34,894</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,318,436)</u>	<u>(6,320,791)</u>	<u>(6,285,325)</u>	<u>35,466</u>
Other Financing Sources (Uses):				
Issuance of Debt	5,400,000	5,600,000	5,600,000	0
Transfers In	1,000,000	0	0	0
Total Other Financing Sources (Uses)	<u>6,400,000</u>	<u>5,600,000</u>	<u>5,600,000</u>	<u>0</u>
Net Change in Fund Balance	81,564	(720,791)	(685,325)	35,466
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>828,759</u>	<u>828,759</u>	<u>828,759</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$910,323</u></u>	<u><u>\$107,968</u></u>	<u><u>\$143,434</u></u>	<u><u>\$35,466</u></u>

See accompanying notes to the required supplementary information.

**City of Mason, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2008**

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**NOTE 1 – BUDGETARY PROCESS**

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All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council so that appropriation measures shall be classified so as to set forth separately the amounts appropriated for each department and within each department, the amount appropriated for each object for the General Fund. All other funds are maintained at the fund level.

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

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

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 (Non-GAAP Basis) and Actual presented for the General Fund, Street Construction, Maintenance and Repair Fund, Fire and Emergency Medical Services Fund and Parks and Recreation Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
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 a reservation 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.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund, Street Construction, Maintenance and Repair Fund, Fire and Emergency Medical Service Fund, and Parks and Recreation Fund.

**Net Change in Fund Balance**

	General	Street Construction, Maintenance and Repair	Fire and Emergency Medical Service	Parks and Recreation
GAAP Basis	\$1,949,690	\$1,032,173	\$914,387	(\$352,203)
Net Adjustment for Revenue Accruals	1,031,722	(315,352)	(158,938)	43,344
Net Adjustment for Expenditure Accruals	(7,336,480)	1,457,379	12,407	(301,654)
Issuance of Debt	4,104,402	0	0	0
Transfers Out	(1,000,000)	0	0	0
Advances Out	(1,100,000)	0	0	0
Encumbrances	(13,085,586)	(3,457,140)	(561,570)	(74,812)
Budget Basis	<u>(\$15,436,252)</u>	<u>(\$1,282,940)</u>	<u>\$206,286</u>	<u>(\$685,325)</u>



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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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## ***NONMAJOR GOVERNMENTAL FUNDS***

***Special Revenue Funds:*** Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*State Highway Improvement* - To account 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 Improvement* - To account for monies received for street capital improvement and maintenance.

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

*Federal Grant* - To account for monies designated to be used for federal grant purposes.

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

*CIC/Veterans Memorial* – This fund is used to account for monies designated to be used for the CIC/Veterans Memorial.

*Bicycle and Pedestrian Way* - This fund is to account for funds received to construct and improve paths throughout the City for bicycle and pedestrian traffic.

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

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

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

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

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

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

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

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

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

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

**Debt Service Funds:** The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessments levies when the government is obligated in some manner for payment.

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.

**Capital Projects Funds:** The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Tax Increment Financing - This fund is used to account for the financial resources and expenditures related to the 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.

Downtown Investment - This fund is used to account for the financial resources and expenditures related to the improvements of Mason's downtown.

Socialville-Fosters Road Improvement - This fund is used to account for financial resources used for improvements to Socialville-Fosters Road.

Government Center Reserve - This fund is used to account for the financial resources and expenditures related to the construction of the Mason Municipal Center.

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City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,526,410	\$145,539	\$2,566,716	\$5,238,665
Restricted Cash and Investments	0	0	2,943,588	2,943,588
<b>Receivables:</b>				
Taxes	0	1,565,604	0	1,565,604
Accounts	47,733	0	0	47,733
Interest	5,450	0	1,413	6,863
Intergovernmental	267,910	107,673	27,157	402,740
Special Assessments	0	199,631	0	199,631
<b>Total Assets</b>	<b>2,847,503</b>	<b>2,018,447</b>	<b>5,538,874</b>	<b>10,404,824</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	19,921	363	9,999	30,283
Accrued Wages and Benefits	27,522	0	0	27,522
Contracts Payable	0	0	115,186	115,186
Deferred Revenue	253,114	1,872,908	6,656	2,132,678
<b>Total Liabilities</b>	<b>300,557</b>	<b>1,873,271</b>	<b>131,841</b>	<b>2,305,669</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	55,248	0	4,363	59,611
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	2,491,698	0	0	2,491,698
Debt Service Funds	0	145,176	0	145,176
Capital Projects Funds	0	0	5,402,670	5,402,670
<b>Total Fund Balances</b>	<b>2,546,946</b>	<b>145,176</b>	<b>5,407,033</b>	<b>8,099,155</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,847,503</b>	<b>\$2,018,447</b>	<b>\$5,538,874</b>	<b>\$10,404,824</b>

City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008

	State Highway Improvement	Street Improvement	Street Subdivision	Federal Grant
Assets:				
Equity in Pooled Cash and Investments	\$181,477	\$613,851	\$969,119	\$0
Receivables:				
Accounts	0	0	0	0
Interest	716	0	3,871	0
Intergovernmental	51,712	0	0	216,198
Total Assets	<u>233,905</u>	<u>613,851</u>	<u>972,990</u>	<u>216,198</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Deferred Revenue	34,959	0	1,600	216,198
Total Liabilities	<u>34,959</u>	<u>0</u>	<u>1,600</u>	<u>216,198</u>
Fund Balances:				
Reserved for Encumbrances	39,100	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	159,846	613,851	971,390	0
Total Fund Balances	<u>198,946</u>	<u>613,851</u>	<u>971,390</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$233,905</u>	<u>\$613,851</u>	<u>\$972,990</u>	<u>\$216,198</u>

<u>Police Officer Training</u>	<u>CIC/Veterans Memorial</u>	<u>Bicycle and Pedestrian Way</u>	<u>Police Crime Prevention</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement and Education</u>	<u>Indigent Driver</u>
\$10,840	\$187,000	\$0	\$686	\$11,841	\$6,172	\$157,492
0	0	0	0	753	105	616
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>10,840</u>	<u>187,000</u>	<u>0</u>	<u>686</u>	<u>12,594</u>	<u>6,277</u>	<u>158,108</u>
0	0	0	0	0	0	9,820
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>9,820</u>
0	0	0	0	0	0	0
<u>10,840</u>	<u>187,000</u>	<u>0</u>	<u>686</u>	<u>12,594</u>	<u>6,277</u>	<u>148,288</u>
<u>10,840</u>	<u>187,000</u>	<u>0</u>	<u>686</u>	<u>12,594</u>	<u>6,277</u>	<u>148,288</u>
<u>\$10,840</u>	<u>\$187,000</u>	<u>\$0</u>	<u>\$686</u>	<u>\$12,594</u>	<u>\$6,277</u>	<u>\$158,108</u>

Continued



City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008

	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement	Vehicle Immobilization Fee
Assets:				
Equity in Pooled Cash and Investments	\$27,515	\$16,311	\$90,227	\$11,170
Receivables:				
Accounts	5,137	1,412	19,059	205
Interest	0	0	0	0
Intergovernmental	0	0	0	0
Total Assets	<u>32,652</u>	<u>17,723</u>	<u>109,286</u>	<u>11,375</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,070	0	6,744	0
Accrued Wages and Benefits	439	0	7,023	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>1,509</u>	<u>0</u>	<u>13,767</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	9,060	7,088	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>22,083</u>	<u>10,635</u>	<u>95,519</u>	<u>11,375</u>
Total Fund Balances	<u>31,143</u>	<u>17,723</u>	<u>95,519</u>	<u>11,375</u>
Total Liabilities and Fund Balances	<u>\$32,652</u>	<u>\$17,723</u>	<u>\$109,286</u>	<u>\$11,375</u>

<u>Municipal Court Probation Services</u>	<u>Subdivision Inspection</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$26,701	\$216,008	\$2,526,410
20,446	0	47,733
0	863	5,450
0	0	267,910
<u>47,147</u>	<u>216,871</u>	<u>2,847,503</u>
1,997	290	19,921
10,862	9,198	27,522
0	357	253,114
<u>12,859</u>	<u>9,845</u>	<u>300,557</u>
0	0	55,248
<u>34,288</u>	<u>207,026</u>	<u>2,491,698</u>
<u>34,288</u>	<u>207,026</u>	<u>2,546,946</u>
<u>\$47,147</u>	<u>\$216,871</u>	<u>\$2,847,503</u>

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City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$140,706	\$4,833	\$145,539
Receivables:			
Taxes	1,565,604	0	1,565,604
Intergovernmental	107,673	0	107,673
Special Assessments	<u>0</u>	<u>199,631</u>	<u>199,631</u>
Total Assets	<u>1,813,983</u>	<u>204,464</u>	<u>2,018,447</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	363	363
Deferred Revenue	<u>1,673,277</u>	<u>199,631</u>	<u>1,872,908</u>
Total Liabilities	<u>1,673,277</u>	<u>199,994</u>	<u>1,873,271</u>
Unreserved, Undesignated, Reported in:			
Debt Service Funds	<u>140,706</u>	<u>4,470</u>	<u>145,176</u>
Total Fund Balances	<u>140,706</u>	<u>4,470</u>	<u>145,176</u>
Total Liabilities and Fund Balances	<u>\$1,813,983</u>	<u>\$204,464</u>	<u>\$2,018,447</u>

City of Mason, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2008

	Tax Increment Financing	Central Parke TIF	Mason Enterprise Parke TIF	Tylersville Road TIF
Assets:				
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$0
Restricted Cash and Investments	259,395	360,999	1,564	305,044
Receivables:				
Interest	0	21	0	16
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>259,395</b>	<b>361,020</b>	<b>1,564</b>	<b>305,060</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	5,870	0	3,678
Contracts Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>5,870</b>	<b>0</b>	<b>3,678</b>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in:				
Capital Projects Funds	259,395	355,150	1,564	301,382
<b>Total Fund Balances</b>	<b>259,395</b>	<b>355,150</b>	<b>1,564</b>	<b>301,382</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$259,395</b>	<b>\$361,020</b>	<b>\$1,564</b>	<b>\$305,060</b>

