



ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF **MASON** OHIO
more than you imagine.



CITY OF MASON, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

Prepared by:
Finance Department
Joseph Reigelsperger
Finance Director

Produced by the City of Mason
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INTRODUCTORY SECTION

June 29, 2022

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

We are pleased to present the City of Mason's Annual Comprehensive Financial Report for the fiscal year ending December 31, 2021. While there are no legal requirements for the preparation of this report, it represents a commitment by the City of Mason to conform to nationally recognized standards of excellence in financial reporting.

State law requires that each public office file an annual financial report with the Auditor of State. The financial report must also be in conformity with generally accepted accounting principles (GAAP). The City's charter requires the City Manager and Finance Director to submit a complete report on the finances of the municipality at the end of each fiscal year to City Council as well as make the report available to the public. The management of the City of Mason, particularly the Finance Director's Office, assumes full responsibility for both the completeness and reliability of the information contained in this report. The accuracy of the presented data and the completeness and fairness of its presentation is assured through a comprehensive framework of internal control that is established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Plattenburg & Associates, Inc. has issued an unmodified ("clean") opinion on the City of Mason's financial statements for the year ending December 31, 2021. Their report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows

the auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

Mason is considered one of the most desirable communities in the Cincinnati region and has earned a reputation as a progressive, innovative community. Centrally located in southwest Ohio, the City is a destination for corporations seeking a thriving business environment and for families desiring attractive neighborhoods and nationally ranked schools.



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

With a population of nearly 34,000, Mason is located in the southwest quadrant of Warren County. More than 36 miles of interstate highways provide businesses and residents easy access to the



metropolitan centers of both Cincinnati and Dayton which fuel the area's residential growth as well as business expansion. Mason is strategically located between the Cincinnati region's two most vital commerce corridors, Interstates 71 and 75, just north of the I-275 beltway. The City is served by four direct interchanges - two on I-71 and two on I-75.

Several organizations recognize Mason as a great place to live, work, and play. Over the past several years, Mason's rankings continue to grow. WalletHub ranked Mason 4th Best Places to Raise a Family in Ohio and 98th percentile for Best Small Cities to Live in America. Money ranked Mason as the 20th Best Place to Live in the U.S. Warren County prides itself as "Ohio's Largest Playground" and Mason is the anchor. Mason is home to some of the region's largest attractions including Kings Island amusement park, Great Wolf Lodge, and the annual Western & Southern Open; one of the "super nine" tennis tournaments in the world.

HISTORY AND ORGANIZATION

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

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

As Chief Executive Officer, the City Manager is responsible for enforcement of all laws and ordinances established by City Council and the efficient delivery of all City services. The City provides many services normally associated with a municipality, including emergency services; street construction and maintenance; full engineering, building, and planning services; recreation space and activities; and business recruitment and retention.

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

The annual budget for the City of Mason serves as the foundation for the City's financial planning and control. As required by the charter, the City Manager prepares and submits the annual budget and capital program to City Council. After a review and final recommendation from Council's Finance Committee, the budget is legally enacted through passage of the annual appropriation ordinance. Department Heads, with approval from the Finance Director, may transfer resources within each department for the General Fund and within other funds up to the level approved by Council. Only Council, using a supplemental appropriation or re-appropriation ordinance, may approve any increase in appropriation or transfers between legal levels identified in the annual appropriation ordinance before the end of the fiscal year.

LOCAL ECONOMY

Mason's reputation as a competitive business environment is confirmed by a track record of corporate decisions to locate and grow business in the City, through new sites, expansions and consolidations with the transfer of jobs and investment to the City. Mason is also known as a top innovation center across the State of Ohio and the announced projects in the City reflect that position.

Mason continues to attract quality companies that are relocating or expanding. In choosing the City, companies cite prime location along the interstates, availability of land for development within established business parks, rising property values, the established core of high-tech businesses, available talent and workforce, and an exceptional level of support and services with a favorable business environment widely promoted in the region. Tax incentives targeting companies in the bio-health, high-tech, and research and

development sectors in Mason continue to be a focus, as well as companies in advanced manufacturing, aerospace, logistics, and automotive sectors. Mason developed an economic emphasis between tourism, Warren County’s top industry, and business development. Approximately seventy percent of the County’s tourism activity originates in Mason. Additionally, the City’s economic strategy has a strong focus on the growth of early and mid-stage entrepreneurial companies within the target sectors of bio-health, bio-health IT, and digital IT. A collaborative environment between all of these provides added strength to Mason’s business environment and sets it apart within the Region and Midwest.

Mason business daytime employment is roughly equivalent to the City’s nighttime population of about 34,000. Five of the top ten largest employers in Warren County are located in Mason. The City’s ten largest employers provide work for more than 11,000 people and generated more than \$15.8 million in income tax revenue in 2021. Overall, it is estimated that there are more than 800 businesses that operate within Mason’s nineteen square miles.



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

Procter & Gamble Beauty Innovation Center is home to Global Beauty and Global Health. The 241-acre campus is Mason and Warren County’s largest employer. It houses the largest population of science and technical workforce across the company. This P&G facility is over two million square feet and

makes the R&D laboratories in Mason the largest of the global P&G portfolio. The company’s combined employment in Mason is over 3,000.

In the last two decades, Mason has grown its global business base, became home to many domestic and foreign companies, and has one of the region’s largest complements of international businesses. As of 2018, the Metropolitan Area ranked twelfth in total exports among U.S. cities. The City of Mason contributes to the Cincinnati region’s worldwide impact, being home to a healthy number of the region’s approximately 1,000 firms engaged in international trade. More than 300 firms from Japan, Western Europe, and Canada have established facilities in the Metropolitan Area.

The diversified tax base in Mason provides for steady investment across industry sectors from automotive to science and research headquarters. New investment in 2018 through 2021 are reflective of the diversity including new construction, build-to-suit campuses, corporate reinvestment with expansions of existing Mason businesses as well as mergers and acquisitions.

Top investment highlights from years 2018 through 2021 combined demonstrate strength in bio-health and bio related supply chain representing approximately 70% of the total investment and job creation. These statistics continue to be the value proposition that is fueling new corporate and innovation sector announcements and generating interest from advanced manufacturing to R&D.

2021 Corporate Investment Announcements

	New Capital	New Payroll
AtriCure Expansions	\$ 2.6M	\$ 2M
WRLD – DLM Mixed-Use	\$150M	\$ 5M
Mercy Health Campus	\$156M	\$220M

Source: City of Mason Economic Development Office, estimated project numbers.

Notable activity in the last three years in the City includes a mega merger of L3-Harris - combining two major defense and communications companies and setting the stage to position the Mason campus expansion and investment.

Planning for future high-profile technology and advanced manufacturing is robustly underway both facilitating expansions of existing businesses and attracting new in parks like the Innovation Way Business Park and in Mason Research and Development.

In 2021, the City acquired additional acres expanding its footprint along the east side of the R&D Park. This target development area consists of both City and privately-owned land in the northeast of the City totaling over 1,000 acres, now 500-owned directly by the City. This area has been preserved over the past decade with a lens of preserving growth space for Mason's key employers. The R&D Park is routinely a go-to asset for the Cincinnati Region and State of Ohio when submitting competitive proposals to site consultants to win top projects. It has been dedicated as a SiteOhio Certified Site, meaning it complies with rigorous standards put in place via a multi-year process by staff and City expenditures to demonstrate readiness.



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

An additional focus is the Mason I-71 corridor's, OakPark District.. This key area is envisioned as a 250-acre walkable mixed-use development. It is also attracting the attention of top projects in the U.S and

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

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

The diversity of the economic base provided shelter during the pandemic as manufacturing remained an essential operation within a large majority of the portfolio. This same diversity also allowed the City to thrive, reporting continued investment and the announcement of additional projects in early 2021, such as the Western Row Land Development (WRLD) mixed-use development located on the former Western Row Golf Course. The anchor of the development is Dorothy Lane Market (DLM) which will serve as a catalyst business partner to commercial, residential and 27-acres of future City-owned office park. The \$156 million development helps the City serve the community. The broad business base, including the international clientele, will leverage a regionally distinct centerpiece in DLM that is anticipated to drive interest in the future office park that can accommodate up to 200,000 square feet of office and 800 jobs.

Efforts continue to focus on growth sectors and emerging markets that bring high rates of return to the City and are the targets of the City's economic strategy. Mason continues to see a surge in the interest of land sales and new construction in the industrial, manufacturing, and specialty healthcare sectors. Recognizing that the regional market outlook is seeing continued signs of recovering activity into the next several years, Mason has positioned itself to be at the forefront of positive commercial activity. Mason has put significant effort

into partnerships and creativity in economic development resulting in successful attention within the business community and the creation of investment and jobs. In addition, the combination of Mason's physical location, municipal facilities, developable terrain, services and utilities, and the progressive attitude and actions of City Council, administration, and citizens are strong assets and support company decisions to build and grow in the City.



Western Row Mixed Used Development is 27-acre future office park companion development with Dorothy Lane Market as catalyst business partner. Groundbreaking in 2022.

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

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

The City of Mason continues its policy of using only reliable financial resources when budgeting for

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

MAJOR INITIATIVES

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

Major projects that occurred in 2021 that position the City for future economic growth and improvement include:

Mason Municipal Aquatic Center

Mason Municipal Aquatic Center is a \$25 million project featuring a new heated leisure pool as well as an enclosed 50-meter pool. The outdoor leisure pool and spray park was finished at the beginning of the 2021 summer pool season and the indoor 50 meter pool was completed by in 2022.

State Route 741 Road Improvement

State Route 741 is a major corridor for the City of Mason that includes interchange access to I-71, access to Kings Island Drive leading to Kings Island Amusement Park, the entrance to the Linder Tennis Center and connects to I-75 north of the City via State Route 63. The northeast portion of the City along State Route 741 includes the Mason Research & Development Park. This is a 500-acre planned development currently home to Master Pharmaceutical Company (a McKesson Company) and soon to be home to VEGA Americas, Rhinestahl Corporation, SPS Technologies and Precision Castparts Corporation (PCC). This prime location is a short distance to I-71 and I-75 making the Mason

R&D park a key part of future economic development activity for targeted hi-tech, research, aerospace and other advanced manufacturing companies to be connected in a master planned environment. Phase 1 of the improvements was completed at the beginning of 2022 with \$5 million of improvements. Phases 2 and 3 continue to progress with over \$6 million of improvements completed.

Looking Ahead to the Future

The City continues to see stable income tax revenue with increases impacted by economic development activity. The City of Mason seeks opportunity to maintain its level of services while cautiously evaluating where additional service is needed. A core principle of the City's financial policies is reinvesting into capital assets while maintaining balances to stabilize future economic downturns. This policy continues even as the economic impact of the pandemic is realized through supply chain issues and rising inflation. The City of Mason is prepared for national economic uncertainty and changes in state policy that may place pressure on the City budget in 2022 and subsequent years. Investment in long-term economic development activity will continue to be a priority.

Accomplishments to look forward to in 2022 include:

- Continuing the \$29 million State Route 741 multiphase improvements.
- Completion of the roundabout at Butler-Warren Road and Western Row Road.
- U.S. 42 roundabouts and sewer improvements.

Sincerely,



Eric Hansen
City Manager

- Park improvements including Adaptive Ballfields at Makino Park and dog park facility.
- Golf course reinvestment and long-term planning.

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 annual comprehensive financial report for the fiscal year ended December 31, 2019. Mason has been awarded the Certificate of Achievement each year beginning in 1997. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements. It is being submitted to GFOA to determine its eligibility for an award for another certificate.

Our most sincere appreciation is extended to all members of the staff whose efforts have made this report possible, to Assistant Finance Director Mary Mueller, and to the staff of Plattenburg & Associates, Inc., for their dedicated service in the preparation of this annual comprehensive financial report.



Joseph J. Reigelsperger
Finance Director

THE CITY OF MASON, OHIO

LIST OF PRINCIPAL OFFICIALS

December 31, 2021

COUNCIL MEMBERS

Mayor	Barbara Spaeth
Vice Mayor	Diana K. Nelson
Council Member	Tony Bradburn
Council Member	Ashley Chance
Council Member	Mark Haake
Council Member	Kathy Grossmann
Council Member	Josh Styrcula

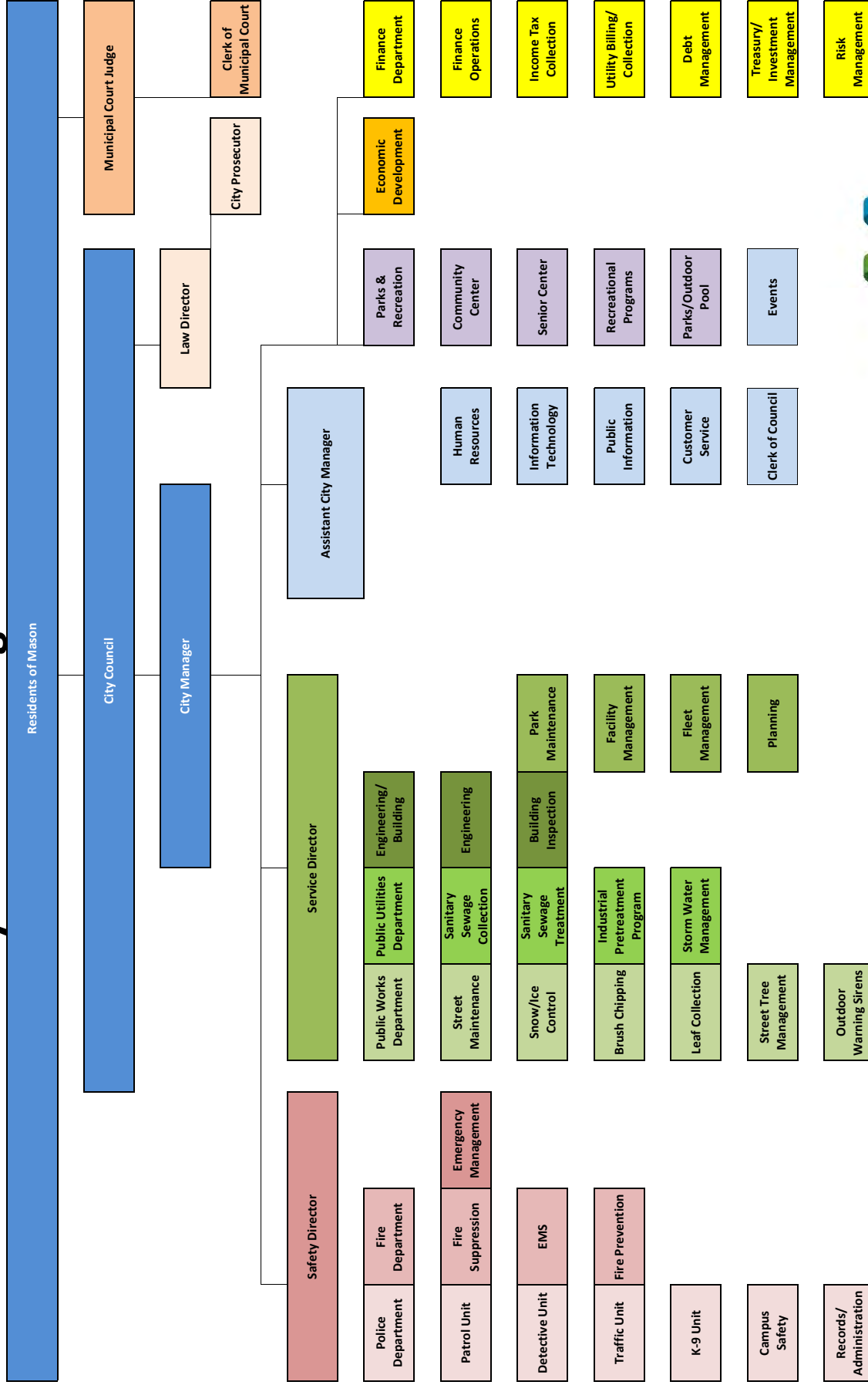
COUNCIL APPOINTED OFFICIALS

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

DEPARTMENT HEADS

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

City of Mason Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mason
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 29, 2022

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City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets and deferred outflows of the City of Mason exceeded its liabilities and deferred inflows at the close of 2021 by \$441,892,850 (net position). Of this amount, \$89,763,097 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 142.4 percent of the 2021 expenses of \$63,033,114.

- The city's total net position increased by \$34,270,437.
- Bonds due in more than one year was \$52,299,348 for 2021 which is a decrease of \$7,362,459 from 2020. There also was an issuance of \$10,000,000 road improvement bonds in 2021.
- Net position of the governmental activities (defined below) increased \$27,725,625. Net position of the business-type activities (also defined below) increased \$6,544,812.
- The total cost of the City's programs decreased \$6,581,656, which is a 9.45 percent decrease from 2020. The cost of governmental activities decreased \$7,942,013 or 15.2 percent, while the cost of business-type activities increased \$1,360,357 or 7.9 percent. A large part of the decrease is from the decreased cost of providing services for public safety and decreased cost of leisure time activities. Public safety decreased from 2020 with a decline in cost related to the pandemic. Business-type activities increased mainly due to the increase in operating cost for the community center since pandemic restrictions were lifted.
- As of the close of the 2021 fiscal year, the city's governmental funds reported combined ending fund balances of \$138,509,270, an increase of \$8,926,455 in comparison with the prior year.

Overview of the Financial Statements

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

1) Government-wide financial statements.

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

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

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2021

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

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

2) Fund financial statements.

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

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

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

The city maintains various individual governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for the four major funds: the general fund, street construction maintenance and repair fund, safety fund and the general obligation bond retirement fund. Data for the other 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

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financial statements. The city uses enterprise funds to account for its sanitary sewer, stormwater, waste collection, golf course, and community center operations.

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

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

3) Notes to the financial statements.

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The city's assets and deferred outflows exceeded liabilities and deferred inflows by \$441,892,850 at the close of the most recent fiscal year.

The largest portion of the city's net position (71.4 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The city used these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (8.3 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position \$89,763,097 may be used to meet the city's on-going obligations to citizens and creditors. It is

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important to note that the unrestricted net position of the city's business-type activities of \$28,733,880 may not be used to fund governmental activities.

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

Overall net position of the city increased \$34,270,437 in 2021. Net position for governmental activities increased \$27,725,625, while net position for business-type activities increased \$6,544,812. The increase in net position for 2021 was \$5,029,465 (17.2 percent) more than the increase in net position for 2020.

City of Mason Net Position (amounts expressed in thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and other assets	\$162,686	\$150,280	\$33,576	\$41,091	\$196,262	\$191,371
Capital assets	<u>246,134</u>	<u>224,789</u>	<u>120,844</u>	<u>122,998</u>	<u>366,978</u>	<u>347,787</u>
Total assets	<u>408,820</u>	<u>375,069</u>	<u>154,420</u>	<u>164,089</u>	<u>563,240</u>	<u>539,158</u>
Total deferred outflows of resources	<u>8,901</u>	<u>10,724</u>	<u>467</u>	<u>2,270</u>	<u>9,368</u>	<u>12,994</u>
Liabilities						
Long-term liabilities outstanding	53,211	46,705	11,262	27,043	64,473	73,748
Net Pension liability	31,043	34,060	2,223	3,177	33,266	37,237
Net OPEB liability	3,877	10,088	0	2,296	3,877	12,384
Other liabilities	<u>6,532</u>	<u>4,807</u>	<u>608</u>	<u>640</u>	<u>7,140</u>	<u>5,447</u>
Total liabilities	<u>94,663</u>	<u>95,660</u>	<u>14,093</u>	<u>33,156</u>	<u>108,756</u>	<u>128,816</u>
Total deferred inflows of resources	<u>19,856</u>	<u>14,657</u>	<u>2,103</u>	<u>1,057</u>	<u>21,959</u>	<u>15,714</u>
Net Position						
Net investment in capital assets	205,583	181,437	109,957	97,717	315,540	279,154
Restricted	36,590	42,572	0	0	36,590	42,572
Unrestricted	<u>61,029</u>	<u>51,467</u>	<u>28,734</u>	<u>34,429</u>	<u>89,763</u>	<u>85,896</u>
Total Net Position	<u>\$303,202</u>	<u>\$275,476</u>	<u>\$138,691</u>	<u>\$132,146</u>	<u>\$441,893</u>	<u>\$407,622</u>

City of Mason, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2021

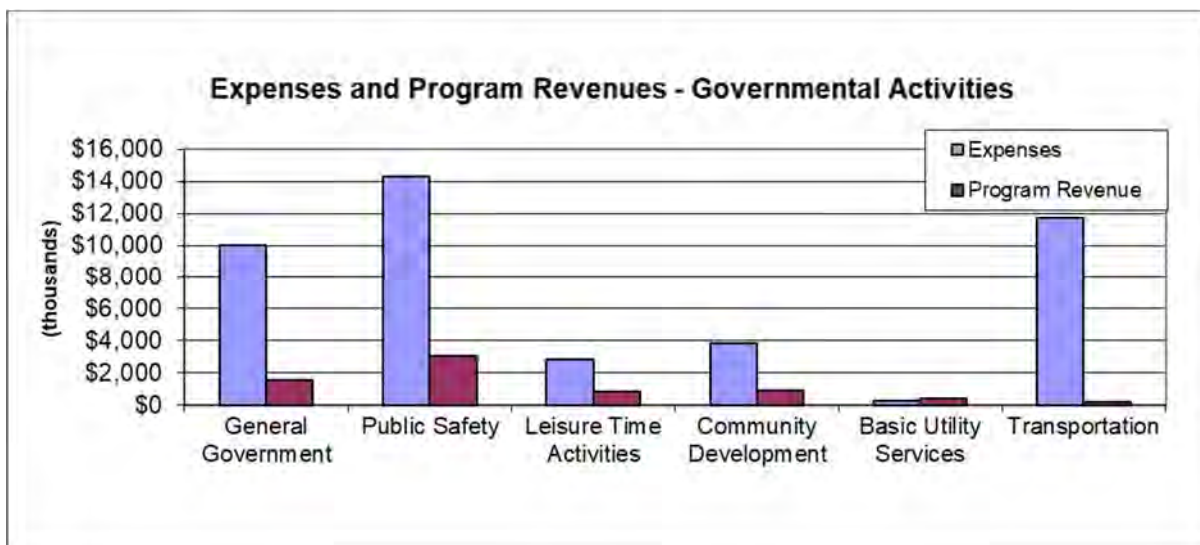
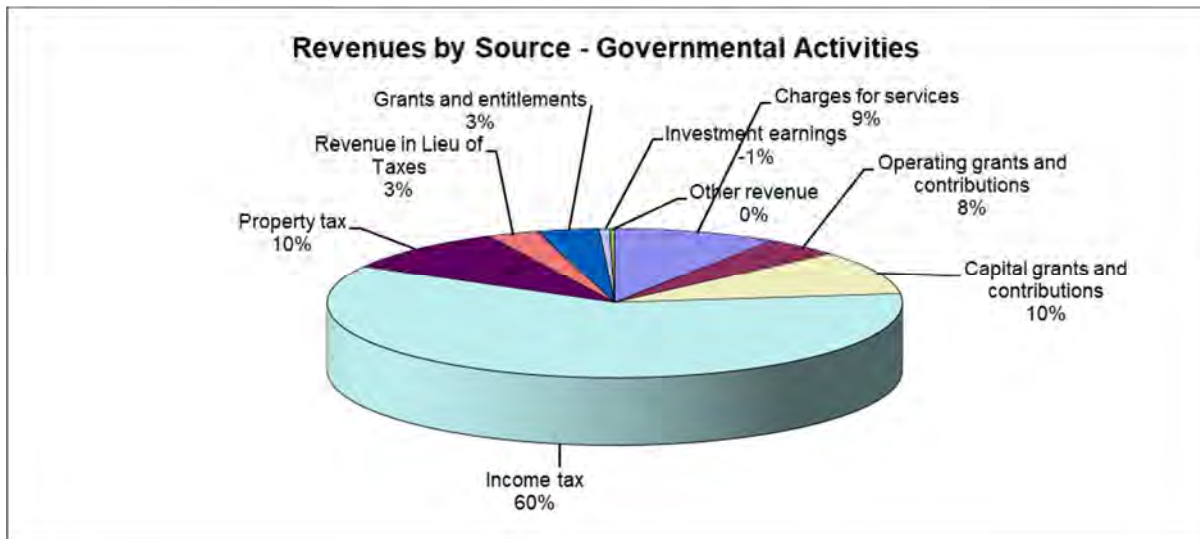
City of Mason
Changes in Net Position
(amounts expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues:						
Charges for services	\$6,952	\$5,960	\$20,396	\$16,429	\$27,348	\$22,389
Operating grants and contributions	3,257	6,619	0	0	3,257	6,619
Capital grants and contributions	7,332	7,533	2,132	1,970	9,464	9,503
General revenues:						
Income tax	45,435	39,221	0	0	45,435	39,221
Property tax	7,363	9,684	0	0	7,363	9,684
Revenue in Lieu of Taxes	2,175	1,965	0	0	2,175	1,965
Grants and entitlements	2,632	1,645	0	0	2,632	1,645
Investment earnings	-441	2,822	-187	895	-628	3,717
Other revenue	224	3,823	34	290	258	4,113
Total Revenues	74,929	79,272	22,375	19,584	97,304	98,856
Expenses:						
General Government	10,019	10,243	0	0	10,019	10,243
Public Safety	14,287	21,385	0	0	14,287	21,385
Leisure Time Activities	2,845	4,056	0	0	2,845	4,056
Community Development	3,818	4,140	0	0	3,818	4,140
Basic Utility Services	292	251	0	0	292	251
Transportation	11,707	10,830	0	0	11,707	10,830
Interest and fiscal charges	1,450	1,455	0	0	1,450	1,455
Sewer utility	0	0	5,405	7,553	5,405	7,553
Waste Collection	0	0	1,936	1,906	1,936	1,906
Stormwater utility	0	0	1,328	1,509	1,328	1,509
Community Center	0	0	6,835	3,562	6,835	3,562
Golf Course	0	0	3,111	2,725	3,111	2,725
Total Expenses	44,418	52,360	18,615	17,255	63,033	69,615
Increase (decrease) in net position before transfers	30,511	26,912	3,760	2,329	34,271	29,241
Transfers - internal activities	(2,785)	(1,438)	2,785	1,438	0	0
Increase (decrease) in Net Position	27,726	25,474	6,545	3,767	34,271	29,241
Net Position beginning of year	275,476	250,002	132,146	128,379	407,622	378,381
Net Position end of year	\$303,202	\$275,476	\$138,691	\$132,146	\$441,893	\$407,622