<u>Downtown Investment</u>	<u>Socialville- Fosters Road Improvement</u>	<u>Government Center Reserve</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$1,620,166	\$946,550	\$0	\$2,566,716
0	0	2,016,586	2,943,588
0	0	1,376	1,413
<u>27,157</u>	<u>0</u>	<u>0</u>	<u>27,157</u>
<u>1,647,323</u>	<u>946,550</u>	<u>2,017,962</u>	<u>5,538,874</u>
451	0	0	9,999
115,186	0	0	115,186
<u>6,656</u>	<u>0</u>	<u>0</u>	<u>6,656</u>
<u>122,293</u>	<u>0</u>	<u>0</u>	<u>131,841</u>
4,363	0	0	4,363
<u>1,520,667</u>	<u>946,550</u>	<u>2,017,962</u>	<u>5,402,670</u>
<u>1,525,030</u>	<u>946,550</u>	<u>2,017,962</u>	<u>5,407,033</u>
<u>\$1,647,323</u>	<u>\$946,550</u>	<u>\$2,017,962</u>	<u>\$5,538,874</u>

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City of Mason, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$0	\$352,959	\$546,268	\$899,227
Fines, Licenses and Permits	747,516	0	0	747,516
Investment Earnings	77,424	1,895	34,262	113,581
Intergovernmental	385,645	66,188	33,751	485,584
Special Assessments	0	93,501	0	93,501
Other Revenues	641	0	147,309	147,950
<b>Total Revenues</b>	<b>1,211,226</b>	<b>514,543</b>	<b>761,590</b>	<b>2,487,359</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	469,888	0	0	469,888
Public Safety	6,160	0	0	6,160
Community Development	216,576	0	169,324	385,900
Capital Outlay	1,276,003	0	1,477,169	2,753,172
<b>Debt Service:</b>				
Principal Retirement	0	651,000	820,000	1,471,000
Interest and Fiscal Charges	0	504,585	1,116,404	1,620,989
<b>Total Expenditures</b>	<b>1,968,627</b>	<b>1,155,585</b>	<b>3,582,897</b>	<b>6,707,109</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(757,401)</b>	<b>(641,042)</b>	<b>(2,821,307)</b>	<b>(4,219,750)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	700,000	1,669,200	2,369,200
Transfers (Out)	0	(5,000)	0	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>695,000</b>	<b>1,669,200</b>	<b>2,364,200</b>
<b>Net Change in Fund Balance</b>	<b>(757,401)</b>	<b>53,958</b>	<b>(1,152,107)</b>	<b>(1,855,550)</b>
<b>Fund Balance Beginning of Year</b>	<b>3,304,347</b>	<b>91,218</b>	<b>6,559,140</b>	<b>9,954,705</b>
<b>Fund Balance End of Year</b>	<b>\$2,546,946</b>	<b>\$145,176</b>	<b>\$5,407,033</b>	<b>\$8,099,155</b>



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, 2008

	State Highway Improvement	Street Improvement	Street Subdivision	Federal Grant
Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$7,600	\$0
Investment Earnings	9,633	0	54,068	0
Intergovernmental	112,540	262,265	0	0
Other Revenues	0	0	0	0
Total Revenues	<u>122,173</u>	<u>262,265</u>	<u>61,668</u>	<u>0</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Capital Outlay	56,204	1,139,445	52,924	0
Total Expenditures	<u>56,204</u>	<u>1,139,445</u>	<u>52,924</u>	<u>0</u>
Net Change in Fund Balance	65,969	(877,180)	8,744	0
Fund Balance Beginning of Year	<u>132,977</u>	<u>1,491,031</u>	<u>962,646</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$198,946</u></u>	<u><u>\$613,851</u></u>	<u><u>\$971,390</u></u>	<u><u>\$0</u></u>

Police Officer Training	CIC/Veterans Memorial	Bicycle and Pedestrian Way	Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education	Indigent Driver
\$0	\$0	\$0	\$0	\$6,388	\$2,520	\$16,344
0	0	0	0	0	0	0
10,840	0	0	0	0	0	0
0	0	0	0	0	0	0
10,840	0	0	0	6,388	2,520	16,344
0	0	0	0	0	0	12,262
0	0	0	0	0	6,160	0
0	0	0	0	0	0	0
0	0	20,220	0	0	0	0
0	0	20,220	0	0	6,160	12,262
10,840	0	(20,220)	0	6,388	(3,640)	4,082
0	187,000	20,220	686	6,206	9,917	144,206
<u>\$10,840</u>	<u>\$187,000</u>	<u>\$0</u>	<u>\$686</u>	<u>\$12,594</u>	<u>\$6,277</u>	<u>\$148,288</u>

Continued

City of Mason, Ohio  
 Combining Statement of Revenues, Expenditure:  
 and Changes in Fund Balance  
 Nonmajor Special Revenue Funds  
 For the Fiscal Year Ended December 31, 2008

	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement	Vehicle Immobilization Fee
Revenues:				
Fines, Licenses and Permits	\$63,918	\$19,807	\$259,639	\$910
Investment Earnings	0	0	0	0
Intergovernmental	0	0	0	0
Other Revenues	546	0	0	0
Total Revenues	64,464	19,807	259,639	910
Expenditures:				
Current:				
General Government	41,603	8,922	219,299	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Capital Outlay	7,210	0	0	0
Total Expenditures	48,813	8,922	219,299	0
Net Change in Fund Balance	15,651	10,885	40,340	910
Fund Balance Beginning of Year	15,492	6,838	55,179	10,465
Fund Balance End of Year	\$31,143	\$17,723	\$95,519	\$11,375

Municipal Court Probation Services	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$185,010	\$185,380	\$747,516
0	13,723	77,424
0	0	385,645
95	0	641
<u>185,105</u>	<u>199,103</u>	<u>1,211,226</u>
187,802	0	469,888
0	0	6,160
0	216,576	216,576
0	0	1,276,003
<u>187,802</u>	<u>216,576</u>	<u>1,968,627</u>
(2,697)	(17,473)	(757,401)
<u>36,985</u>	<u>224,499</u>	<u>3,304,347</u>
<u>\$34,288</u>	<u>\$207,026</u>	<u>\$2,546,946</u>

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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, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$352,959	\$0	\$352,959
Investment Earnings	1,895	0	1,895
Intergovernmental	66,188	0	66,188
Special Assessments	0	93,501	93,501
Total Revenues	<u>421,042</u>	<u>93,501</u>	<u>514,543</u>
Expenditures:			
Debt Service:			
Principal Retirement	555,000	96,000	651,000
Interest and Fiscal Charges	475,161	29,424	504,585
Total Expenditures	<u>1,030,161</u>	<u>125,424</u>	<u>1,155,585</u>
Excess of Revenues Over (Under) Expenditures	<u>(609,119)</u>	<u>(31,923)</u>	<u>(641,042)</u>
Other Financing Sources (Uses):			
Transfers In	660,000	40,000	700,000
Transfers (Out)	0	(5,000)	(5,000)
Total Other Financing Sources (Uses)	<u>660,000</u>	<u>35,000</u>	<u>695,000</u>
Net Change in Fund Balance	50,881	3,077	53,958
Fund Balance Beginning of Year	<u>89,825</u>	<u>1,393</u>	<u>91,218</u>
Fund Balance End of Year	<u>\$140,706</u>	<u>\$4,470</u>	<u>\$145,176</u>

City of Mason, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2008

	Tax Increment Financing	Central Parke TIF	Mason Enterprise Parke TIF	Tylersville Road TIF
<b>Revenues:</b>				
Taxes	\$75,249	\$195,104	\$62,157	\$213,758
Investment Earnings	17	364	12	809
Intergovernmental	0	0	0	0
Other Revenues	0	0	41,000	0
<b>Total Revenues</b>	<b>75,266</b>	<b>195,468</b>	<b>103,169</b>	<b>214,567</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Community Development	0	61,555	24,149	80,542
Capital Outlay	0	0	0	0
<b>Debt Service:</b>				
Principal Retirement	0	55,000	40,000	30,000
Interest and Fiscal Charges	32,550	35,957	39,000	34,697
<b>Total Expenditures</b>	<b>32,550</b>	<b>152,512</b>	<b>103,149</b>	<b>145,239</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>42,716</b>	<b>42,956</b>	<b>20</b>	<b>69,328</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>42,716</b>	<b>42,956</b>	<b>20</b>	<b>69,328</b>
<b>Fund Balance Beginning of Year</b>	<b>216,679</b>	<b>312,194</b>	<b>1,544</b>	<b>232,054</b>
<b>Fund Balance End of Year</b>	<b>\$259,395</b>	<b>\$355,150</b>	<b>\$1,564</b>	<b>\$301,382</b>

Downtown Investment	Socialville- Fosters Road Improvement	Government Center Reserve	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$546,268
0	0	33,060	34,262
33,751	0	0	33,751
0	106,309	0	147,309
33,751	106,309	33,060	761,590
3,078	0	0	169,324
1,370,860	106,309	0	1,477,169
0	0	695,000	820,000
0	0	974,200	1,116,404
1,373,938	106,309	1,669,200	3,582,897
(1,340,187)	0	(1,636,140)	(2,821,307)
0	0	1,669,200	1,669,200
0	0	1,669,200	1,669,200
(1,340,187)	0	33,060	(1,152,107)
2,865,217	946,550	1,984,902	6,559,140
\$1,525,030	\$946,550	\$2,017,962	\$5,407,033



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, 2008

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$100,000	\$113,186	\$13,186
Investment Earnings	2,000	7,823	5,823
Total Revenues	102,000	121,009	19,009
Expenditures:			
Capital Outlay	145,039	95,304	49,735
Total Expenditures	145,039	95,304	49,735
Net Change in Fund Balance	(43,039)	25,705	68,744
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	113,640	113,640	0
Fund Balance End of Year	\$70,601	\$139,345	\$68,744

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, 2008

	Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$262,265	\$262,265
Total Revenues	0	262,265	262,265
Expenditures:			
Capital Outlay	1,563,058	1,237,595	325,463
Total Expenditures	1,563,058	1,237,595	325,463
Net Change in Fund Balance	(1,563,058)	(975,330)	587,728
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,589,181	1,589,181	0
Fund Balance End of Year	\$26,123	\$613,851	\$587,728