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Governmental activities. Governmental activities increased the city's net position by \$27,725,625. Key elements of the changes in net position are as follows:

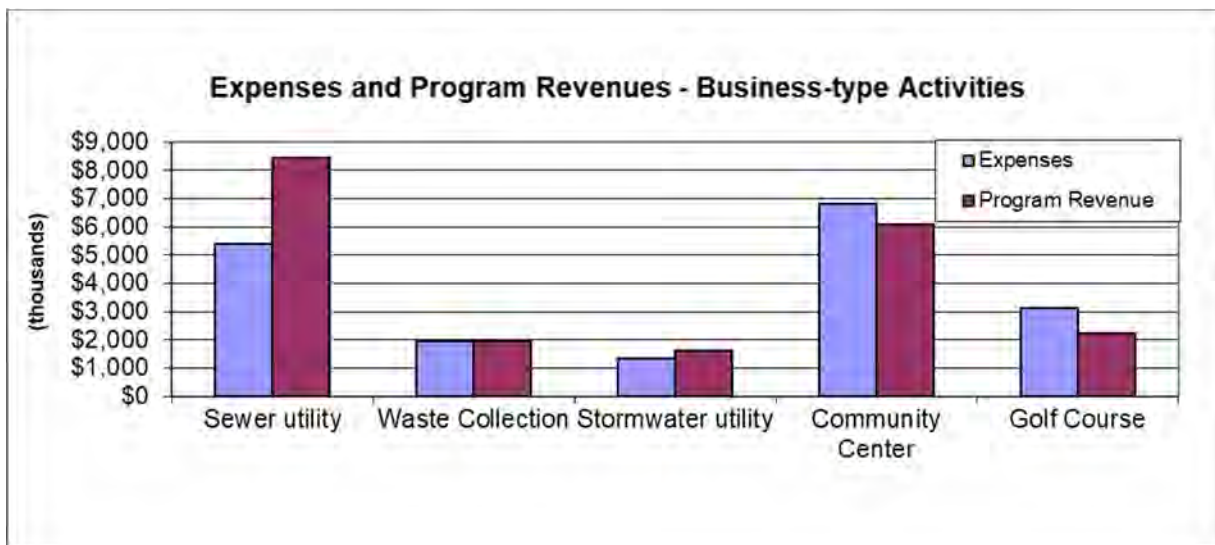
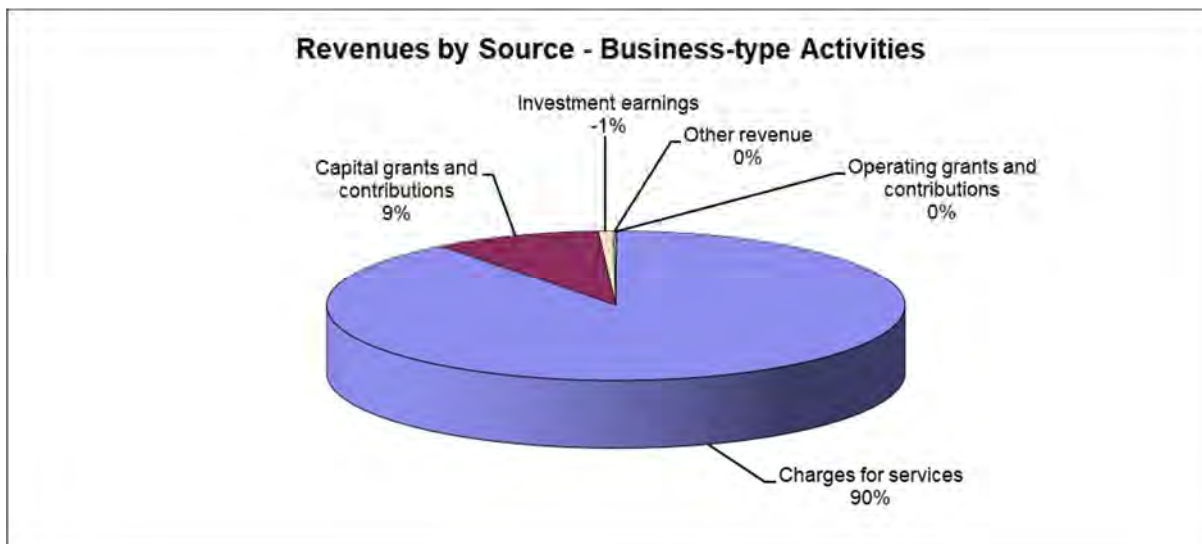
- General revenue decreased \$3,119,062 (5.4 percent) due to an increase in transfers and operating grants.
- Operating grants decreased \$3,362,409 (50.8 percent) due to the expiration of the Cares Act grant.
- Income tax collection increased due to economic development efforts.
- Expenses decreased by \$7,942,013 (15.2 percent). Decreased expense was from a significant decrease in public safety.



City of Mason, Ohio
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Business-type activities. Business-type activities increased the city's net position by \$6,544,812. Key elements of the changes in net position are as follows:

- Charges for services increased \$3,967,034 (24.1 percent). Most of the increase was from increased Community Center and Golf Course revenue.
- Expenses for business-type activities increased \$1,360,357 (7.9 percent). This was generally from operating cost increase of \$3,273,025 (91.9 percent) at the community center as the facility opened up again. This was offset by decreased operating cost of \$2,147,556 (28.4 percent) in the sewer utility.



City of Mason, Ohio
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Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Mason's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Mason's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources that are available for spending at the end of the fiscal year. As of the end of the fiscal year, the City of Mason's governmental funds reported combined ending fund balances of \$138,509,270 an increase of \$8,926,428 in comparison with the prior year.

The general fund is the chief operating fund of the city. On December 31, 2021, the unassigned fund balance of the general fund was \$31,898,977, while the total fund balance was \$95,032,509. The city's general fund balance decreased by \$1,307,878 during the current fiscal year. Current expenditures increased \$5,990,930 (15.2 percent) due mainly to the increase in capital outlay.

Street construction, maintenance and repair fund provides for improvement and significant maintenance activity on the street and transportation infrastructure. Capital outlay and related grants increased in 2021 for roundabout construction and improvement to State Route 741/Kings Mill Road.

The safety fund provides public safety services to the City of Mason using revenue from a charter amendment. In November 2012, a charter amendment was approved by the voters authorizing up to five-mill property tax levy and up to an additional 0.15% income tax to provide funding for safety, fire, and emergency medical services. Council continued the 4.4 mills for 2018 and the total income tax rate of 1.12% including 0.12% that would be transferred for safety services. The fund balance increased by \$807,615. Revenue decreased by \$2,249,295 (27.1 percent) due to property taxes. Expenditures increased \$1,163,653 (15.2 percent) due to pandemic response personnel paid from CARES Act funds. \$3,329,676 was transferred from the General Fund for the additional 0.12% income tax percent.

General obligation bond retirement fund makes principal and interest payments for the City's various long-term debt issuances. Principal payments of \$3,885,000 were made in 2021 from this fund.

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

Unrestricted net position for the sewer fund at the end of the year amounted to \$20,152,665 with a total increase in net position of \$4,510,700. Unrestricted net position for the storm water utility fund at the end of the year amounted to \$4,368,983, with a growth in net position of \$782,521. Unrestricted net position for the community center fund at the end of the year amounted to a negative \$1,435,186, but with a total change in net position of (\$699,330). Unrestricted net position for the golf course fund at the end of the year amounted to \$4,542,751 with a positive change in net position of \$1,929,003. Other factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

City of Mason, Ohio
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Budgetary Highlights

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

General fund. During the year 2021, there was a \$28,629,523 increase in appropriations between the original and the final amended budget. The total original appropriations, including those for transfers out, were \$9,050,000 while the final appropriations were \$26,050,000. An additional \$17,000,000 was transferred to the General Capital Improvement Fund for future capital projects. The increase in appropriations was possible because of additional revenues collected which exceeded the conservative estimated revenues. The original estimated revenue was \$38,526,900. The actual revenue received was \$52,475,689. This increase was mainly due to increased income tax collections.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounted to \$366,977,731 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, system improvements, machinery and equipment, park facilities, roads, streets, and traffic signals. The increase in the city's investment in capital assets for 2021 over 2020 was 5.5 percent.

City of Mason Capital Assets (amounts expressed in thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$78,608	\$71,485	\$10,753	\$10,753	\$89,361	\$82,238
Construction in Progress	38,472	27,328	319	58	38,791	27,386
Buildings and Improvements	57,972	53,792	54,643	54,643	112,615	108,435
Machinery and Equipment	26,441	24,336	13,453	13,150	39,894	37,486
Infrastructure	113,847	112,598	107,658	106,364	221,505	218,962
Accumulated Depreciation	<u>(69,206)</u>	<u>(64,750)</u>	<u>(65,983)</u>	<u>(61,969)</u>	<u>(135,189)</u>	<u>(126,719)</u>
Total	<u>\$246,134</u>	<u>\$224,789</u>	<u>\$120,843</u>	<u>\$122,999</u>	<u>\$366,977</u>	<u>\$347,788</u>

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

- Mason Municipal Aquatic Center construction in progress
- Makino Park was completed.
- Re-investment in Pine Hill Lake Park and Heritage Oak Park was completed.

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

City of Mason, Ohio
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Long-term debt. On December 31, 2021, the city had \$58,015,000 of long-term debt outstanding (bonds and certificates of participation). Of this amount, \$51,080,000 comprises debt backed by the full faith and credit of the government. \$5,975,000 of this amount are certificates of participation for the community center. Revenue bonds in the governmental activity of \$960,000 are funded through tax increment financing. All figures above and the table below do not include premiums and discounts.

2021 long-term debt activity included issuing \$10 million for State route 741 road improvements.

The city continues to maintain the highest rating, "Aaa" from Moody's Investors Service for its general obligation bonds. This rating was reviewed in 2021 when the road improvement bonds were issued.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$46,370	\$40,335	\$4,710	\$18,290	\$51,080	\$58,625
Certificates of Participation	0	0	5,975	6,645	5,975	6,645
Revenue Bonds	960	1,165	0	0	960	1,165
Total	<u>\$47,330</u>	<u>\$41,500</u>	<u>\$10,685</u>	<u>\$24,935</u>	<u>\$58,015</u>	<u>\$66,435</u>

The city is within all its legal debt limitations. The Ohio Revised code provides that the net debt (as defined in the Ohio Revised code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value for taxation. The statutory limitations on debt are measured by the ratio of debt to tax valuation and expressed in terms of a percentage. On December 31, 2021, the city's total net debt of 3.07% of the total assessed value of all property within the city is within the 10.5% and 5.5% debt limitation for voted and unvoted debt, respectively. The aggregate amount of the city's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions of ten mills. This millage is measured against the property values in each overlapping district. On December 31, 2021, the millage amount was 6.98 mills, of which 4.49 mills were restricted by the City of Mason for unvoted debt.

Additional information regarding the city's long-term debt can be found in notes 9-10 of the notes to the basic financial statements.

Economic Factors and Next Year's Budgets

The City of Mason is located in Warren County, which currently has an unemployment rate of 2.6 percent as recovery continues from the Covid-19 pandemic and resulting recession. As of December 31, 2021, the rate was 2.3 percent. The City's current unemployment rate is 2.7 percent. As of December 31, 2021, this rate was 2.3 percent which is lower than the current Ohio rate of 3.7 percent and lower than the national rate of 3.3 percent (not seasonally adjusted). By promoting economic growth in Mason, the city continues to attract desirable commercial enterprises. Intense competition

City of Mason, Ohio
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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 2022 budget was prepared in a manner similar to prior years by conservatively estimating revenue while seeking opportunities for cost savings. Based on continued concerns about the loss of state support, every effort is made to reduce expenditures with minimal impact to the current level of services and maintaining capital assets. As part of the budget process, a capital improvement plan was completed and evaluated for 2022 and future years. 2022 continues to be a year where substantial effort and planning occurs for long-term capital improvements especially for roadways while parks and recreational facility improvements continue. The total appropriations budgeted for 2022 including transfers and capital outlay (\$116,092,428) is ten percent lower than the 2021 original appropriations (\$129,932,805) due to capital projects and early debt reduction plans. Stable capital improvements and continued debt reduction were also important elements to the budget.

Request for Information

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

City of Mason, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$133,323,510	\$36,640,937	\$169,964,447
Receivables (Net):			
Taxes	16,785,768	0	16,785,768
Accounts	313,027	1,345,297	1,658,324
Interest	271,175	60,345	331,520
Intergovernmental	3,840,719	0	3,840,719
Special Assessments	1,701,267	0	1,701,267
Internal Balances	5,250,000	(5,250,000)	0
Net OPEB Asset	757,029	275,931	1,032,960
Inventory	443,294	181,103	624,397
Prepaid Items	0	322,664	322,664
Nondepreciable Capital Assets	117,080,042	11,071,750	128,151,792
Depreciable Capital Assets, Net	129,054,337	109,771,602	238,825,939
Total Assets	408,820,168	154,419,629	563,239,797
Deferred Outflows of Resources:			
Deferred Charge on Refunding	794,696	0	794,696
Pension	4,994,364	331,422	5,325,786
Other Postemployment Benefits	3,111,699	136,030	3,247,729
Total Deferred Outflows of Resources	8,900,759	467,452	9,368,211
Liabilities:			
Accounts Payable	351,434	312,053	663,487
Accrued Wages and Benefits	934,790	160,579	1,095,369
Contracts Payable	1,635,168	115,562	1,750,730
Retainage Payable	1,066,274	0	1,066,274
Accrued Interest Payable	130,968	20,274	151,242
Unearned Revenue	1,773,959	0	1,773,959
Claims Payable	581,070	0	581,070
Intergovernmental Payable	58,990	0	58,990
Long-Term Liabilities:			
Due Within One Year	4,017,420	1,544,214	5,561,634
Due In More Than One Year			
Bonds	47,985,649	4,313,699	52,299,348
Certificate of Participation	0	5,222,666	5,222,666
Net Pension Liability	31,043,160	2,223,025	33,266,185
Net Other Postemployment Benefits Liability	3,876,841	0	3,876,841
Compensated Absences	1,207,649	180,819	1,388,468
Total Liabilities	94,663,372	14,092,891	108,756,263
Deferred Inflows of Resources:			
Property Taxes	8,816,904	0	8,816,904
Grants and Other Taxes	1,072,099	0	1,072,099
Pension	5,829,344	1,141,222	6,970,566
Other Postemployment Benefits	4,137,225	962,101	5,099,326
Total Deferred Inflows of Resources	19,855,572	2,103,323	21,958,895
Net Position:			
Net Investment in Capital Assets	205,582,972	109,956,987	315,539,959
Restricted for:			
Debt Service	4,026,938	0	4,026,938
Street Improvements	10,167,680	0	10,167,680
Public Safety	16,678,978	0	16,678,978
Parks and Recreation	324,683	0	324,683
Tax increment Financing Projects	5,384,269	0	5,384,269
Other Purposes	7,246	0	7,246
Unrestricted	61,029,217	28,733,880	89,763,097
Total Net Position	\$303,201,983	\$138,690,867	\$441,892,850

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
	Expenses						
Governmental Activities:							
General Government	\$10,018,970	\$1,547,546	\$0	\$0	(\$8,471,424)	\$0	(\$8,471,424)
Public Safety	14,286,543	3,065,674	667,741	0	(10,553,128)	0	(10,553,128)
Community Development	3,818,410	928,019	0	0	(2,890,391)	0	(2,890,391)
Leisure Time Activities	2,844,816	811,744	0	0	(2,033,072)	0	(2,033,072)
Transportation and Street Repair	11,706,887	188,219	2,589,237	7,331,659	(1,597,772)	0	(1,597,772)
Basic Utility Service	291,674	410,462	0	0	118,788	0	118,788
Interest and Other Charges	1,450,526	0	0	0	(1,450,526)	0	(1,450,526)
Total Governmental Activities	44,417,826	6,951,664	3,256,978	7,331,659	(26,877,525)	0	(26,877,525)
Business-Type Activities:							
Sewer	5,405,378	8,434,109	0	1,645,161	0	4,673,892	4,673,892
Waste Collection	1,936,182	1,964,916	0	0	0	28,734	28,734
Stormwater Utility	1,327,447	1,640,468	0	486,640	0	799,661	799,661
Community Center	6,835,350	6,101,698	0	0	0	(733,652)	(733,652)
Golf Course	3,110,931	2,254,934	0	0	0	(855,997)	(855,997)
Total Business-Type Activities	18,615,288	20,396,125	0	2,131,801	0	3,912,638	3,912,638
Totals	\$63,033,114	\$27,347,789	\$3,256,978	\$9,463,460	(26,877,525)	3,912,638	(22,964,887)
General Revenues:							
Income Taxes					45,434,993	0	45,434,993
Property Taxes Levied for:							
General Purposes					694,693	0	694,693
Special Revenue Purposes					4,695,485	0	4,695,485
Debt Service Purposes					1,972,812	0	1,972,812
Grants and Entitlements, Not Restricted					2,632,482	0	2,632,482
Revenue in Lieu of Taxes					2,175,219	0	2,175,219
Investment Earnings					(441,458)	(187,148)	(628,606)
Other Revenues					223,924	34,322	258,246
Transfers-Internal Activities					(2,785,000)	2,785,000	0
Total General Revenues and Transfers					54,603,150	2,632,174	57,235,324
Change in Net Position					27,725,625	6,544,812	34,270,437
Net Position - Beginning of Year					275,476,358	132,146,055	407,622,413
Net Position - End of Year					\$303,201,983	\$138,690,867	\$441,892,850

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	Street Construction, Maintenance and Repair	Safety	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Investments	\$86,351,238	\$19,019,424	\$15,737,409	\$2,135,450	\$10,079,989	\$133,323,510
Receivables (Net):						
Taxes	8,153,239	0	6,197,438	2,435,091	0	16,785,768
Accounts	211,082	0	71,735	0	30,210	313,027
Interest	190,329	43,773	36,967	0	106	271,175
Intergovernmental	425,594	1,393,613	379,319	139,870	1,502,323	3,840,719
Special Assessments	2,404	0	0	0	1,698,863	1,701,267
Interfund	5,530,000	0	0	0	0	5,530,000
Inventory	416,641	0	19,407	0	7,246	443,294
Total Assets	101,280,527	20,456,810	22,442,275	4,710,411	13,318,737	162,208,760
Liabilities:						
Accounts Payable	287,009	0	60,902	0	3,523	351,434
Accrued Wages and Benefits	612,770	0	307,266	0	14,754	934,790
Contracts Payable	170,962	1,464,206	0	0	0	1,635,168
Retainage Payable	505,092	561,182	0	0	0	1,066,274
Interfund Payable	0	0	0	0	280,000	280,000
Unearned Revenue	0	0	0	0	1,773,959	1,773,959
Claims Payable	581,070	0	0	0	0	581,070
Intergovernmental Payable	20,646	0	38,344	0	0	58,990
Total Liabilities	2,177,549	2,025,388	406,512	0	2,072,236	6,681,685
Deferred Inflows of Resources:						
Property Taxes	765,303	0	5,940,438	2,334,091	0	9,039,832
Income Taxes	2,855,265	0	0	0	0	2,855,265
Grants and Other Taxes	293,768	950,148	379,319	139,870	1,472,427	3,235,532
Special Assessments	2,404	0	0	0	1,698,863	1,701,267
Unavailable Amounts	153,729	17,424	14,714	0	42	185,909
Total Deferred Inflows of Resources	4,070,469	967,572	6,334,471	2,473,961	3,171,332	17,017,805
Fund Balances:						
Nonspendable	541,463	0	19,407	0	7,246	568,116
Restricted	0	17,463,850	15,681,885	2,236,450	7,691,697	43,073,882
Committed	0	0	0	0	686	686
Assigned	62,592,069	0	0	0	579,607	63,171,676
Unassigned	31,898,977	0	0	0	(204,067)	31,694,910
Total Fund Balances	95,032,509	17,463,850	15,701,292	2,236,450	8,075,169	138,509,270
Total Liabilities, Deferred Inflows and Fund Balances	\$101,280,527	\$20,456,810	\$22,442,275	\$4,710,411	\$13,318,737	\$162,208,760

See accompanying notes to the basic financial statements

City of Mason, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2021

Total Governmental Fund Balance	\$138,509,270
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets used in the operation of Governmental Funds	246,134,379
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Income Taxes	2,855,265	
Delinquent Property Taxes	222,928	
Interest	107,940	
Intergovernmental	2,163,433	
Other Receivables	<u>1,779,236</u>	
		7,128,802

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

(130,968)

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

Compensated Absences	(2,365,069)
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Deferred outflow of resources associated with long-term liabilities are not reported in the funds.

794,696

Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	4,994,364	
Deferred inflows of resources related to pensions	(5,829,344)	
Deferred outflows of resources related to OPEB	3,111,699	
Deferred inflows of resources related to OPEB	<u>(4,137,225)</u>	
		(1,860,506)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	757,029	
Bonds	(50,845,649)	
Net Pension Liability	(31,043,160)	
Net OPEB Liability	<u>(3,876,841)</u>	
		(85,008,621)

Net Position of Governmental Activities	<u>\$303,201,983</u>
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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, 2021

	General	Street Construction, Maintenance and Repair	Safety	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$2,130,466	\$0	\$4,679,318	\$1,829,790	\$0	\$8,639,574
Income Taxes	45,336,168	0	0	0	0	45,336,168
Charges for Services	3,504,232	0	715,877	0	0	4,220,109
Investment Earnings	(401,689)	16,950	(46,745)	0	(1,880)	(433,364)
Intergovernmental	1,261,557	9,273,180	637,368	245,387	184,963	11,602,455
Special Assessments	0	0	0	0	136,654	136,654
Fines, Licenses & Permits	1,653,570	0	0	0	909,764	2,563,334
Revenue in Lieu of Taxes	0	0	0	0	1,982,675	1,982,675
Other Revenues	609,014	0	59,638	0	50,568	719,220
Total Revenues	54,093,318	9,290,130	6,045,456	2,075,177	3,262,744	74,766,825
Expenditures:						
Current:						
General Government	9,502,861	0	0	0	410,472	9,913,333
Public Safety	8,793,575	0	8,002,926	0	12,663	16,809,164
Community Development	2,732,498	0	0	0	1,268,074	4,000,572
Leisure Time Activities	2,701,370	0	0	0	0	2,701,370
Transportation and Street Repair	3,998,899	4,716,716	0	0	620,134	9,335,749
Basic Utility Service	291,674	0	0	0	0	291,674
Capital Outlay	17,169,663	7,638,121	562,127	0	0	25,369,911
Debt Service:						
Principal	0	0	0	3,885,000	285,000	4,170,000
Interest and Other Charges	0	0	0	1,188,457	121,813	1,310,270
Bond Issuance Costs	0	203,044	0	0	0	203,044
Total Expenditures	45,190,540	12,557,881	8,565,053	5,073,457	2,718,156	74,105,087
Excess of Revenues Over (Under) Expenditures	8,902,778	(3,267,751)	(2,519,597)	(2,998,280)	544,588	661,738
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	100,920	0	0	0	0	100,920
Issuance of Long-Term Capital-Related Debt	0	10,000,000	0	0	0	10,000,000
Premium on Debt Issuance	0	938,034	0	0	0	938,034
Transfers In	14,823	1,500,000	3,329,676	3,336,000	16,672	8,197,171
Transfers (Out)	(10,359,995)	0	0	0	(622,176)	(10,982,171)
Total Other Financing Sources (Uses)	(10,244,252)	12,438,034	3,329,676	3,336,000	(605,504)	8,253,954
Net Change in Fund Balance	(1,341,474)	9,170,283	810,079	337,720	(60,916)	8,915,692
Fund Balance - Beginning of Year	96,340,387	8,293,567	14,893,677	1,898,730	8,156,454	129,582,815
Change in Reserve for Inventory	33,596	0	(2,464)	0	(20,369)	10,763
Fund Balance - End of Year	\$95,032,509	\$17,463,850	\$15,701,292	\$2,236,450	\$8,075,169	\$138,509,270

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds	\$8,915,692
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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	26,140,844	
Depreciation Expense	<u>(4,784,147)</u>	
		21,356,697

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.	(11,510)
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Governmental funds report pension and OPEB contributions as
expenditures. However in the Statement of Activities, the cost
of pension and OPEB benefits earned net of employee
contributions are reported as pension and OPEB expense.