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, 2008

	Street Subdivision Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$20,000	\$7,800	(\$12,200)
Investment Earnings	30,000	49,382	19,382
Total Revenues	50,000	57,182	7,182
Expenditures:			
Capital Outlay	942,000	52,924	889,076
Total Expenditures	942,000	52,924	889,076
Net Change in Fund Balance	(892,000)	4,258	896,258
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	948,459	948,459	0
Fund Balance End of Year	\$56,459	\$952,717	\$896,258

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, 2008

	Police Officer Training Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,000	\$10,840	\$4,840
Total Revenues	6,000	10,840	4,840
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	6,000	10,840	4,840
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$6,000	\$10,840	\$4,840

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, 2008

	CIC/ Veterans Memorial Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$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)	187,000	187,000	0
Fund Balance End of Year	<u>\$187,000</u>	<u>\$187,000</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, 2008

	Bicycle and Pedestrian Way Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	20,220	20,220	0
Total Expenditures	20,220	20,220	0
Net Change in Fund Balance	(20,220)	(20,220)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,220	20,220	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, 2008

	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:			
Current:			
Public Safety	700	0	700
Total Expenditures	700	0	700
Net Change in Fund Balance	(700)	0	700
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	686	686	0
Fund Balance End of Year	(\$14)	\$686	\$700

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, 2008

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$5,710	\$5,710
Total Revenues	0	5,710	5,710
Expenditures:			
Current:			
Public Safety	6,000	0	6,000
Total Expenditures	6,000	0	6,000
Net Change in Fund Balance	(6,000)	5,710	11,710
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,131	6,131	0
Fund Balance End of Year	<u>\$131</u>	<u>\$11,841</u>	<u>\$11,710</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, 2008

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$2,645	\$2,145
Total Revenues	500	2,645	2,145
Expenditures:			
Current:			
Public Safety	10,000	6,160	3,840
Total Expenditures	10,000	6,160	3,840
Net Change in Fund Balance	(9,500)	(3,515)	5,985
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,687	9,687	0
Fund Balance End of Year	\$187	\$6,172	\$5,985

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, 2008

	Indigent Driver Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$10,000	\$15,920	\$5,920
Total Revenues	10,000	15,920	5,920
Expenditures:			
Current:			
General Government	144,000	2,442	141,558
Total Expenditures	144,000	2,442	141,558
Net Change in Fund Balance	(134,000)	13,478	147,478
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	144,014	144,014	0
Fund Balance End of Year	\$10,014	\$157,492	\$147,478

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, 2008

	Municipal Court Computer Costs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$50,000	\$64,095	\$14,095
Total Revenues	50,000	64,095	14,095
Expenditures:			
Current:			
General Government	52,905	45,034	7,871
Capital Outlay	7,094	13,548	(6,454)
Total Expenditures	59,999	58,582	1,417
Net Change in Fund Balance	(9,999)	5,513	15,512
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,871	11,871	0
Fund Balance End of Year	<u>\$1,872</u>	<u>\$17,384</u>	<u>\$15,512</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, 2008

	Municipal Court Computer Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$15,000	\$19,848	\$4,848
Total Revenues	15,000	19,848	4,848
Expenditures:			
Current:			
General Government	8,922	8,922	0
Capital Outlay	7,278	7,088	190
Total Expenditures	16,200	16,010	190
Net Change in Fund Balance	(1,200)	3,838	5,038
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,385	5,385	0
Fund Balance End of Year	\$4,185	\$9,223	\$5,038

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, 2008

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$220,000	\$259,797	\$39,797
Total Revenues	220,000	259,797	39,797
Expenditures:			
Current:			
General Government	265,667	221,518	44,149
Total Expenditures	265,667	221,518	44,149
Net Change in Fund Balance	(45,667)	38,279	83,946
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	49,501	49,501	0
Fund Balance End of Year	\$3,834	\$87,780	\$83,946

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, 2008

	Vehicle Immobilization Fee Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$805	\$305
Total Revenues	500	805	305
Expenditures:			
Current:			
General Government	10,000	0	10,000
Total Expenditures	10,000	0	10,000
Net Change in Fund Balance	(9,500)	805	10,305
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,365	10,365	0
Fund Balance End of Year	<u>\$865</u>	<u>\$11,170</u>	<u>\$10,305</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, 2008

	Municipal Court Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$163,010	\$177,137	\$14,127
Other Revenues	0	95	95
Total Revenues	163,010	177,232	14,222
Expenditures:			
Current:			
General Government	196,845	191,236	5,609
Total Expenditures	196,845	191,236	5,609
Net Change in Fund Balance	(33,835)	(14,004)	19,831
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,423	35,423	0
Fund Balance End of Year	\$1,588	\$21,419	\$19,831

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, 2008

	Subdivision Inspection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$100,000	\$185,380	\$85,380
Investment Earnings	10,000	12,959	2,959
Total Revenues	110,000	198,339	88,339
Expenditures:			
Current:			
Community Development	306,109	219,376	86,733
Total Expenditures	306,109	219,376	86,733
Net Change in Fund Balance	(196,109)	(21,037)	175,072
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	230,396	230,396	0
Fund Balance End of Year	\$34,287	\$209,359	\$175,072



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, 2008

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$352,813	\$352,959	\$146
Intergovernmental	66,188	66,188	0
Investment Earnings	1,895	1,895	0
Total Revenues	<u>420,896</u>	<u>421,042</u>	<u>146</u>
Expenditures:			
Debt Service:			
Principal Retirement	555,000	555,000	0
Interest and Fiscal Charges	578,768	577,396	1,372
Total Expenditures	<u>1,133,768</u>	<u>1,132,396</u>	<u>1,372</u>
Excess of Revenues Over (Under) Expenditures	<u>(712,872)</u>	<u>(711,354)</u>	<u>1,518</u>
Other Financing Sources (Uses):			
Issuance of Debt	102,235	102,235	0
Transfers In	660,000	660,000	0
Total Other Financing Sources (Uses)	<u>762,235</u>	<u>762,235</u>	<u>0</u>
Net Change in Fund Balance	49,363	50,881	1,518
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>89,825</u>	<u>89,825</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$139,188</u></u>	<u><u>\$140,706</u></u>	<u><u>\$1,518</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, 2008

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$91,500	\$93,501	\$2,001
Total Revenues	91,500	93,501	2,001
Expenditures:			
Debt Service:			
Principal Retirement	101,000	101,000	0
Interest and Fiscal Charges	30,868	29,236	1,632
Total Expenditures	131,868	130,236	1,632
Excess of Revenues Over (Under) Expenditures	(40,368)	(36,735)	3,633
Other Financing Sources (Uses):			
Transfers In	40,000	40,000	0
Total Other Financing Sources (Uses)	40,000	40,000	0
Net Change in Fund Balance	(368)	3,265	3,633
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,481	1,481	0
Fund Balance End of Year	<u>\$1,113</u>	<u>\$4,746</u>	<u>\$3,633</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, 2008

	Tax Increment Financing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$63,200	\$75,249	\$12,049
Investment Earnings	0	19	19
Total Revenues	63,200	75,268	12,068
Expenditures:			
Debt Service:			
Interest and Fiscal Charges	39,800	38,955	845
Total Expenditures	39,800	38,955	845
Excess of Revenues Over (Under) Expenditures	23,400	36,313	12,913
Other Financing Sources (Uses):			
Transfers (Out)	(102,200)	0	102,200
Total Other Financing Sources (Uses)	(102,200)	0	102,200
Net Change in Fund Balance	(78,800)	36,313	115,113
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	223,082	223,082	0
Fund Balance End of Year	\$144,282	\$259,395	\$115,113

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, 2008

	Central Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$195,104	\$195,104	\$0
Investment Earnings	212	405	193
Total Revenues	<u>195,316</u>	<u>195,509</u>	<u>193</u>
Expenditures:			
Current:			
Community Development	202,950	61,556	141,394
Debt Service:			
Principal Retirement	55,000	55,000	0
Interest and Fiscal Charges	50,000	30,087	19,913
Total Expenditures	<u>307,950</u>	<u>146,643</u>	<u>161,307</u>
Excess of Revenues Over (Under) Expenditures	<u>(112,634)</u>	<u>48,866</u>	<u>161,500</u>
Other Financing Sources (Uses):			
Transfers (Out)	(128,815)	0	128,815
Total Other Financing Sources (Uses)	<u>(128,815)</u>	<u>0</u>	<u>128,815</u>
Net Change in Fund Balance	(241,449)	48,866	290,315
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>312,132</u>	<u>312,132</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$70,683</u></u>	<u><u>\$360,998</u></u>	<u><u>\$290,315</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, 2008

	Mason Enterprise Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$62,000	\$62,157	\$157
Investment Earnings	0	18	18
Other Revenues	41,000	41,000	0
Total Revenues	<u>103,000</u>	<u>103,175</u>	<u>175</u>
Expenditures:			
Current:			
Community Development	24,750	24,149	601
Debt Service:			
Principal Retirement	40,000	40,000	0
Interest and Fiscal Charges	39,850	39,000	850
Total Expenditures	<u>104,600</u>	<u>103,149</u>	<u>1,451</u>
Net Change in Fund Balance	(1,600)	26	1,626
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,538</u>	<u>1,538</u>	<u>0</u>
Fund Balance End of Year	<u>(\$62)</u>	<u>\$1,564</u>	<u>\$1,626</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, 2008

	Tylersville Road TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$213,758	\$213,758	\$0
Investment Earnings	863	947	84
Total Revenues	<u>214,621</u>	<u>214,705</u>	<u>84</u>
Expenditures:			
Current:			
Community Development	89,905	80,542	9,363
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	45,900	31,019	14,881
Total Expenditures	<u>165,805</u>	<u>141,561</u>	<u>24,244</u>
Excess of Revenues Over (Under) Expenditures	<u>48,816</u>	<u>73,144</u>	<u>24,328</u>
Other Financing Sources (Uses):			
Transfers (Out)	(75,900)	0	75,900
Total Other Financing Sources (Uses)	<u>(75,900)</u>	<u>0</u>	<u>75,900</u>
Net Change in Fund Balance	(27,084)	73,144	100,228
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>231,900</u>	<u>231,900</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$204,816</u></u>	<u><u>\$305,044</u></u>	<u><u>\$100,228</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, 2008