Pension Contributions	2,864,641	
Pension Expense	(1,980,572)	
OPEB Contributions	46,008	
OPEB Expense	<u>4,323,484</u>	
		5,253,561

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

Income Taxes	98,825	
Delinquent Property Taxes	24,494	
Interest	(8,094)	
Intergovernmental	(860,870)	
Other	<u>(395,422)</u>	
		(1,141,067)

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

Premium on Bonds Issued	(938,034)
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Repayments of principal are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,170,000
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In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.	(6,670)
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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	46,735	
Amortization of Bond Premium	215,475	
Amortization of Deferred Charge on Refunding	(146,017)	
Change in Inventory	<u>10,763</u>	
		126,956

(Continued)

City of Mason, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2021

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

(10,000,000)

Change in Net Position of Governmental Activities

\$27,725,625

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Sewer	Waste Collection	Stormwater Utility	Community Center	Golf Course	
Current Assets:						
Equity in Pooled Cash and Investments	\$20,861,499	\$930,497	\$4,427,663	\$5,907,037	\$4,514,241	\$36,640,937
Receivables (Net):						
Accounts	924,709	214,212	156,594	47,141	2,641	1,345,297
Interest	48,013	2,142	10,190	0	0	60,345
Inventory	42,412	0	0	36,326	102,365	181,103
Prepaid Items	0	0	0	322,664	0	322,664
Total Current Assets	21,876,633	1,146,851	4,594,447	6,313,168	4,619,247	38,550,346
Noncurrent Assets:						
Net OPEB Asset	93,642	1,991	12,342	167,956	0	275,931
Capital Assets:						
Nondepreciable Capital Assets	4,873,076	0	339,809	0	5,858,865	11,071,750
Depreciable Capital Assets, Net	53,717,046	0	38,713,876	14,803,472	2,537,208	109,771,602
Total Noncurrent Assets	58,683,764	1,991	39,066,027	14,971,428	8,396,073	121,119,283
Total Assets	80,560,397	1,148,842	43,660,474	21,284,596	13,015,320	159,669,629
Deferred Outflows of Resources:						
Pension	112,474	2,391	14,824	201,733	0	331,422
Other Postemployment Benefits	46,164	981	6,085	82,800	0	136,030
Total Deferred Outflows of Resources	158,638	3,372	20,909	284,533	0	467,452
Liabilities:						
Current Liabilities:						
Accounts Payable	166,425	0	6,479	71,116	68,033	312,053
Accrued Wages and Benefits	55,241	1,130	8,072	96,136	0	160,579
Compensated Absences	120,921	4,205	16,847	52,241	0	194,214
Contracts Payable	38,144	9,778	18,683	48,957	0	115,562
Accrued Interest Payable	0	0	0	11,811	8,463	20,274
Interfund Payable	0	0	0	5,250,000	0	5,250,000
Long-Term Liabilities Due Within One Year	0	0	0	685,000	665,000	1,350,000
Total Current Liabilities	380,731	15,113	50,081	6,215,261	741,496	7,402,682
Long-Term Liabilities:						
Bonds	0	0	0	0	4,313,699	4,313,699
Certificate of Participation	0	0	0	5,222,666	0	5,222,666
Net Pension Liability	754,425	16,039	99,435	1,353,126	0	2,223,025
Compensated Absences	127,290	1,220	15,119	37,190	0	180,819
Total Noncurrent Liabilities	881,715	17,259	114,554	6,612,982	4,313,699	11,940,209
Total Liabilities	1,262,446	32,372	164,635	12,828,243	5,055,195	19,342,891
Deferred Inflows of Resources:						
Pension	387,295	8,234	51,046	694,647	0	1,141,222
Other Postemployment Benefits	326,507	6,941	43,034	585,619	0	962,101
Total Deferred Inflows of Resources	713,802	15,175	94,080	1,280,266	0	2,103,323
Net Position:						
Net Investment in Capital Assets	58,590,122	0	39,053,685	8,895,806	3,417,374	109,956,987
Unrestricted	20,152,665	1,104,667	4,368,983	(1,435,186)	4,542,751	28,733,880
Total Net Position	\$78,742,787	\$1,104,667	\$43,422,668	\$7,460,620	\$7,960,125	\$138,690,867

See accompanying notes to the basic financial statements

City of Mason, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Sewer	Waste Collection	Stormwater Utility	Community Center	Golf Course	
Operating Revenues:						
Charges for Services	\$8,434,109	\$1,964,916	\$1,640,468	\$6,101,698	\$2,254,934	\$20,396,125
Other Revenues	0	0	0	34,322	0	34,322
Total Operating Revenues	8,434,109	1,964,916	1,640,468	6,136,020	2,254,934	20,430,447
Operating Expenses:						
Personal Services	633,307	6,934	50,282	1,281,526	0	1,972,049
Contractual Services	1,303,382	1,929,248	252,449	4,243,001	2,011,163	9,739,243
Materials and Supplies	553,931	0	101,824	591,852	738,650	1,986,257
Depreciation	2,474,250	0	910,007	489,715	156,349	4,030,321
Other Expense	9,756	0	5,200	63,844	124,890	203,690
Total Operating Expenses	4,974,626	1,936,182	1,319,762	6,669,938	3,031,052	17,931,560
Operating Income (Loss)	3,459,483	28,734	320,706	(533,918)	(776,118)	2,498,887
Non-Operating Revenues (Expenses):						
Investment Earnings	(163,192)	(6,816)	(17,140)	0	0	(187,148)
Interest (Expense)	(430,752)	0	(7,685)	(165,412)	(79,879)	(683,728)
Total Non-Operating Revenues (Expenses)	(593,944)	(6,816)	(24,825)	(165,412)	(79,879)	(870,876)
Income (Loss) Before Contributions and Transfers	2,865,539	21,918	295,881	(699,330)	(855,997)	1,628,011
Capital Grants and Contributions	1,645,161	0	486,640	0	0	2,131,801
Transfers In	0	0	0	0	2,785,000	2,785,000
Change in Net Position	4,510,700	21,918	782,521	(699,330)	1,929,003	6,544,812
Net Position - Beginning of Year	74,232,087	1,082,749	42,640,147	8,159,950	6,031,122	132,146,055
Net Position - End of Year	\$78,742,787	\$1,104,667	\$43,422,668	\$7,460,620	\$7,960,125	\$138,690,867

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, 2021

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Sewer	Waste Collection	Stormwater Utility	Community Center	Golf Course	
Cash Flows from Operating Activities:						
Cash Received from Customers	\$8,440,046	\$1,933,084	\$1,621,549	\$6,137,375	\$2,255,649	\$20,387,703
Cash Payments to Employees	(1,397,471)	(31,392)	(195,201)	(2,386,787)	0	(4,010,851)
Cash Payments to Suppliers	(1,842,855)	(2,075,595)	(320,725)	(4,361,577)	(2,816,723)	(11,417,475)
Net Cash Provided (Used) by Operating Activities	5,199,720	(173,903)	1,105,623	(610,989)	(561,074)	4,959,377
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	0	0	0	0	2,785,000	2,785,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	0	2,785,000	2,785,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(354,608)	0	(234,050)	(12,839)	(199,216)	(800,713)
Debt Principal Payments	(12,380,000)	0	(550,000)	(670,000)	(650,000)	(14,250,000)
Debt Interest Payments	(572,150)	0	(9,222)	(158,319)	(114,550)	(854,241)
Capital Grants Received	1,031,243	0	0	0	0	1,031,243
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,275,515)	0	(793,272)	(841,158)	(963,766)	(14,873,711)
Cash Flows from Investing Activities:						
Earnings on Investments	(140,826)	(6,174)	(16,972)	0	0	(163,972)
Net Cash Provided (Used) by Cash Flows from Investing Activities	(140,826)	(6,174)	(16,972)	0	0	(163,972)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,216,621)	(180,077)	295,379	(1,452,147)	1,260,160	(7,293,306)
Cash and Cash Equivalents - Beginning of Year	28,078,120	1,110,574	4,132,284	7,359,184	3,254,081	43,934,243
Cash and Cash Equivalents - End of Year	20,861,499	930,497	4,427,663	5,907,037	4,514,241	36,640,937
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	3,459,483	28,734	320,706	(533,918)	(776,118)	2,498,887
Adjustments:						
Depreciation	2,474,250	0	910,007	489,715	156,349	4,030,321
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	5,937	(31,832)	7,511	1,061	(649)	(17,972)
(Increase) Decrease in Inventory	(6,565)	0	0	27,521	6,523	27,479
(Increase) Decrease in Prepaid Items	0	0	0	464,321	0	464,321
(Increase) Decrease in Deferred Outflows of Resources	146,291	4,245	25,733	214,535	0	390,804
(Increase) Decrease in Net OPEB Asset	(93,642)	(1,991)	(12,342)	(167,956)	0	(275,931)
Increase (Decrease) in Payables	30,779	(146,347)	12,318	45,572	52,821	(4,857)
Increase (Decrease) in Accrued Liabilities	34,943	27	3,042	11,817	0	49,829
Increase (Decrease) in Deferred Inflows of Resources	338,406	5,798	36,659	665,866	0	1,046,729
Increase (Decrease) in Net Pension Liability	(374,302)	(12,157)	(73,216)	(494,228)	0	(953,903)
Increase (Decrease) in Net OPEB Liability	(815,860)	(20,380)	(124,795)	(1,335,295)	0	(2,296,330)
Net Cash Provided (Used) by Operating Activities	5,199,720	(173,903)	1,105,623	(610,989)	(561,074)	4,959,377
<u>Schedule of Noncash Capital Activities:</u>						
During the fiscal year, these amounts were received representing noncash contributions of:						
Capital Assets	\$613,918	\$0	\$486,640	\$0	\$0	\$1,100,558

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	\$1,563,981
Receivables (Net):	
Accounts	26,320
Due From Others	12,962
Total Assets	<u>1,603,263</u>
Liabilities:	
Accounts Payable	<u>246</u>
Total Liabilities	<u>246</u>
Net Position:	
Individuals, Organizations, and Other Governments	23,966
Economic Development	1,159,930
Community Improvement	<u>419,121</u>
Total Net Position	<u><u>\$1,603,017</u></u>

See accompanying notes to the basic financial statements

City of Mason, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2021

	Custodial Funds
Additions:	
Municipal Court Receipts	\$2,036,510
Mason Port Authority Receipts	26,833
Community Improvement Corporation Receipts	<u>119,863</u>
Total Additions	<u>2,183,206</u>
Deductions:	
Municipal Court Disbursements	2,028,283
Mason Port Authority Disbursements	1,278
Community Improvement Corporation Disbursements	<u>198,375</u>
Total Deductions	<u>2,227,936</u>
Change in Net Position	(44,730)
Net Position - Beginning of Year	<u>1,647,747</u>
Net Position - End of Year	<u>\$1,603,017</u>

See accompanying notes to the basic financial statements

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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, Fairfield, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming, and the Village of Indian Hill. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. More information on MVRMA is presented in Note 5.

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

Note 2 – Summary of Significant Accounting Policies

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

offered by the program, cash and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Proprietary Funds

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

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

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

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

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

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

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

Additionally, the City reports the following fund types:

The Custodial Fiduciary Funds are used to account for the collection and disbursement of monies by the City on behalf of other individuals, organizations or other governmental entities. The following are the City's custodial fiduciary funds. The Municipal Court Fund to account for amounts held on behalf of other governments and bonds deposited with the court pending final disposition of various causes, the Mason Port Authority Fund to enhance future development opportunities in the City, to support the economic development strategies of the City and to promote participation in activities that will have a positive impact on the general economic wealth of Mason, and the Community Improvement Corporation Fund to account for custodial transactions related to community improvement.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding, other postemployment benefits, and pension reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

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

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

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following the Ohio Revised Code and City Ordinance, the City has specified certain funds to receive an allocation of interest earnings. Interest revenues during 2021 amounted to \$16,950 in the Street Construction, Maintenance and Repair Fund.

Inventory

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

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City uses a \$5,000 capitalization threshold.

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

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

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

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Net Position

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through 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 position are available.

The City's Governmental Activities and Community Center fund have restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements. Of the City's \$36,589,794 in restricted net position, none were restricted by enabling legislation.

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

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

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

Gain/Loss on Refunding

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

- (5) Bonds and other obligations of the State of Ohio or subdivision in Ohio.
- (6) Bonds and other obligations of any state or subdivision in the top three highest rating classification by at least one nationally recognized rating agency.
- (7) The Ohio State Treasurer's investment pool (STAR Ohio).
- (8) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Chapter 135.
- (9) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2021, \$5,900,457 of the City's bank balance of \$5,488,224 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Investments

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2021:

Investment Type	Fair Value Measurements Using			Net Asset Value*	Weighted Average Maturity in Years
	Net Asset Value* / Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs		
		Level 1	Level 2		
Commercial Paper	\$36,327,859		\$36,327,859		0.43
Federal Home Loan Bank	26,927,198		26,927,198		3.04
STAR Ohio*	26,220,766			\$26,220,766	0.14
US Treasury Notes/Bonds	25,534,447	\$25,534,447			1.60
Federal National Mortgage Association	17,259,331		17,259,331		1.71
Municipal Bonds	15,148,883		15,148,883		3.54
Negotiable Certificate of Deposit	11,288,757		11,288,757		1.04
Federal Home Loan Mortgage	6,315,631		6,315,631		2.37
Federal Farm Credit Bank	2,329,795		2,329,795		1.41
Money Market Funds	33,613	33,613			0.00
	<u>\$167,386,280</u>	<u>\$25,568,060</u>	<u>\$115,597,454</u>	<u>\$26,220,766</u>	
Portfolio Weighted Average Maturity					1.53

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2021. STAR Ohio is reported at its share price (Net Asset value per share).

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Federal Home Loan Bank, Federal Home Loan Mortgage, Federal National Mortgage Association, and Federal Farm Credit Bank were rated AA+ by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. Municipal Bonds were rated Aaa, Aa1, Aa2, Aa3, and A2 by Moody's Investors service and AAA, AA+, AA- and A+ by Standard and Poor's and Fitch ratings. The City's investments in Commercial Paper were rated A-1+ and A-1 by Standard & Poor's ratings and P-1 by Moody's Investment Service. Investments in STAR Ohio were rated AAAm by Standard & Poor's. US Treasury Notes/Bonds, Negotiable Certificate of Deposit and Money Market Funds were not rated.

Concentration of Credit Risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 10% of the City's investments in Federal National Mortgage Association, 15% in US Treasury Notes/Bonds, 22% in Commercial Paper, 4% in Federal Home Loan Mortgage, 16% in STAR Ohio, 16% in Federal Home Loan Bank, 1% in Federal Farm Credit Bank, 9% in Municipal Bonds, 7% in Negotiable Certificate of Deposit and less than 1% in Money Market Funds.

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Note 4 – Receivables

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

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

Special assessments expected to be collected in more than one year amounts to \$2,404 in the General Fund and \$1,698,863 in other governmental funds.

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Real Property	\$1,512,664,690
Public Utility	29,928,880
Total Valuation	<u>\$1,542,593,570</u>

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

The City receives property taxes from Warren County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021, and for which there is an enforceable legal claim. In the funds, a portion of the receivable has been offset by deferred inflows since

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

In November 2006, Mason voters approved an amendment to the City's charter that changed the City's Tax Ordinance to allow 100% credit for residents employed in another city.

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

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

Economic Development Agreements

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

Note 5 - Risk Management

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

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

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

Liability:

- Personal Injury Liability
- Property Damage Liability

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Public Officials Errors and Omissions

Employment Practices Liability

Employee Benefits Liability

Employer Stop Gap Liability

Limits: \$12,000,000 per occurrence. \$12,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee Benefits Liability combined; and Products/Completed Operations.

MVRMA Self-Insured Retention: \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

Property:

\$1,000,000,000/occurrence

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

Coverage excess of SIR provided by Alliant Property Insurance Program (APIP). List of carriers underwriting the coverage provided upon request.

Flood Damage:

Limits: \$25 million/occurrence and annual aggregate

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

MVRMA Self-Insured Retention: \$250,000/occurrence – all flood zones

Earthquake Shock:

Limits: \$25 million/occurrence and annual aggregate

MVRMA Self-Insured Retention: \$100,000/occurrence

Boiler & Machinery:

Limits: \$100,000,000/occurrence

MVRMA Self-Insured Retention: \$10,000-\$350,000/occurrence

Cyber Liability:

Coverage provided by Lloyds of London – Beazley Syndicate. Excess limits provided by Alliant Property Insurance Program (APIP). List of carriers underwriting the coverage provided upon request.

Aggregate Limit: \$3 million, subject to \$4 million MVRMA pool-wide aggregate

First Party Loss (Limits per Occurrence):

\$1,500,000 Business Interruption Resulting from Security Breach

\$1,000,000 Business Interruption Resulting from System Failure

\$1,500,000 Dependent Business Interruption Resulting from Security Breach

\$200,000 Dependent Business Interruption Resulting from System Failure

\$1,500,000 Cyber Extortion Loss

\$1,500,000 Data Recovery Costs

Liability:

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

E-Crime:

\$150,000 each for Fraudulent Instructions; Funds Transfer Fraud; Telephone Fraud

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Breach Response Costs:

\$1,000,000 (increased to \$2 million if designated breach response provider is used)

Pollution Liability – (claims made and reported policy):

Coverage excess of MVRMA self-insured retention provided by Ironshore Specialty Insurance Company

Limits:

\$25,000,000 Policy Aggregate for all insureds combined

\$2,000,000 Per Pollution Incident

\$2,000,000 Per Named Insured

\$2,000,000 MVRMA Pool-wide Aggregate

Retroactive Date: Policy inception

MVRMA Self-Insured Retention (SIR): \$250,000/pollution condition; \$250,000 Mold;

\$500,000 Sewage Backups; \$750,000-\$1,000,000 underground storage tanks

Crime Coverage:

Coverage excess of MVRMA self-insured retention provided by National Union Fire Insurance Co. of Pittsburgh, PA.

Limits per Occurrence:

\$2,000,000 Employee Theft Per Loss; Forgery or Alteration

\$100,000 Inside & Outside Premises—Theft of Money & Securities, Robbery, Safe Burglary

\$2,000,000 Computer Fraud

\$2,000,000 Funds Transfer Fraud

\$5,000 Money Orders and Counterfeit Paper Currency

Member Deductible per occurrence - \$2,500

The Audit of MVRMA's 2021 financial statements has not been completed yet. Data from the December 31, 2020 financial statements are as follows:

Current Assets	\$8,742,317
Non-current Assets	<u>10,166,262</u>
Total Assets	<u>18,908,579</u>
Deferred Outflows of Resources	139,248
Current Liabilities	6,196,080
Non-current Liabilities	<u>3,462,993</u>
Total Liabilities	<u>9,659,073</u>
Deferred Inflows of Resources	136,528
Net Position	<u>\$9,252,226</u>

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

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 \$581,070 reported in the General Fund at year end is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amounts were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2021	\$521,902	\$5,393,457	(\$5,334,288)	\$581,071
2020	453,564	4,312,659	(4,244,321)	521,902

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

Note 6 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2021, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 7 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$71,485,260	\$7,122,665	\$0	\$78,607,925
Construction in Progress	27,328,414	17,637,482	6,493,779	38,472,117
Total Capital Assets, not being depreciated	98,813,674	24,760,147	6,493,779	117,080,042
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	53,791,494	4,215,984	34,998	57,972,480
Equipment	24,336,327	2,409,199	304,287	26,441,239
Infrastructure	112,597,538	1,249,291	0	113,846,829
Total Capital Assets, being depreciated	190,725,359	7,874,474	339,285	198,260,548
Totals at Historical Cost	289,539,033	32,634,621	6,833,064	315,340,590
Less Accumulated Depreciation:				
Buildings and Improvements	20,171,489	1,380,820	34,998	21,517,311
Equipment	17,586,124	1,505,876	292,777	18,799,223
Infrastructure	26,992,226	1,897,451	0	28,889,677
Total Accumulated Depreciation	\$64,749,839	\$4,784,147	\$327,775	\$69,206,211
Governmental Activities Capital Assets, Net	\$224,789,194	\$27,850,474	\$6,505,289	\$246,134,379

Depreciation expense was charged to governmental functions as follows:

	Depreciation Expense
General Government	\$730,739
Public Safety	703,762
Leisure Time Activities	493,553
Transportation and Street Repair	2,833,731
Community Development	22,362
Total Depreciation Expense	\$4,784,147

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$10,752,550	\$0	\$0	\$10,752,550
Construction in Progress	57,934	468,081	206,815	319,200
Total Capital Assets, not being depreciated	10,810,484	468,081	206,815	11,071,750
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	54,642,839	0	0	54,642,839
Equipment	13,150,492	319,091	16,059	13,453,524
Infrastructure	106,363,915	1,294,486	0	107,658,401
Total Capital Assets, being depreciated	174,157,246	1,613,577	16,059	175,754,764
Totals at Historical Cost	184,967,730	2,081,658	222,874	186,826,514
Less Accumulated Depreciation:				
Buildings and Improvements	20,633,993	1,565,375	0	22,199,368
Equipment	9,991,707	681,288	16,059	10,656,936
Infrastructure	31,343,198	1,783,660	0	33,126,858
Total Accumulated Depreciation	\$61,968,898	\$4,030,323	\$16,059	\$65,983,162
Business-Type Activities Capital Assets, Net	\$122,998,832	(\$1,948,665)	\$206,815	\$120,843,352

Note 8 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

Sick Leave Conversion at Retirement

- a. Upon retirement, a full-time, regular employee who meets the age and length of service requirements of the Public Employees Retirement System or the Police and Fireman's Disability and Pension Fund, whichever is applicable, and who was also in the service of the City of Mason for a period of ten (10) continuous years prior to retirement from the service of the City of Mason may redeem his or her accumulated sick leave providing all other criteria are met in order to receive the benefits (i.e. age for retirement).
- b. Redemption shall be at a rate of three (3) accumulated sick days exchanged for (1) day of pay for the first two hundred (200) sick days. For the next twenty five sick days the redemption shall be two (2) accumulated sick days exchanged for one (1) day of pay. All remaining sick days the redemption shall be one (1) accumulated sick days exchanged for (1) day of pay. The maximum redemption is limited

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

to two hundred eighty-seven and a half (287 1/2) sick days converted to one-hundred and forty-one and two-thirds (141 2/3) days paid.

- c. Redemption for union fire employees shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to two-hundred and ten (210) days converted to seventy (70) days paid.
- d. Redemption for teamster employees shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to one-hundred and twenty (120) days converted to forty (40) days paid.
- e. Payment will be based on the employee's base rate of pay at the time of retirement.
- f. The conversion of sick leave to cash will be made as a lump sum payment and will eliminate all sick leave credit accrued by the employee.

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Long-Term Debt

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>General Obligation Bonds</u>					
2020A Recreational Facilities Improvement Bonds	\$14,330,000	\$0	(\$565,000)	\$13,765,000	\$580,000
Premium on 2020A Bonds	1,194,225	0	(62,854)	1,131,371	0
2020C Recreational Facilities Improvement Bonds	8,000,000	0	(275,000)	7,725,000	300,000
Premium on 2020C Bonds	474,086	0	(23,704)	450,382	0
2016 Various Purpose - Refunding	7,345,000	0	(955,000)	6,390,000	975,000
2017 Special Assessment Bonds	1,775,000	0	(80,000)	1,695,000	85,000
2011 Mason Road Widening	1,115,000	0	(1,115,000)	0	0
2011 US 42 Road Improvements	590,000	0	(590,000)	0	0
2015 Combined Financing	7,180,000	0	(385,000)	6,795,000	390,000
Premium on Bonds	1,124,779	0	(128,917)	995,862	0
2021 Road Improvement Bonds	0	10,000,000	0	10,000,000	315,000
Premium on 2021 Road Improvement Bonds	0	938,034	0	938,034	0
Total General Obligation Bonds	43,128,090	10,938,034	(4,180,475)	49,885,649	2,645,000
<u>Revenue Bonds</u>					
2012 Enterprise Parke TIF Refunding	110,000	0	(55,000)	55,000	55,000
Everybody's Farm TIF	1,055,000	0	(150,000)	905,000	160,000
Total Revenue Bonds	1,165,000	0	(205,000)	960,000	215,000
Total Long-Term Liabilities Bonds	44,293,090	10,938,034	(4,385,475)	50,845,649	2,860,000
Net Pension Liability:					
OPERS	8,841,198	0	(2,742,226)	6,098,972	0
OPF	25,218,984	0	(274,796)	24,944,188	0
Total Net Pension Liability	34,060,182	0	(3,017,022)	31,043,160	0
Net OPEB Liability:					
OPERS	6,390,550	0	(6,390,550)	0	0
OPF	3,697,841	179,000	0	3,876,841	0
Total Net OPEB Liability	10,088,391	179,000	(6,390,550)	3,876,841	0
Compensated Absences	2,411,804	1,068,911	(1,115,646)	2,365,069	1,157,420
Total Governmental Activities	\$90,853,467	\$12,185,945	(\$14,908,693)	\$88,130,719	\$4,017,420

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City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
<u>General Obligation Bonds</u>					
2020 Recreational Facilities	\$5,360,000	\$0	(\$650,000)	4,710,000	\$665,000
Premium on Recreational Facilities	302,287	0	(33,588)	268,699	0
Sewer Refunding	12,380,000	0	(12,380,000)	0	0
Premium on Sewer Refunding	1,505,000	0	(1,505,000)	0	0
Stormwater Improvement	550,000	0	(550,000)	0	0
Premium on Bonds	26,430	0	(26,430)	0	0
Total General Obligation Bonds	20,123,717	0	(15,145,018)	4,978,699	665,000
<u>Certificate of Participation Bonds</u>					
2019 Certificate of Participation Refunding	6,645,000	0	(670,000)	5,975,000	685,000
Discount on Certificate of Participation	(75,751)	8,417	0	(67,334)	0
Total Certificate of Participation Bonds	6,569,249	8,417	(670,000)	5,907,666	685,000
Net Pension Liability:					
OPERS	3,176,928	0	(953,903)	2,223,025	0
Total Net Pension Liability	3,176,928	0	(953,903)	2,223,025	0
Net OPEB Liability:					
OPERS	2,296,330	0	(2,296,330)	0	0
Total Net OPEB Liability	2,296,330	0	(2,296,330)	0	0
Compensated Absences - Enterprise	350,023	199,169	(174,159)	375,033	194,214
Total Business-Type Activities	\$32,516,247	\$207,586	(\$19,239,410)	\$13,484,423	\$1,544,214

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund or an Enterprise Fund. General obligation bonds will be paid from the General Obligation Bond Retirement Fund, the Special Assessment Bond Retirement Fund, Mason Enterprise Parke TIF Fund, Sewer Fund, Stormwater Utility Fund, Community Center Fund and the Golf Course Fund. The Special Assessment Bonds are backed by the full faith and credit of the City and are repaid from the resources of the Special Assessment Bond Retirement Fund. The City levies an assessment against the effected property owners. There are no repayment schedules for the net pension and net other postemployment benefits (OPEB) liabilities; however, employer pension and OPEB contributions are made from the fund benefitting from their service (this is usually a the General Fund or an Enterprise Fund).