	Downtown Investment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$16,875	\$16,875
Total Revenues	0	16,875	16,875
Expenditures:			
Current:			
Community Development	32,407	3,078	29,329
Capital Outlay	3,047,874	2,256,069	791,805
Total Expenditures	3,080,281	2,259,147	821,134
Net Change in Fund Balance	(3,080,281)	(2,242,272)	838,009
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,742,438	3,742,438	0
Fund Balance End of Year	\$662,157	\$1,500,166	\$838,009

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, 2008

	Socialville- Fosters Road Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$217,323	\$217,323
Other Revenues	0	106,309	106,309
Total Revenues	0	323,632	323,632
Expenditures:			
Capital Outlay	804,206	181,389	622,817
Total Expenditures	804,206	181,389	622,817
Net Change in Fund Balance	(804,206)	142,243	946,449
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	804,307	804,307	0
Fund Balance End of Year	\$101	\$946,550	\$946,449



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, 2008

	Government Center Reserve Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$36,574	\$36,574
Total Revenues	0	36,574	36,574
Expenditures:			
Debt Service:			
Principal Retirement	695,000	695,000	0
Interest and Fiscal Charges	974,200	974,200	0
Total Expenditures	1,669,200	1,669,200	0
Excess of Revenues Over (Under) Expenditures	(1,669,200)	(1,632,626)	36,574
Other Financing Sources (Uses):			
Transfers In	1,694,200	1,669,200	(25,000)
Transfers (Out)	(173,000)	0	173,000
Total Other Financing Sources (Uses)	1,521,200	1,669,200	148,000
Net Change in Fund Balance	(148,000)	36,574	184,574
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,980,012	1,980,012	0
Fund Balance End of Year	\$1,832,012	\$2,016,586	\$184,574

## ***NONMAJOR FUNDS***

***Enterprise Funds:*** 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.

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

***Community Center Fund*** - This fund accounts for the community center services provided to the residents of the City.

***Agency Funds:*** The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***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.

***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.

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

City of Mason, Ohio  
Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
December 31, 2008

	Waste Collection	Community Center	Total Nonmajor Enterprise Funds
Assets:			
Equity in Pooled Cash and Investments	\$129,991	\$2,035,645	\$2,165,636
Receivables:			
Accounts	204,763	9,899	214,662
Interest	519	0	519
Prepays	0	466,692	466,692
Inventory	0	2,144	2,144
<b>Total Current Assets</b>	<b>335,273</b>	<b>2,514,380</b>	<b>2,849,653</b>
Noncurrent Assets:			
Nondepreciable Capital Assets	0	675,325	675,325
<b>Total Noncurrent Assets</b>	<b>0</b>	<b>675,325</b>	<b>675,325</b>
<b>Total Assets</b>	<b>335,273</b>	<b>3,189,705</b>	<b>3,524,978</b>
Liabilities:			
Accounts Payable	116,371	14,711	131,082
Accrued Wages and Benefits	0	88,536	88,536
Compensated Absences	0	25,386	25,386
Contracts Payable	0	215,504	215,504
Interfund Payable	0	1,550,000	1,550,000
<b>Total Current Liabilities</b>	<b>116,371</b>	<b>1,894,137</b>	<b>2,010,508</b>
Long-Term Liabilities:			
Compensated Absences	0	6,819	6,819
<b>Total Noncurrent Liabilities</b>	<b>0</b>	<b>6,819</b>	<b>6,819</b>
<b>Total Liabilities</b>	<b>116,371</b>	<b>1,900,956</b>	<b>2,017,327</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	0	675,325	675,325
Restricted for:			
Unrestricted	218,902	613,424	832,326
<b>Total Net Assets</b>	<b>\$218,902</b>	<b>\$1,288,749</b>	<b>\$1,507,651</b>

City of Mason, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2008

	Waste Collection	Community Center	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$1,392,019	\$2,074,846	\$3,466,865
Other Revenues	87	8,539	8,626
Total Operating Revenues	<u>1,392,106</u>	<u>2,083,385</u>	<u>3,475,491</u>
Operating Expenses:			
Personal Services	4,668	1,559,869	1,564,537
Contractual Services	1,385,439	1,311,883	2,697,322
Materials and Supplies	297	169,981	170,278
Total Operating Expenses	<u>1,390,404</u>	<u>3,041,733</u>	<u>4,432,137</u>
Operating Income (Loss)	<u>1,702</u>	<u>(958,348)</u>	<u>(956,646)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	19,433	146	19,579
Total Non-Operating Revenues (Expenses)	<u>19,433</u>	<u>146</u>	<u>19,579</u>
Income (Loss) Before Contributions and Transfers	21,135	(958,202)	(937,067)
Capital Grants and Contributions	0	59,172	59,172
Transfers In	0	1,900,000	1,900,000
Change in Net Assets	21,135	1,000,970	1,022,105
Net Assets Beginning of Year	<u>197,767</u>	<u>287,779</u>	<u>485,546</u>
Net Assets End of Year	<u>\$218,902</u>	<u>\$1,288,749</u>	<u>\$1,507,651</u>

City of Mason, Ohio  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2008

	Waste Collection	Community Center	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$1,399,396	\$2,088,426	\$3,487,822
Cash Payments to Employees	(6,861)	(1,543,248)	(1,550,109)
Cash Payments to Suppliers	(1,376,865)	(1,241,841)	(2,618,706)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>15,670</b>	<b>(696,663)</b>	<b>(680,993)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Payments from Other Funds	0	3,000,000	3,000,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Payments for Capital Acquisitions	0	(628,215)	(628,215)
Capital Grants Received	0	12,062	12,062
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>0</b>	<b>(616,153)</b>	<b>(616,153)</b>
<b>Cash Flows from Investing Activities:</b>			
Earnings on Investments	20,218	146	20,364
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>20,218</b>	<b>146</b>	<b>20,364</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>35,888</b>	<b>1,687,330</b>	<b>1,723,218</b>
Cash and Cash Equivalents Beginning of Year	94,103	348,315	442,418
Cash and Cash Equivalents End of Year	129,991	2,035,645	2,165,636
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	1,702	(958,348)	(956,646)
<b>Changes in Assets &amp; Liabilities:</b>			
(Increase) Decrease in Receivables	7,290	5,041	12,331
(Increase) Decrease in Inventory	0	(537)	(537)
(Increase) Decrease in Prepays	0	38,589	38,589
Increase (Decrease) in Payables	8,871	201,950	210,821
Increase (Decrease) in Accrued Liabilities	(2,193)	16,642	14,449
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$15,670</b>	<b>(\$696,663)</b>	<b>(\$680,993)</b>
<b>Schedule of Noncash Capital Activities:</b>			
During the fiscal year, these amounts were received representing noncash contributions of:			
Capital Assets	\$0	\$59,172	\$59,172

City of Mason, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2008

	Municipal Court			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$74,506	\$2,380,126	\$2,387,554	\$67,078
Total Assets	<u>74,506</u>	<u>2,380,126</u>	<u>2,387,554</u>	<u>67,078</u>
Liabilities:				
Due to Others	74,506	2,380,126	2,387,554	67,078
Total Liabilities	<u>\$74,506</u>	<u>\$2,380,126</u>	<u>\$2,387,554</u>	<u>\$67,078</u>

	Mason Port Authority			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$25,500	\$0	\$0	\$25,500
Total Assets	<u>25,500</u>	<u>0</u>	<u>0</u>	<u>25,500</u>
Liabilities:				
Due to Others	25,500	0	0	25,500
Total Liabilities	<u>\$25,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,500</u>

	Community Improvement Corporation			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$0	\$8,000	\$0	\$8,000
Receivables:				
Accounts	0	3,000	0	3,000
Total Assets	<u>0</u>	<u>11,000</u>	<u>0</u>	<u>11,000</u>
Liabilities:				
Due to Others	0	11,000	0	11,000
Total Liabilities	<u>\$0</u>	<u>\$11,000</u>	<u>\$0</u>	<u>\$11,000</u>

(Continued)

City of Mason, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2008

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$100,006	\$2,388,126	\$2,387,554	\$100,578
Receivables:				
Accounts	0	3,000	0	3,000
Total Assets	<u>100,006</u>	<u>2,391,126</u>	<u>2,387,554</u>	<u>103,578</u>
Liabilities:				
Due to Others	<u>100,006</u>	<u>2,391,126</u>	<u>2,387,554</u>	<u>103,578</u>
Total Liabilities	<u>\$100,006</u>	<u>\$2,391,126</u>	<u>\$2,387,554</u>	<u>\$103,578</u>

# STATISTICAL SECTION

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## ***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 source, the income 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. The City implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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**Table 1**

**City of Mason**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities								
Invested in Capital Assets, Net of Related Debt	\$19,155,677	\$36,025,545	\$82,482,220	\$83,295,651	\$89,318,991	\$96,275,726	\$104,293,216	\$110,110,444
Restricted	12,774,373	17,235,858	15,052,307	13,470,109	14,336,740	14,692,178	16,202,333	20,076,208
Unrestricted	15,853,479	6,649,481	8,843,433	24,522,571	28,401,484	34,803,772	34,036,236	30,968,181
Total Governmental Activities Net Assets	\$47,783,529	\$59,910,884	\$106,377,960	\$121,288,331	\$132,057,215	\$145,771,676	\$154,531,785	\$161,154,833
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	\$69,687,504	\$44,347,689	\$74,722,678	\$64,318,163	\$73,165,544	\$66,801,441	\$69,332,672	\$72,445,005
Restricted	0	0	0	23,251,862	11,290,444	10,055,068	10,283,063	8,331,342
Unrestricted	16,824,466	13,521,952	3,110,125	(3,139,725)	6,610,919	7,280,452	8,109,114	8,494,022
Total Business-Type Activities Net Assets	\$86,511,970	\$57,869,641	\$77,832,803	\$84,430,300	\$91,066,907	\$84,136,961	\$87,724,849	\$89,270,369
Primary Government								
Invested in Capital Assets, Net of Related Debt	\$88,843,181	\$80,373,234	\$157,204,898	\$147,613,814	\$162,484,535	\$163,077,167	\$173,625,888	\$182,555,449
Restricted	12,774,373	17,235,858	15,052,307	36,721,971	25,627,184	24,747,246	26,485,396	28,407,550
Unrestricted	32,677,945	20,171,433	11,953,558	21,382,846	35,012,403	42,084,224	42,145,350	39,462,203
Total Governmental Activities Net Assets	\$134,295,499	\$117,780,525	\$184,210,763	\$205,718,631	\$223,124,122	\$229,908,637	\$242,256,634	\$250,425,202

Source: City of Mason, Ohio, Department of Finance

**Table 2**

**City of Mason  
Changes in Net Assets  
Last Eight Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>								
Governmental Activities:								
General Government	\$4,651,491	\$6,529,294	\$7,489,906	\$9,585,638	\$10,055,191	\$8,304,944	\$8,820,685	\$8,797,340
Public Safety	4,033,646	5,881,818	6,357,600	7,677,404	7,647,086	10,239,722	12,057,909	12,041,878
Leisure Time Activities	1,533,017	1,817,847	2,229,243	2,025,140	1,927,193	2,345,289	2,643,993	2,884,015
Community Development	471,327	863,009	1,666,254	1,055,133	1,219,316	1,682,201	1,669,502	1,453,739
Basic Utility Service	231,186	50,941	1,124	0	0	513,694	252,588	251,649
Transportation and Street Repair	1,668,159	1,926,062	2,456,994	2,763,009	3,433,612	4,163,181	6,495,013	5,928,246
Interest and Fiscal Charges	1,277,293	1,780,444	1,564,957	1,516,711	1,683,015	1,821,938	2,259,101	2,214,589
Total Governmental Activities Expenses	13,866,119	18,849,415	21,766,078	24,623,035	25,967,413	29,070,969	34,198,791	33,571,456
Business-type activities								
Water	4,215,342	1,290,013	117,370	320,815	0	0	0	0
Sewer	2,838,752	2,856,787	2,884,956	3,588,785	3,838,763	5,511,880	6,308,598	6,467,230
Waste Collection	864,591	882,229	926,630	995,282	1,067,929	1,129,056	1,269,478	1,390,404
Stormwater Utility	418,590	744,887	1,251,621	1,256,452	1,051,464	1,067,755	1,073,116	1,097,373
Community Center	0	0	1,453,474	1,973,163	3,112,769	2,439,545	3,039,852	3,041,733
Golf Course	0	0	0	0	0	0	3,145,633	3,864,928
Total business-type activities expenses	8,337,275	5,773,916	6,634,051	8,134,497	9,070,925	10,148,236	14,836,677	15,861,668
Total primary government expenses	\$22,203,394	\$24,623,331	\$28,400,129	\$32,757,532	\$35,038,338	\$39,219,205	\$49,035,468	\$49,433,124
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services:								
General Government	\$1,053,973	\$879,532	\$1,343,668	\$1,515,220	\$1,211,763	\$1,491,615	\$1,319,112	\$2,047,656
Public Safety	266,973	358,177	297,445	887,039	1,551,532	1,747,817	1,704,048	1,048,709
Leisure Time Activities	373,155	434,532	223,460	320,394	407,548	514,992	585,664	561,063
Community Development	592,164	491,491	435,081	398,360	489,196	391,088	442,307	513,136
Basic Utility Service	236,108	199,229	256,831	283,781	0	228,738	276,203	286,189
Transportation and Street Repair	78,577	113,154	104,038	0	0	13,969	9,865	7,600
Interest and Fiscal Charges	3,022	0	0	0	6,022	963	0	0
Operating Grants and Contributions	1,507,655	551,231	1,286,339	1,469,711	1,847,807	2,352,269	2,567,109	2,935,939
Capital Grants and Contributions	4,758,764	6,458,499	3,001,393	7,720,265	3,175,748	2,914,592	3,080,139	2,243,632
Total Governmental Activities Program Revenues	8,870,391	9,485,845	6,948,255	12,596,770	8,689,616	9,656,043	9,984,447	9,643,924
Business-Type Activities								
Charges for Services:								
Water	5,033,091	477,771	0	0	0	0	0	0
Sewer	5,490,698	5,532,399	5,858,754	5,381,425	5,288,919	5,342,578	5,529,145	5,486,608
Waste Collection	877,648	786,572	880,859	982,973	1,028,451	1,075,574	1,257,739	1,392,019

Stormwater Utility	309,138	678,199	749,570	784,892	788,602	793,059	808,253	836,751
Community Center	0	0	1,955,985	2,301,675	2,537,560	2,749,431	2,518,080	2,074,846
Golf Course	0	0	0	0	0	0	2,385,062	2,408,790
Capital Grants and Contributions	3,066,340	5,863,365	6,539,646	4,505,577	3,807,321	3,167,731	3,516,835	762,214
Total Business-Type Activities Program Revenues	14,776,915	13,338,306	15,984,814	13,956,542	13,450,853	13,128,373	16,015,114	12,961,228
Total Primary Government Program Revenues	\$23,647,306	\$22,824,151	\$22,933,069	\$26,553,312	\$22,140,469	\$22,784,416	\$25,999,561	\$22,605,152

Net (Expense)/Revenue								
Governmental Activities	(\$4,995,728)	(\$9,363,570)	(\$14,817,823)	(\$12,026,265)	(\$17,277,797)	(\$19,414,926)	(\$24,214,344)	(\$23,927,532)
Business-Type Activities	6,439,640	7,564,390	9,350,763	5,822,045	4,379,928	2,980,137	1,178,437	(2,900,440)
Total Primary Government Net Expense	\$1,443,912	(\$1,799,180)	(\$5,467,060)	(\$6,204,220)	(\$12,897,869)	(\$16,434,789)	(\$23,035,907)	(\$26,827,972)

**General Revenues and Other Changes in Net Assets**

Governmental Activities:								
Income Taxes	\$13,244,640	\$14,236,939	\$14,750,306	\$17,629,586	\$19,803,888	\$21,324,631	\$20,514,861	\$22,265,663
Property Taxes Levied for:								
General Purposes	1,244,776	1,209,868	1,344,408	1,727,974	1,861,088	2,068,561	2,116,689	1,294,885
Special Revenue Purposes	3,250,009	3,265,998	3,619,235	4,318,008	4,125,581	4,121,987	4,161,619	3,966,207
Debt Service Purposes	487,903	471,560	555,903	401,942	181,859	85,178	378,098	380,224
Capital Project Purposes	69,931	171,456	188,314	220,283	217,918	275,675	440,642	546,268
Unrestricted Grants and Entitlements	2,686,346	1,482,935	1,930,644	2,075,585	1,915,791	3,208,505	3,103,589	3,149,438
Unrestricted Contributions	0	0	0	25,000	0	0	0	0
Investment Earnings	1,554,128	683,584	273,376	178,414	910,574	1,928,561	2,725,268	1,997,266
Other Revenues	299,756	532,121	473,513	639,483	375,644	558,488	820,723	665,897
Transfers-Internal Activities	(328,000)	(563,536)	(574,596)	(279,639)	(1,345,662)	326,510	(1,287,036)	(3,715,268)
Total Governmental Activities	22,509,489	21,490,925	22,561,103	26,936,636	28,046,681	33,898,096	32,974,453	30,550,580
Business-Type Activities								
Investment Earnings	1,032,080	424,833	187,552	433,371	898,940	980,492	1,121,249	720,066
Other Revenues	0	0	0	60,442	12,077	16,542	1,166	10,626
Transfers-Internal Activities	328,000	563,536	574,596	279,639	1,345,662	(326,510)	1,287,036	3,715,268
Special Item		(37,195,088)				(10,580,607)		
Total Business-Type Activities	1,360,080	(36,206,719)	762,148	775,452	2,256,679	(9,910,083)	2,409,451	4,445,960
Total Primary Government	\$23,869,569	(\$14,715,794)	\$23,323,251	\$27,712,088	\$30,303,360	\$23,988,013	\$35,383,904	\$34,996,540

**Changes in Net Assets**

Governmental Activities	\$17,513,761	\$12,127,355	\$7,743,280	\$14,910,371	\$10,768,884	\$14,483,170	\$8,760,109	\$6,623,048
Business-Type Activities	7,999,720	(28,642,329)	10,112,911	6,597,497	6,636,607	(6,929,946)	3,587,888	1,545,520
Total Primary Government	\$25,313,481	(\$16,514,974)	\$17,856,191	\$21,507,868	\$17,405,491	\$7,553,224	\$12,347,997	\$8,168,568

**Table 3**

**City of Mason  
Governmental Activities Tax Revenues by Source  
Last Eight Fiscal Years  
(accrual basis of accounting)**

Fiscal Year	Income Tax	Property taxes levied for:					Total Property Taxes	Total
		General	Special Revenue	Debt Service	Capital Project			
2001	\$13,244,640	\$1,244,776	\$3,250,009	\$487,903	\$69,931	\$5,052,619	\$18,297,259	
2002	14,236,939	1,209,868	3,265,998	471,560	171,456	5,118,882	19,355,821	
2003	14,750,306	1,344,408	3,619,235	555,903	188,314	5,707,860	20,458,166	
2004	17,629,586	1,727,974	4,318,008	401,942	220,283	6,668,207	24,297,793	
2005	19,803,888	1,861,088	4,125,581	181,859	217,918	6,386,446	26,190,334	
2006	21,324,631	2,068,561	4,121,987	85,178	275,675	6,551,401	27,876,032	
2007	20,514,861	2,116,689	4,161,619	378,098	440,642	7,097,048	27,611,909	
2008	22,265,663	1,294,885	3,966,207	380,224	546,268	6,187,584	28,453,247	