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

Year	General Obligation Bonds and Note		Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$3,310,000	\$1,550,414	\$215,000	\$53,963
2023	3,435,000	1,432,313	170,000	42,838
2024	3,550,000	1,325,843	55,000	33,062
2025	3,655,000	1,105,163	60,000	29,900
2026	3,785,000	1,080,632	65,000	26,450
2027-2031	13,330,000	3,595,775	395,000	70,724
2032-2036	12,105,000	1,679,936	0	0
2037-2041	7,910,000	416,673	0	0
	<u>\$51,080,000</u>	<u>\$12,186,749</u>	<u>\$960,000</u>	<u>\$256,937</u>

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Recreational Facilities Improvement Bonds

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

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

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

Long Term Special Assessment Bonds

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

Road Improvement Bonds

On October 21, 2021 the City issued \$10,000,000 in Road Improvement Bonds, with an interest rate between 2.00% and 5.00%. The bonds were issued for the purpose of making road improvements to State Route 741. The bond will be paid from the general bond retirement fund and will mature December 1, 2041.

Note 10 – Certificates of Participation

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

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

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

City of Mason, Ohio
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For the Year Ended December 31, 2021

<u>Year</u>	<u>Business-Type Activities</u>
2022	\$826,727
2023	830,479
2024	828,756
2025	826,678
2026	829,244
2027-2029	2,488,500
Total minimum lease payments	6,630,384
Less: Amount representing interest	(655,384)
Present value of minimum lease payments	<u>\$5,975,000</u>

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

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

Note 11 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees may pay a portion of the health care costs in the form of a monthly premium. State statute requires the

City of Mason, Ohio
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retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

City of Mason, Ohio
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Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

Funding Policy

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

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

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

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

For 2021, the City's contractually required contribution was \$1,240,697, of this amount \$107,852 is reported in accrued wages and benefits.

City of Mason, Ohio
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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are

City of Mason, Ohio
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entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,955,367 for 2021, of this amount \$142,169 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

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City of Mason, Ohio
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	OPERS Traditional Plan	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$8,321,997	\$24,944,188	\$33,266,185
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05620000%	0.36590670%	
Prior Measurement Date	0.06080300%	0.37436140%	
Change in Proportionate Share	-0.00460300%	-0.00845470%	
Pension Expense	(\$280,328)	\$2,221,830	\$1,941,502

At December 31 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$1,042,752	\$1,042,752
Changes in assumptions	0	418,326	418,326
Changes in employer proportionate share of net pension liability	0	668,644	668,644
Contributions subsequent to the measurement date	1,240,697	1,955,367	3,196,064
Total Deferred Outflows of Resources	\$1,240,697	\$4,085,089	\$5,325,786
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$348,116	\$971,751	\$1,319,867
Net difference between projected and actual earnings on pension plan investments	3,243,671	1,209,958	4,453,629
Changes in employer proportionate share of net pension liability	680,431	516,639	1,197,070
Total Deferred Inflows of Resources	\$4,272,218	\$2,698,348	\$6,970,566

\$3,196,064 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPF	Total
2022	(\$1,836,328)	\$170,866	(\$1,665,462)
2023	(671,271)	613,426	(57,845)
2024	(1,322,230)	(1,125,966)	(2,448,196)
2025	(442,389)	(217,919)	(660,308)
2026	0	(9,033)	(9,033)
Total	(\$4,272,218)	(\$568,626)	(\$4,840,844)

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Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% to 10.75% including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, simple
Post-January 7, 2013 Retirees	0.50%, simple through 2021, then 2.15%, simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with

City of Mason, Ohio
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a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$15,874,252	\$8,321,997	\$2,042,308

City of Mason, Ohio
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Changes from the Measurement Date to the Report Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

*Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio

City of Mason, Ohio
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may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$34,725,505	\$24,944,188	\$16,758,214

Note 12 – Postemployment Benefits

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through

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a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy

The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

City of Mason, Ohio
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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

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

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$46,008 for 2021.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

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	OPERS Traditional Plan	OPF	Total
Proportionate Share of the:			
Net OPEB (Asset)	(\$1,032,960)		(\$1,032,960)
Net OPEB Liability		\$3,876,841	\$3,876,841
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.05798000%	0.36590670%	
Prior Measurement Date	0.06289100%	0.37436140%	
Change in Proportionate Share	-0.00491100%	-0.00845470%	
OPEB Expense	(\$6,521,291)	\$479,668	(\$6,041,623)

At December 31 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Changes in assumptions	\$507,815	\$2,141,743	\$2,649,558
Changes in employer proportionate share of net OPEB liability (asset)	1,421	550,742	552,163
Contributions subsequent to the measurement date	0	46,008	46,008
Total Deferred Outflows of Resources	<u>\$509,236</u>	<u>\$2,738,493</u>	<u>\$3,247,729</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$932,240	\$639,470	\$1,571,710
Changes in assumptions	1,673,705	618,041	2,291,746
Net difference between projected and actual earnings on OPEB plan investments	550,169	144,070	694,239
Changes in employer proportionate share of net OPEB liability (asset)	445,558	96,073	541,631
Total Deferred Inflows of Resources	<u>\$3,601,672</u>	<u>\$1,497,654</u>	<u>\$5,099,326</u>

\$46,008 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPF	Total
2022	(\$1,666,046)	\$274,978	(\$1,391,068)
2023	(1,122,482)	309,095	(813,387)
2024	(239,081)	255,308	16,227
2025	(64,827)	252,685	187,858
2023	0	56,274	56,274
Thereafter	0	46,491	46,491
Total	<u>(\$3,092,436)</u>	<u>\$1,194,831</u>	<u>(\$1,897,605)</u>

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Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate:	
Current measurement date	8.50%, initial 3.50%, ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a

City of Mason, Ohio
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long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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

The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

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	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net OPEB (asset)	(\$256,851)	(\$1,032,960)	(\$1,670,984)

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,058,135)	(\$1,032,960)	(\$1,004,793)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan

City of Mason, Ohio
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members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Blended discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available

City of Mason, Ohio
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to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
Proportionate share of the net OPEB liability	\$4,834,199	\$3,876,841	\$3,087,133

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

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

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City of Mason, Ohio
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Note 13 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

Construction

Projects	Amount
SR 741 Improvement Spyglass Hill to Welden	\$9,314,626
SR 741 Improvement Welden to Avalon	3,518,208
Golf Course Improvements	3,424,758
St Rt 741 Parkside Intersection	1,065,691
Annual Street Maintenance	1,040,201
Aquatic Center Improvements	992,982
I-71/Western Row Rd interchange Enhancement	585,853
Butler-Warren Rd & Western Row Rd RAB	368,122
Sports Center Drive Culvert	307,014
Snider Rd Imp WRR to US42	221,249
Raw Watermain Relocation	126,000
R&D Connector Red (MM to US 42)	79,331
Annual Plant Maintenance	56,255
Annual Street Tree Program	40,548
Medic Unit	39,201
Arbor creek Lift Station Improv	36,490
Makino Park Ballfields	35,784
Mason-Montgomery Rd Sidewalk (Con Crossing/Ent)	34,948
Willow Brooke Lift Station	22,070
Annual Street Striping	19,903
US 42 Sewer Exp & Lift	13,806
Indianwood Drainage Improvements	11,635
Cricket Pitch HO Park	8,286
Annual Sidewalk Program	8,281
US 42 Roadway Flooding	6,380
Force Main & Manhole Improvement	6,166
Salt Barn	5,000
Central Park Blvd Extension	2,300
US 42 Roundabouts	1,735
	<u>\$21,392,823</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. Outstanding encumbrances as of December 31, 2021 were as follows:

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Fund	Amount
General	\$17,407,840
Street Construction, Maintenance and Repair	19,667,536
Safety	586,928
General Obligation Bond Retirement	30,973
Sewer	813,608
Waste Collection	11,412
Stormwater Utility	162,698
Community Center	436,354
Golf Course	4,024,240
Nonmajor Funds	1,401,610
Total	<u>\$44,543,199</u>

Note 14 – Interfund Transactions

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

Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$5,530,000	\$0	\$14,823	\$10,359,995
Street Construction, Maintenance and Repair Fund	0	0	1,500,000	0
Safety Fund	0	0	3,329,676	0
General Obligation Bond Retirement	0	0	3,336,000	0
Other Governmental Funds	0	280,000	16,672	622,176
Community Center Fund	0	5,250,000	0	0
Golf Course Fund	0	0	2,785,000	0
Total All Funds	<u>\$5,530,000</u>	<u>\$5,530,000</u>	<u>\$10,982,171</u>	<u>\$10,982,171</u>

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

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

The transfer out of the State Highway Improvement Fund (Other Governmental Funds) to the General Obligation Bond Retirement Fund of \$601,000 was to make the debt service payment for the US 42 Road Improvement debt that is included in the 2013 Various Purpose General Obligation Bonds. The transfer out of the Municipal Court Indigent Driver IDAM Fund (Other Governmental Funds) to the Indigent Driver Fund (Other Governmental Funds) of \$6,353 was for indigent driver programs. The transfer out of the Government Center Bond Retirement Fund (Other Governmental Funds) to the General Fund of \$14,823 was to close out the Government Center Bond Retirement Fund.

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Note 15 – Joint Venture

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

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

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

Distribution of Gross Tax:

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

Net Distribution:

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

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City of Mason, Ohio
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For the Year Ended December 31, 2021

Note 16 – Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	Safety	General Obligation Bond Retirement	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$416,641	\$0	\$19,407	\$0	\$7,246	\$443,294
Unclaimed Monies	124,822	0	0	0	0	124,822
Total Nonspendable	541,463	0	19,407	0	7,246	568,116
Restricted for:						
Street Construction Maintenance and Repair	0	17,463,850	0	0	0	17,463,850
Fire and Emergency Medical Service Safety	0	0	15,681,885	0	0	15,681,885
General Obligation Bond Retirement	0	0	0	2,236,450	0	2,236,450
Street Subdivision	0	0	0	0	1,235,804	1,235,804
Parks and Recreation	0	0	0	0	324,683	324,683
Drug Law Enforcement	0	0	0	0	54,745	54,745
Law Enforcement and Education	0	0	0	0	6,715	6,715
Indigent Drive	0	0	0	0	16,375	16,375
Municipal Court Computer Costs	0	0	0	0	249,938	249,938
Municipal Court Education	0	0	0	0	287,681	287,681
Municipal Court Improvement	0	0	0	0	364,044	364,044
Vehicle Immobilization Fee	0	0	0	0	17,398	17,398
Municipal Court Probation Services	0	0	0	0	65,592	65,592
Municipal Court Indigent Driver IDAM	0	0	0	0	342	342
Central Parke TIF	0	0	0	0	781,041	781,041
Mason Enterprise Parke TIF	0	0	0	0	102,167	102,167
Tylersville Road TIF	0	0	0	0	758,404	758,404
I-71 Corridor TIF	0	0	0	0	3,134,085	3,134,085
Everybody's Farm TIF	0	0	0	0	272,418	272,418
Special Assessment Bond Retirement	0	0	0	0	20,265	20,265
Total Restricted	0	17,463,850	15,681,885	2,236,450	7,691,697	43,073,882
Committed to:						
Police Crime Prevention	0	0	0	0	686	686
Total Committed	0	0	0	0	686	686
Assigned to:						
General Capital Improvement	56,583,745	0	0	0	0	56,583,745
Common Ground Park Construction	0	0	0	0	71,111	71,111
Subdivision Inspection	0	0	0	0	508,496	508,496
Protection and Enforcement	236,951	0	0	0	0	236,951
Recreation Services	240,396	0	0	0	0	240,396
Transportation Services	256,899	0	0	0	0	256,899
General Governance	420,130	0	0	0	0	420,130
Community Development	3,324,910	0	0	0	0	3,324,910
Asset Development and Management	1,529,038	0	0	0	0	1,529,038
Total Assigned	62,592,069	0	0	0	579,607	63,171,676
Unassigned (Deficit)	31,898,977	0	0	0	(204,067)	31,694,910
Total Fund Balance	\$95,032,509	\$17,463,850	\$15,701,292	\$2,236,450	\$8,075,169	\$138,509,270

Note 17 – Tax Abatements

As of December 31, 2021, the City provides tax abatements through the Community Reinvestment Area (CRA) program. The Ohio Community Reinvestment Area program is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to 3735.70, city, village or

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. It is the City's policy to have reimbursement agreements with school districts for any CRA prior to 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

<u>City of Mason Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (in thousands)</u>	<u>City of Mason Share of Taxes Abated (in thousands)</u>
Community Reinvestment Area	\$4,101	\$453

Note 18 – Asset Retirement Obligations (ARO)

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

Note 19 – Implementations of new Accounting Principles

For fiscal year 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period and GASB Statement No. 98, The Annual Comprehensive Financial Report.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Interest costs incurred before the end of a construction period are recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In Financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Note 20 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.05620000%	0.06080300%	0.06179400%	0.06043500%	0.06167100%
City's Proportionate Share of the Net Pension Liability	\$8,321,997	\$12,018,126	\$16,924,124	\$9,481,080	\$14,004,435
City's Covered Payroll	\$7,915,464	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.48%	202.77%	118.70%	175.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.70%	74.70%	84.66%	77.25%

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

Note:

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

2016	2015	2014
0.06357900%	0.06477700%	0.06477700%
\$11,012,684	\$7,812,829	\$7,636,364
\$9,235,283	\$7,967,975	\$8,325,577
119.25%	98.05%	91.72%
81.08%	86.45%	86.36%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.36590670%	0.37436140%	0.37274600%	0.37405900%	0.35072000%
City's Proportionate Share of the Net Pension Liability	\$24,944,188	\$25,218,984	\$30,425,923	\$22,957,690	\$22,214,253
City's Covered Payroll	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	249.45%	285.34%	324.67%	253.18%	263.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%

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

Note:

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

2016	2015	2014
0.33845900%	0.33722890%	0.33722890%
\$21,773,305	\$17,469,862	\$16,424,105
\$7,354,405	\$6,931,636	\$5,687,506
296.06%	252.03%	288.78%
66.77%	72.20%	73.00%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$1,240,697	\$1,108,165	\$1,197,690	\$1,168,491	\$1,038,340
Contributions in Relation to the Contractually Required Contribution	<u>(1,240,697)</u>	<u>(1,108,165)</u>	<u>(1,197,690)</u>	<u>(1,168,491)</u>	<u>(1,038,340)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$8,862,121	\$7,915,464	\$8,554,929	\$8,346,364	\$7,987,231
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%

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

Note:

See accompanying notes to the required supplementary information.