**Table 4**

**City of Mason  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008
General Fund										
Reserved	\$2,113,695	\$3,921,914	\$7,174,085	\$6,148,247	\$3,855,656	\$10,729,834	\$12,032,677	\$7,511,771	\$11,959,422	
Unreserved	1,671,731	3,734,644	(1,952,977)	1,380,089	7,039,758	5,580,027	6,524,041	15,222,929	12,693,451	
Total General Fund	\$3,785,426	\$7,656,558	\$5,221,108	\$7,528,336	\$12,895,414	\$16,309,861	\$18,556,718	\$22,734,700	\$24,652,873	
All Other Governmental Funds										
Reserved	3,959,002	3,614,281	2,546,516	905,514	3,675,638	1,633,574	7,375,036	4,593,699	2,948,109	
Unreserved, Reported in:										
Special Revenue Funds	1,494,660	2,890,985	5,763,841	6,498,710	7,772,452	8,460,746	4,582,009	9,674,826	9,860,224	
Debt Service Funds	154,243	217,934	305,471	432,170	486,201	335,878	54,128	90,938	145,176	
Capital Projects Funds	3,331,652	3,577,599	15,508,028	5,263,108	(466,641)	2,132,108	999,083	4,233,983	5,402,670	
Total All Other Governmental Funds	\$8,939,537	\$10,300,799	\$15,153,870	\$13,099,502	\$11,467,650	\$12,562,306	\$13,010,256	\$18,593,446	\$18,356,179	

**Table 5**

**City of Mason**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>										
Taxes	\$13,659,376	\$18,631,015	\$18,548,398	\$18,740,840	\$21,497,719	\$23,356,100	\$25,337,338	\$28,120,047	\$29,086,348	\$28,224,092
Fines, Licensed & Permits	1,515,812	1,528,868	1,405,849	1,426,086	1,360,999	2,051,550	2,285,087	2,208,160	2,102,920	2,210,168
Charges for Services	479,512	570,489	948,446	826,334	748,435	872,720	978,335	1,842,446	1,965,830	1,926,084
Investment Earning	632,878	1,191,891	1,596,253	644,010	326,847	180,449	950,697	1,758,873	2,625,347	2,204,775
Intergovernmental	2,912,297	2,188,404	3,237,732	2,699,661	5,390,672	3,598,728	3,628,520	5,230,246	5,419,535	5,914,718
Special Assessments	214,265	126,344	227,899	201,511		156,177	137,175	93,272	99,374	93,501
Other Revenue	362,094	1,097,951	538,532	699,051	965,749	1,022,872	706,464	944,165	1,148,050	996,019
Total Revenues	19,776,234	25,334,962	26,503,109	25,237,493	30,290,421	31,238,596	34,023,616	40,197,209	42,447,404	41,569,357
<b>Expenditures</b>										
General Government	4,521,868	3,534,139	4,553,052	6,465,327	9,825,426	8,813,705	8,186,487	8,101,110	8,179,399	8,068,369
Public Safety	5,643,558	6,349,783	3,680,855	5,519,019	6,548,683	7,200,461	7,107,465	10,084,749	11,442,311	11,343,794
Leisure Time Activities	1,975,052	1,602,077	1,324,854	2,129,899	2,122,965	1,803,066	1,736,255	2,117,159	2,391,309	2,488,160
Community Development	621,413	790,131	467,328	860,047	1,666,254	1,014,147	977,332	1,670,017	1,493,853	1,452,353
Basic Utility Service	179,570	98,122	236,812	47,392	400	0	0	513,694	252,588	251,649
Transportation and Street Repair	3,442,523	3,004,975	1,316,126	2,845,564	3,928,251	2,656,910	2,251,292	3,153,016	4,043,848	3,543,548
Capital Outlay	3,912,061	6,425,700	16,602,012	18,326,483	2,571,833	4,757,098	6,767,208	8,892,757	13,392,267	10,552,105
Debt Service										
Principal Retirement	391,438	387,000	1,108,228	1,252,488	1,237,162	1,165,741	1,163,420	1,011,000	1,077,000	13,921,000
Interest and Fiscal Charges	377,283	665,463	1,752,493	1,776,594	1,564,957	1,530,848	1,471,650	2,038,266	2,013,111	2,412,382
Total Expenditures	21,064,766	22,857,390	31,041,760	39,222,813	29,465,931	28,941,976	29,661,109	37,581,768	44,285,686	54,033,560
<b>Excess of Revenues</b>										
<b>Over (Under) Expenditures</b>	(1,288,532)	2,477,572	(4,538,651)	(13,985,320)	824,490	2,296,620	4,362,507	2,615,441	(1,838,282)	(12,464,003)



	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other Financing Sources (Uses)</b>										
Transfer In	4,117,409	8,869,877	2,867,923	12,619,642	2,707,796	684,506	5,372,100	3,441,338	7,107,110	2,369,200
Transfer Out	(4,267,239)	(8,835,425)	(3,195,923)	(13,180,859)	(3,282,392)	(964,145)	(5,375,100)	(3,445,338)	(7,978,110)	(5,786,700)
Issuance of Long-Term Capital-Related Debt	600,000	1,135,000	24,440,000	680,000	0	1,030,000	0	0	12,450,000	17,570,000
Capital Leases	0	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	450,170	1,169,452	24,112,000	118,783	(574,596)	750,361	(3,000)	(4,000)	11,579,000	14,152,500
Net Change in Fund Balances	(\$838,362)	\$3,647,024	\$19,573,349	(\$13,866,537)	\$249,894	\$3,046,981	\$4,359,507	\$2,611,441	\$9,740,718	\$1,688,497
Debt Service as a Percentage of Noncapital Expenditures	4.5%	6.4%	26.8%	21.7%	13.6%	16.9%	12.5%	12.5%	10.4%	38.4%

**Table 6**

**City of Mason  
Income Tax Revenue by Payer Type  
Last Ten Fiscal Years  
(budget (cash) basis of accounting)**

<u>Fiscal Year</u>	<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Percentage of Total</u>			
					<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>
1999	\$6,553,361	\$1,906,145	\$2,301,391	\$10,760,897	60.9%	17.7%	21.4%	100.0%
2000	7,458,765	2,004,888	2,505,456	11,969,109	62.3%	16.8%	20.9%	100.0%
2001	8,031,833	1,580,798	3,034,811	12,647,441	63.5%	12.5%	24.0%	100.0%
2002	8,431,402	2,015,247	3,357,722	13,804,371	61.1%	14.6%	24.3%	100.0%
2003	9,350,057	2,045,319	3,777,725	15,173,101	61.6%	13.5%	24.9%	100.0%
2004	9,914,215	2,098,410	4,401,360	16,413,985	60.4%	12.8%	26.8%	100.0%
2005	11,164,670	2,961,019	4,868,994	18,994,683	58.8%	15.6%	25.6%	100.0%
2006	13,513,267	4,232,817	4,925,272	22,671,356	59.6%	18.7%	21.7%	100.0%
2007	13,167,588	2,779,420	5,280,262	21,227,270	62.0%	13.1%	24.9%	100.0%
2008	13,264,394	4,093,299	4,338,073	21,695,766	61.1%	18.9%	20.0%	100.0%

**City of Mason  
General Governmental Income Tax Revenue by Tax Year  
Last Five 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>
2004	\$481,221	\$233,928	\$5,017,927	\$10,680,909	\$16,413,985
2005	473,596	211,910	6,251,436	12,057,741	18,994,683
2006	294,034	135,615	6,512,430	15,729,277	22,671,356
2007	778,880	211,143	4,396,944	15,840,303	21,227,270
2008	284,367	158,728	4,977,407	16,248,783	21,669,285

**Table 7**

**City of Mason  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Tax Year	Real Property		Public Utility		Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1998	\$387,938,790	\$1,108,396,542	\$15,757,910	\$18,538,717	\$76,841,043	\$307,364,172	\$480,537,743	\$1,434,299,431	\$2.32	33.50%
1999	448,944,160	1,282,697,600	17,969,920	20,420,363	95,712,317	382,849,268	562,626,397	1,685,967,231	7.32	33.37%
2000	576,089,580	1,645,970,230	18,882,620	21,457,520	115,114,210	460,456,840	710,086,410	2,127,884,590	7.32	33.37%
2001	633,752,330	1,810,720,940	12,944,150	14,709,260	146,826,249	587,304,990	793,522,729	2,412,735,190	7.32	32.89%
2002	683,142,740	1,951,836,400	14,667,310	16,667,390	149,946,460	599,785,848	847,756,510	2,568,289,638	7.32	33.01%
2003	771,214,670	2,203,470,485	15,312,680	17,400,772	147,357,520	589,430,080	933,884,870	2,810,301,337	7.32	33.23%
2004	825,905,960	2,359,731,314	15,736,660	17,882,568	137,059,790	548,239,160	978,702,410	2,925,853,042	7.32	33.45%
2005	861,180,630	2,460,516,085	16,252,830	18,469,125	110,500,187	442,000,748	987,933,647	2,920,985,958	7.32	33.82%
2006	1,004,936,080	2,871,245,942	16,147,840	18,349,818	77,362,457	412,599,770	1,098,446,377	3,302,195,530	7.32	33.26%
2007	1,035,101,280	2,957,432,230	13,021,700	14,797,390	36,731,160	587,698,560	1,084,854,140	3,559,928,180	7.32	30.47%
2008	1,063,362,220	3,038,177,771	13,457,340	15,292,431	0	0	1,076,819,560	3,053,470,202	7.32	35.27%

Source: Warren County Auditor's Office

(1) Tangible Personal Property Tax was eliminated after the taxpayer's tax year 2008.

**Table 8**

**City of Mason  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Tax Year	City of Mason				Overlapping Rates					
	General Fund	Fire Operating	Debt Service	Total	Mason City School District	Warren County	Joint Voc. School	Special District	Total	
1999	2.15%	5.00%	0.17%	7.32%	61.95%	4.00%	2.70%	1.50%	77.47%	
2000	1.47%	5.00%	0.85%	7.32%	64.57%	4.00%	2.70%	1.50%	80.09%	
2001	1.67%	5.00%	0.65%	7.32%	71.11%	4.00%	2.70%	1.50%	86.63%	
2002	1.67%	5.00%	0.65%	7.32%	72.61%	4.96%	2.70%	1.50%	89.09%	
2003	1.67%	5.00%	0.65%	7.32%	74.11%	6.53%	2.70%	1.50%	92.16%	
2004	1.87%	5.00%	0.45%	7.32%	74.11%	6.46%	2.70%	1.50%	92.09%	
2005	2.11%	5.00%	0.21%	7.32%	80.65%	6.46%	2.70%	1.50%	98.63%	
2006	1.96%	5.00%	0.36%	7.32%	81.76%	6.71%	2.70%	1.50%	99.99%	
2007	1.96%	5.00%	0.36%	7.32%	83.45%	6.71%	2.70%	1.50%	101.68%	
2008	0.88%	5.00%	1.44%	7.32%	83.45%	5.21%	2.70%	1.50%	100.18%	

Source: Warren County Auditor's Office

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

**Table 9**

**City of Mason  
Principal Property Taxpayers  
December 31, 2008**

<u>Taxpayer</u>	<u>Fiscal Year 2008</u>			<u>Fiscal Year 1998</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total Assessed Valuation</u>
Kings Island Company	\$23,949,344	1	2.22%			-
Mitsubishi Electric Auto	9,268,255	2	0.86%	11,276,340	2	2.35%
Twin Fountains of Mason	8,695,050	3	0.81%	17,091,230	1	3.56%
Linder Center of Hope	8,408,477	4	0.78%			-
Procter & Gamble Company	7,673,825	5	0.71%	4,228,861	4	0.88%
Mason Christian Village	6,966,733	6	0.65%	9,972,340	3	2.08%
Duke Energy Ohio Inc	6,329,039	7	0.59%			-
Cintas Corporation #2	6,091,477	8	0.57%			-
H.J. Heinz/Portion Pac	5,957,655	9	0.55%	3,885,070	7	-
Health Alliance	4,350,875	10	0.40%			-
United Telephone Company	-		-	4,228,700	5	0.88%
Deerfield Manufacturing	-		-	3,911,520	6	0.81%
Drees Company	-		-	3,820,550	8	0.80%
Mason Joint Venture PLL	-		-	3,557,280	9	0.74%
Buckeye Steel Castings	-		-	3,355,140	10	0.70%
All Others	989,128,830		91.86%	422,123,132		87.84%
<b>Total Assessed Valuation</b>	<b>\$1,076,819,560</b>		<b>100%</b>	<b>\$480,537,743</b>		<b>100%</b>

Source: Warren County Auditor's Office

**Table 10**

**City of Mason  
Property Tax Levies and Collections  
Real, Public Utility and Tangible Personal Property  
Last Ten Fiscal Years**

Tax Year:	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Fiscal Year:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Current Tax Levy	\$3,569,426	\$4,007,289	\$4,865,120	\$5,241,254	\$5,508,483	\$6,682,436	\$6,932,404	\$6,803,940	\$7,010,538	\$6,910,093
Current Tax Collections	3,495,198	3,914,640	4,789,569	5,000,981	5,401,874	6,330,702	6,657,907	6,580,586	6,813,112	6,755,600
Percent of Levy Collected	97.92%	97.69%	98.45%	95.42%	98.06%	94.74%	96.04%	96.72%	97.18%	97.76%
Delinquent Tax Collections	57,416	64,478	130,292	47,448	294,933	123,183	167,596	125,232	221,301	176,537
Total Tax Collections	3,552,614	3,979,118	4,919,861	5,048,429	5,696,807	6,453,885	6,825,503	6,705,818	7,034,413	6,932,137
Ratio of Total Tax Collections to Current Taxes Levied	99.53%	99.30%	101.13%	96.32%	103.42%	96.58%	98.46%	98.56%	100.34%	100.32%

Source: Warren County Auditor's Office

**Table 11**

**City of Mason  
Special Assessment Billings and Collections  
Last Ten Fiscal Years**

Tax Year	Current Assessments		Current Assessments Collected		Ratio of Collection To Amount Billed
	Billings		Collected		
1998	\$258,506		\$218,038		84.35%
1999	228,615		199,333		87.19%
2000	213,739		201,300		94.18%
2001	188,571		170,041		90.17%
2002	200,231		185,006		92.40%
2003	162,255		148,675		91.63%
2004	135,244		124,578		92.11%
2005	109,086		93,272		85.50%
2006	89,047		81,902		91.98%
2007	85,635		54,338		63.45%

Tax Year 2008 is billed and due in 2009

Source: Warren County Auditor's Office

**Table 12**

**City of Mason  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities												Total Governmental Activities		
	General Obligation Bonds		Bond Anticipation Notes		Tax Increment Financing		Certificates of Participation		Special Assessments Bonds		Installment Loan			Capital Leases	
	Bonds	Notes	Bonds	Notes	Financing	Participation	Participation	Bonds	Bonds	Loan	Leases	Leases		Income(1)	Per Capita(1)
1999	\$4,920,000	\$4,530,000	\$600,000	\$0	\$0	\$0	\$1,445,000	\$0	\$0	\$1,571,763	\$13,066,763			\$1,336	
2000	4,725,000	5,280,000	1,735,000	0	0	0	1,281,000	0	0	1,267,039	14,288,039			1,326	
2001	4,505,000	9,650,000	1,435,000	24,020,000	1,435,000	24,020,000	1,121,000	0	0	958,811	41,689,811			2,317	
2002	4,275,000	8,400,000	2,415,000	23,455,000	2,415,000	23,455,000	963,000	0	0	659,323	40,167,323			1,819	
2003	4,045,000	5,700,000	2,430,000	22,875,000	2,430,000	22,875,000	816,000	0	0	379,161	36,245,161			1,580	
2004	3,845,000	9,700,000	3,450,000	22,275,000	3,450,000	22,275,000	684,000	0	0	155,420	40,109,420			2,766	
2005	3,640,000	9,400,000	3,405,000	21,650,000	3,405,000	21,650,000	551,000	0	0	0	38,646,000			2,720	
2006	3,425,000	19,700,000	3,350,000	21,005,000	3,350,000	21,005,000	455,000	0	0	0	47,935,000			2,924	
2007	3,200,000	20,350,000	3,265,000	20,335,000	3,265,000	20,335,000	358,000	0	0	0	47,508,000			3,123	
2008	20,215,000	4,200,000	3,140,000	19,640,000	3,140,000	19,640,000	262,000	0	0	0	47,457,000			3,064	

Fiscal Year	Business-Type Activities						Total Business-Type Activities		
	Mortgage Revenue Bonds		Bond Anticipation Notes		Special Assessments Bonds				
	Bonds	Notes	Bonds	Notes	Bonds	Bonds			
1999	\$15,055,000	\$0	\$64,000	\$15,119,000	\$64,000	\$15,119,000	\$28,185,763	4.60%	\$1,336
2000	14,845,000	0	61,000	14,906,000	61,000	14,906,000	29,194,039	4.35%	1,326
2001	14,090,000	0	58,000	14,148,000	58,000	14,148,000	55,837,811	7.47%	2,317
2002	6,690,000	0	55,000	6,745,000	55,000	6,745,000	46,912,323	5.73%	1,819
2003	6,445,000	0	52,000	6,497,000	52,000	6,497,000	42,742,161	4.89%	1,580
2004	36,745,000	0	49,000	36,794,000	49,000	36,794,000	76,903,420	8.15%	2,766
2005	35,765,000	3,165,000	46,000	38,976,000	46,000	38,976,000	77,622,000	7.77%	2,720
2006	34,973,698	2,115,000	42,000	37,130,698	42,000	37,130,698	85,065,698	8.07%	2,924
2007	33,745,000	11,010,000	38,000	44,793,000	38,000	44,793,000	92,301,000	8.27%	3,123
2008	32,710,000	10,720,000	33,000	43,463,000	33,000	43,463,000	90,920,000	8.11%	3,064

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

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



**Table 13**

**City of Mason**  
**Ratios of Net General Bonded Debt Outstanding**  
**To Assessed Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population(1)	Assessed Value (2)	General		Less Debt Service Fund (4)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value		Net Bonded Debt Per Capita
			Bonded Debt (3)	Bonded Debt (3)			Bonded Debt to Assessed Value	Bonded Debt to Assessed Value	
1999	21,097	\$562,626,397	\$4,945,000	\$4,936,434	\$8,566	\$4,936,434	0.88%		\$234
2000	22,016	710,086,410	4,725,000	4,586,298	138,702	4,586,298	0.65%		208
2001	24,094	793,522,729	4,505,000	4,274,528	230,472	4,274,528	0.54%		177
2002	25,786	847,756,510	4,275,000	3,972,477	302,523	3,972,477	0.47%		154
2003	27,060	933,884,870	4,045,000	3,616,101	428,899	3,616,101	0.39%		134
2004	27,799	978,702,410	3,845,000	3,360,225	484,775	3,360,225	0.34%		121
2005	28,539	987,933,647	3,640,000	3,304,243	335,757	3,304,243	0.33%		116
2006	29,089	1,098,446,377	3,425,000	3,372,025	52,975	3,372,025	0.31%		116
2007	29,555	1,084,854,140	3,200,000	3,110,174	89,826	3,110,174	0.29%		105
2008	29,674	1,076,819,560	20,215,000	20,074,293	140,707	20,074,293	1.86%		676

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

(1) U.S. Census Bureau 2007 Population Estimates Estimate for 2008: City of Mason Planning and Economic Development

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

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

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

**Table 14**

**City of Mason**  
**Ratio of Annual Debt Service Expenditures**  
**For General Obligation Bonded Debt (1)**  
**To Total General Government Expenditures**  
**Last Ten Fiscal Years**

Fiscal Year	Principal	Interest(2)	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service To General Government Expenditures
1999	\$210,000	\$225,513	\$435,513	\$4,506,728	9.66%
2000	215,000	223,943	438,943	3,495,706	12.56%
2001	220,000	238,355	458,355	4,286,353	10.69%
2002	230,000	324,463	554,463	6,055,452	9.16%
2003	230,000	318,555	548,555	9,056,710	6.06%
2004	200,000	188,973	388,973	8,813,705	4.41%
2005	205,000	153,317	358,317	8,186,487	4.38%
2006	215,000	159,260	374,260	8,101,110	4.62%
2007	225,000	150,768	375,768	8,179,399	4.59%
2008	555,000	482,856	1,037,856	8,068,369	12.86%

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.

**Table 15**

**City of Mason  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2008**

	Net General Obligations Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City of Mason	\$35,135,000	100.00%	\$35,135,000
Warren County	1,151,500	17.71%	203,931
Lebanon City School District	41,834,951	0.30%	125,505
Mason City School District	149,540,000	60.25%	90,097,850
Kings Local School District	54,954,646	11.41%	6,270,325
Great Oaks Careec Center Joint Vocational School	14,630,000	5.21%	762,223
Deerfield Township	32,460,000	0.72%	233,712
		<b>Total:</b>	<b>\$132,828,546</b>

Source: Ohio Municipal Advisory Council

**Table 16**

**City of Mason  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Total Debt Limit (1)</b>										
Total Debt Limit (10.5%)	\$59,075,772	\$74,559,073	\$83,319,887	\$89,014,434	\$98,057,911	\$102,763,753	\$103,733,033	\$115,336,870	\$113,909,685	\$113,066,054
Total Net Debt Applicable to Limits	5,663,566	9,843,997	6,009,528	6,387,477	9,301,101	13,060,225	12,704,243	25,187,025	34,470,174	34,994,293
Legal Debt Limit Margin	\$53,412,206	\$64,715,076	\$77,310,359	\$82,626,957	\$88,756,810	\$89,703,528	\$91,028,790	\$90,149,845	\$79,439,511	\$78,071,761
Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit	9.59%	13.20%	7.21%	7.18%	9.49%	12.71%	12.25%	21.84%	30.26%	30.95%
<b>Total Unvoted Debt Limit (1)</b>										
Total Unvoted Debt Limit (5.5%)	30,944,452	39,054,753	43,643,750	46,626,608	51,363,668	53,828,633	54,336,351	60,414,551	59,666,978	59,225,076
Total Net Debt Applicable to Limits	5,663,566	9,843,997	6,009,528	6,387,477	9,301,101	13,060,225	12,704,243	25,187,025	34,470,174	34,994,293
Legal Unvoted Debt Limit Margin	\$25,280,886	\$29,210,756	\$37,634,222	\$40,239,131	\$42,062,567	\$40,768,408	\$41,632,108	\$35,227,526	\$25,196,804	\$24,230,783
Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit	18.30%	25.21%	13.77%	13.70%	18.11%	24.26%	23.38%	41.69%	57.77%	59.09%
<b>Legal Debt Margin Calculation for Fiscal Year 2008</b>										
	<b>Total Debt Limit</b>									
Net assessed valuation	\$1,076,819,560									
Statutory legal debt limitation (1)	10.5%									
Total debt limitation	<u>\$113,066,054</u>									
	<b>Total Unvoted Debt Limit</b>									
Debt applicable to limit:										
Debt applicable to limit(2)	35,135,000									
Less: applicable debt service fund amounts(3)	<u>(140,707)</u>									
Total net debt applicable to limit	<u>34,994,293</u>									
Legal debt margin	<u>\$78,071,761</u>									

(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.

**Table 17**

**City of Mason  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Sewer Fund Bond Coverage:</b>										
Operating Revenue	\$6,082,820	\$5,775,367	\$5,490,698	\$5,532,399	\$5,858,754	\$5,385,198	\$5,297,841	\$5,351,189	\$5,529,145	\$5,486,608
Operating Expenses	1,417,723	1,647,272	1,659,929	1,586,898	1,688,635	1,166,731	2,195,817	2,431,976	2,620,680	2,776,307
Net Available for Debt Service	4,665,097	4,128,095	3,830,769	3,945,501	4,170,119	4,218,467	3,102,024	2,919,213	2,908,465	2,710,301
<b>Debt Service Requirements:</b>										
<b>Revenue Bonds:</b>										
Principal	200,000	210,000	220,000	230,000	245,000	1,360,000	980,000	1,000,000	1,020,000	1,035,000
Interest	423,399	425,430	415,388	404,140	391,212	1,209,372	1,585,295	1,565,695	1,545,695	1,524,275
Total Debt Service Requirement	\$623,399	\$635,430	\$635,388	\$634,140	\$636,212	\$2,569,372	\$2,565,295	\$2,565,695	\$2,565,695	\$2,559,275
Coverage	7.48	6.50	6.03	6.22	6.55	1.64	1.21	1.14	1.13	1.06

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Sewer operating revenue does not include investment earnings or capital grants and contributions.

**Table 18**

**City of Mason  
Demographic and Economic Statistics  
December 31, 2008**

<b>Year</b>	<b>Area (Square Miles)</b>	<b>Population (1)</b>	<b>Estimated Personal Income(2)</b>	<b>Per Capita Personal Income(3)</b>	<b>Median Age(4)</b>	<b>School Enrollment(5)</b>	<b>Unemployment Rates(6)</b>		
							<b>Warren County</b>	<b>Ohio</b>	<b>United States</b>
1999	17.5	21,097	\$613,015,529	\$29,057		6,100	3.0%	4.0%	4.1%
2000	17.5	22,016	670,915,584	30,474	34.5	6,711	2.9%	3.9%	4.0%
2001	17.5	24,094	747,106,752	31,008	34.5	7,411	3.3%	4.8%	5.8%
2002	17.5	25,786	819,118,076	31,766	34.5	7,363	4.0%	5.3%	6.0%
2003	17.5	27,060	874,119,180	32,303	34.5	8,003	3.1%	5.5%	5.7%
2004	17.9	27,799	943,303,467	33,933	34.5	8,635	4.0%	5.9%	5.4%
2005	18.0	28,539	999,121,851	35,009	34.5	9,731	4.4%	5.9%	4.9%
2006	18.0	29,089	1,053,865,381	36,229	34.5	10,269	4.2%	5.4%	4.3%
2007	18.4	29,555	1,116,647,010	37,782	34.5	10,681	4.7%	5.8%	4.8%
2008	18.6	29,674	1,121,143,068	37,782	34.5	10,752	6.2%	7.6%	7.1%

(1) U.S. Census Bureau 2007 Population Estimates 2008: Estimate from City of Mason Planning and Economic Development

(2) Population estimate times per capita person income

(3) U.S. Department of Commerce, Bureau of Economic Analysis for the Cincinnati Metropolitan Statistical Area

(4) U.S. Census Bureau 2000 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

**Table 19**

**City of Mason  
Principal Employers  
December 31, 2008**

<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees</u>
Procter & Gamble Company	Healthcare research	2,100
Luxottica (Lenscrafters)	Eyewear and lens	1,494
Cintas Corporation	Professional uniforms	1,310
Mason City Schools	Local school district	1,200
L.3 Cincinnati Electronics	Aerospace and defense industry electronics	508
Mitsubishi Electric	Automotive electrical components	478
H.J. Heinz/Portion Pac	Portion-controlled condiments	465
Lindner Center of Hope	Mental health treatment center	225
Ashley Ward	Screw machine products	221
W/S Packaging-Superior Label	Print pressured sensitive labels	215
	<b>Income Tax</b>	
	<b><u>Withholding Raking(1)</u></b>	
		<b>1</b>
		<b>2</b>
		<b>3</b>
		<b>4</b>
		<b>5</b>
		<b>6</b>
		<b>7</b>
		<b>8</b>
		<b>9</b>
		<b>10</b>

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

(1) State law and city income tax ordinance prohibits the release of income tax information. The withholding amount could not be provided.

**Table 20**

**City of Mason  
Full-time City of Mason Employee by Function  
Last Ten Fiscal Years**

Full-time position at December 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>										
City Administration	6	6	9	9	9	9	10	10	10	10
Council									1	1
Engineering	8	9	9	10	10	10	10	11	11	11
Facility				1	1	1	1	1	1	1
Finance	5	7	7	8	9	10	10	10	10	10
Municipal Court	9	9	10	15	18	24	22	22	22	22
<b>Public Safety</b>										
Police										
Officers	28	28	35	36	36	36	38	38	40	42
Non-sworn	2	2	3	4	4	4	6	6	7	7
Fire (1)	8	9	9	15	15	15	23	32	32	33
<b>Leisure Time Activities</b>	6	8	9	17	18	18	19	20	21	22
<b>Community Development</b>										
Planning	1	1	1	1	1	1	1	1	1	2
Building Inspection	4	4	4	4	4	4	5	5	5	5
Economic Development	2	2	2	2	2	3	3	3	4	3
<b>Basic Utility Service</b>	22	22	20	15	15	15	15	15	15	15
Billing	3	3	3	1	1	1	1	1	1	1
Stormwater			1	1	1	1	1	1	1	1
<b>Transportation and Street Repair</b>	18	18	19	19	20	20	20	21	21	21
<b>Total Full-Time Positions</b>	122	128	141	158	164	172	185	197	203	207
<b>Total Part-Time Positions</b>	146	146	146	123	314	240	287	265	209	217

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



**Table 21**

**City of Mason  
Operating Indicators and Capital Asset Statistics  
Last Ten Fiscal Years**

	Fiscal Years									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Police Protection:</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Marked Patrol Vehicles	21	23	23	21	19	19	19	19	21	17
Calls for Service	11,239	13,287	13,248	11,756	11,229	10,065	12,564	14,804	19,878	26,087
Moving Violation Citations	2,496	2,858	2,986	3,067	3,237	3,718	2,628	2,779	3,742	3,426
Arrests	471	637	287	613	560	711	611	739	851	822
<b>Fire &amp; Emergency Medical(1):</b>										
Fire Responses	1,324	1,657	1,225	1,021	846	915	1,087	992	1,003	1,206
Emergency Medical Responses	1,948	2,156	1,939	2,114	2,268	2,077	2,287	2,257	2,704	2,611
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Emergency Vehicles	18	18	18	19	19	17	17	17	19	19
<b>Leisure Time Activities</b>										
Parks	6	6	6	6	6	6	6	6	6	7
Park acreage (developed)	239	242	242	242	242	242	242	279	279	296
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Community Center (opened in 2002)				1	1	1	1	1	1	1
<b>Community Development</b>										
Permits Issued	537	413	445	367	298	211	179	97	77	39
<b>Utility Services</b>										
Sanitary sewers (miles)	N/A	95	97	102	116	118	123	129	132	133
Storm sewers (miles)	N/A	61	67	72	78	80	84	87	91	92
Sewage Treatment capacity per day (million gallons)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	8.67	8.67	8.67
<b>Transportation &amp; Street Repair</b>										
Number of Streets (dedicated)	284	307	325	348	381	387	408	420	433	440
Lane Miles	320	327	329	329	339	341	341	343	351	354
Traffic Signals	23	28	32	34	34	36	39	40	40	40
Bike Paths (miles)	N/A	3	7	10	10	10	11	12	14	17

(1) The Fire Department became part of the City in 1998.

N/A Information not available.

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