2016	2015	2014
\$956,755	\$1,108,234	\$956,157
(956,755)	(1,108,234)	(956,157)
\$0	\$0	\$0
\$7,972,958	\$9,235,283	\$7,967,975
12.00%	12.00%	12.00%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$1,955,367	\$1,899,922	\$1,867,527	\$1,780,557	\$1,722,883
Contributions in Relation to the Contractually Required Contribution	<u>(1,955,367)</u>	<u>(1,899,922)</u>	<u>(1,867,527)</u>	<u>(1,780,557)</u>	<u>(1,722,883)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$9,219,081	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805
Contributions as a Percentage of Covered Payroll	21.21%	19.00%	21.13%	19.00%	19.00%

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

Note:

See accompanying notes to the required supplementary information.

2016	2015	2014
\$1,601,957	\$1,477,500	\$1,411,281
(1,601,957)	(1,477,500)	(1,411,281)
\$0	\$0	\$0
\$8,431,353	\$7,354,405	\$6,931,636
19.00%	20.09%	20.36%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.05798000%	0.06289100%	0.06390900%	0.06261000%	0.06372551%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,032,960)	\$8,686,880	\$8,332,224	\$6,798,985	\$6,436,492
City's Covered Payroll	\$7,915,464	\$8,554,929	\$8,346,364	\$7,987,231	\$7,972,958
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-13.05%	101.54%	99.83%	85.12%	80.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.57%	47.80%	46.33%	54.14%	54.04%

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

Note:

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.36590670%	0.37436140%	0.37274600%	0.37405900%	0.35072000%
City's Proportionate Share of the Net OPEB Liability	\$3,876,841	\$3,697,841	\$3,394,424	\$21,193,659	\$16,647,890
City's Covered Payroll	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805	\$8,431,353
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.77%	41.84%	36.22%	233.72%	197.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.10%	46.57%	14.13%	15.96%

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

Note:

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll	\$8,862,121	\$7,915,464	\$8,554,929	\$8,346,364	\$7,987,231
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

Note:

See accompanying notes to the required supplementary information.

2016
\$0
0
\$0
\$7,972,958
0.00%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$46,008	\$44,710	\$43,816	\$41,701	\$104,088
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(46,008)</u>	<u>(44,710)</u>	<u>(43,816)</u>	<u>(41,701)</u>	<u>(104,088)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$9,219,081	\$9,999,589	\$8,838,273	\$9,371,353	\$9,067,805
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.45%	0.50%	0.44%	1.15%

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

Note:

See accompanying notes to the required supplementary information.

2016
\$185,509
(185,509)
\$0
\$8,431,353
2.20%

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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$35,533,400	\$42,533,400	\$46,869,894	\$4,336,494
Fines, Licenses and Permits	1,438,000	1,438,000	1,642,335	204,335
Intergovernmental	55,000	55,000	807,487	752,487
Charges for Services	1,015,000	1,015,000	1,713,995	698,995
Investment Earnings	200,000	200,000	861,832	661,832
Other Revenues	285,500	285,500	580,146	294,646
Total Revenues	38,526,900	45,526,900	52,475,689	6,948,789
Expenditures:				
Current:				
General Government				
City Manager	393,349	405,349	387,678	17,671
Assistant City Manager	871,126	871,126	829,456	41,670
Finance	627,335	627,335	580,204	47,131
Earnings Tax	1,081,214	1,081,214	788,897	292,317
Refunds and Reimbursements	1,500,000	1,500,000	1,496,602	3,398
Law Director	493,384	493,384	434,261	59,123
Council	398,496	398,496	345,815	52,681
Municipal Court	1,590,931	1,590,931	1,352,369	238,562
Land, Buildings and Grounds	1,103,885	1,103,885	869,025	234,860
Information Technology	982,739	982,739	837,565	145,174
Auditor's Deductions	586,825	606,825	563,988	42,837
Contingency	250,000	250,000	0	250,000
Total General Government	9,879,284	9,911,284	8,485,860	1,425,424
Public Safety				
Police Department	7,128,542	7,128,542	6,531,411	597,131
Street Lighting	419,379	459,379	450,873	8,506
Campus Security	1,422,322	1,442,322	1,406,537	35,785
Disaster Services	71,689	71,689	35,187	36,502
Total Public Safety	9,041,932	9,101,932	8,424,008	677,924
Leisure Time Activities				
Recreation Programs	619,529	619,529	516,075	103,454
Parks	1,695,194	1,695,194	1,592,990	102,204
Swimming Pool	539,172	689,172	625,440	63,732
Senior Center	205,887	205,887	91,632	114,255
Total Leisure Time Activities	3,059,782	3,209,782	2,826,137	383,645
Community Development				
Community Planning-Zoning	404,892	344,892	292,254	52,638
Building Inspections	876,967	844,967	743,349	101,618
Economic Development	748,685	748,685	556,640	192,045
Community Development	4,171,739	4,881,739	4,589,799	291,940
Total Community Development	6,202,283	6,820,283	6,182,042	638,241
Transportation & Street Repair				
Traffic Signals	241,398	241,398	144,581	96,817
Street Maintenance & Repair	3,473,325	3,473,325	3,176,348	296,977
Garage	483,813	483,813	323,596	160,217
Engineering	813,951	813,951	761,019	52,932
Total Transportation & Street Repair	5,012,487	5,012,487	4,405,544	606,943

(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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Capital Outlay	1,700,000	1,700,000	1,700,000	0
Total Expenditures	34,895,768	35,755,768	32,023,591	3,732,177
Excess of Revenues Over (Under) Expenditures	3,631,132	9,771,132	20,452,098	10,680,966
Other Financing Sources (Uses):				
Transfers (Out)	(9,050,000)	(26,050,000)	(24,589,996)	1,460,004
Total Other Financing Sources (Uses)	(9,050,000)	(26,050,000)	(24,589,996)	1,460,004
Net Change in Fund Balance	(5,418,868)	(16,278,868)	(4,137,898)	12,140,970
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,603,979	18,603,979	18,603,979	0
Fund Balance End of Year	\$13,185,111	\$2,325,111	\$14,466,081	\$12,140,970

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, 2021

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$16,450,000	\$10,450,000	\$9,231,611	(\$1,218,389)
Investment Earnings	0	0	108,423	108,423
Total Revenues	16,450,000	10,450,000	9,340,034	(1,109,966)
Expenditures:				
Current:				
Transportation and Street Repair	1,598,680	1,218,680	1,052,329	166,351
Capital Outlay	32,526,336	30,776,336	30,207,392	568,944
Debt Service:				
Bond Issuance Cost	0	130,000	129,250	750
Total Expenditures	34,125,016	32,125,016	31,388,971	736,045
Excess of Revenues Over (Under) Expenditures	(17,675,016)	(21,675,016)	(22,048,937)	(373,921)
Other Financing Sources (Uses):				
Issuance of Debt	10,000,000	10,000,000	10,864,240	864,240
Transfers In	1,500,000	1,500,000	1,500,000	0
Total Other Financing Sources (Uses)	11,500,000	11,500,000	12,364,240	864,240
Net Change in Fund Balance	(6,175,016)	(10,175,016)	(9,684,697)	490,319
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,979,265	10,778,173	8,979,265	(1,798,908)
Fund Balance End of Year	\$2,804,249	\$603,157	(\$705,432)	(\$1,308,589)

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, 2021

	Safety Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,078,000	\$5,078,000	\$5,422,318	\$344,318
Intergovernmental	600,800	600,800	637,368	36,568
Charges for Services	600,000	600,000	776,008	176,008
Investment Earnings	0	0	153,522	153,522
Other Revenues	0	0	60,779	60,779
Total Revenues	6,278,800	6,278,800	7,049,995	771,195
Expenditures:				
Current:				
Public Safety	9,236,125	9,236,125	8,314,735	921,390
Capital Outlay	710,576	710,576	788,148	(77,572)
Total Expenditures	9,946,701	9,946,701	9,102,883	843,818
Excess of Revenues Over (Under) Expenditures	(3,667,901)	(3,667,901)	(2,052,888)	1,615,013
Other Financing Sources (Uses):				
Transfers In	2,500,000	2,500,000	3,329,676	829,676
Total Other Financing Sources (Uses)	2,500,000	2,500,000	3,329,676	829,676
Net Change in Fund Balance	(1,167,901)	(1,167,901)	1,276,788	2,444,689
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,826,267	13,909,939	13,826,267	(83,672)
Fund Balance End of Year	\$12,658,366	\$12,742,038	\$15,103,055	\$2,361,017

See accompanying notes to the required supplementary information.

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Note 1 – Budgetary Process

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

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

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

The appropriations ordinance is Council’s authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. As a power of local self-government, the legal level of control has been established by Council so that appropriation measures shall be classified so as to set forth separately the amounts appropriated for each department with in the General Fund. All other funds are maintained at the fund level. The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council after any supplemental or re-appropriation during the year.

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund, street construction, maintenance and repair fund, and the safety fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis)).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, the street construction, maintenance and repair fund and the safety fund.

Net Change in Fund Balance

	General	Street Construction, Maintenance and Repair	Safety
GAAP Basis	(\$1,341,474)	\$9,170,283	\$810,079
Revenue Accruals	(1,617,629)	49,904	1,004,539
Expenditure Accruals	19,565,448	836,446	49,098
Issuance of Debt	0	(73,794)	0
Proceeds of Capital Assets	(100,920)	0	0
Transfers In	(14,823)	0	0
Transfers (Out)	(14,230,001)	0	0
Encumbrances	(6,398,499)	(19,667,536)	(586,928)
Budget Basis	<u>(\$4,137,898)</u>	<u>(\$9,684,697)</u>	<u>\$1,276,788</u>

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

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

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

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

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

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for this period.

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

Changes in assumptions:

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

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

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.5 percent to 8.5 percent.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.
- The initial health care cost trend rate increased from 10.0 percent to 10.5 percent.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

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

Changes in Benefit Terms:

2021: There were no changes in benefit terms for the period.

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

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

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

Changes in assumptions:

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

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

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

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

Changes in benefit terms:

2021-2020: There were no changes in benefit terms for the period.

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

General Obligation Bond Retirement - To accumulate monies for the payment of long-term and short-term debt issued without a vote of the people. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,000,000	\$2,128,790	\$128,790
Intergovernmental	230,000	245,387	15,387
Total Revenues	2,230,000	2,374,177	144,177
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	3,885,000	3,885,000	0
Interest and Fiscal Charges	1,227,000	1,219,430	7,570
Total Expenditures	5,112,000	5,104,430	7,570
Excess of Revenues Over (Under) Expenditures	(2,882,000)	(2,730,253)	151,747
Other Financing Sources (Uses):			
Transfers In	3,138,000	3,336,000	198,000
Total Other Financing Sources (Uses)	3,138,000	3,336,000	198,000
Net Change in Fund Balance	256,000	605,747	349,747
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,498,731	1,498,731	0
Fund Balance End of Year	\$1,754,731	\$2,104,478	\$349,747

Nonmajor Governmental Funds

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$9,988,613	\$20,265	\$71,111	\$10,079,989
Receivables (Net):				
Accounts	30,210	0	0	30,210
Interest	106	0	0	106
Intergovernmental	1,502,323	0	0	1,502,323
Special Assessments	0	1,698,863	0	1,698,863
Inventory	7,246	0	0	7,246
Total Assets	<u>11,528,498</u>	<u>1,719,128</u>	<u>71,111</u>	<u>13,318,737</u>
Liabilities:				
Accounts Payable	3,523	0	0	3,523
Accrued Wages and Benefits	14,754	0	0	14,754
Interfund Payable	280,000	0	0	280,000
Unearned Revenue	1,773,959	0	0	1,773,959
Total Liabilities	<u>2,072,236</u>	<u>0</u>	<u>0</u>	<u>2,072,236</u>
Deferred Inflows of Resources:				
Grants and Other Taxes	1,472,427	0	0	1,472,427
Special Assessments	0	1,698,863	0	1,698,863
Unavailable Amounts	42	0	0	42
Total Deferred Inflows of Resources	<u>1,472,469</u>	<u>1,698,863</u>	<u>0</u>	<u>3,171,332</u>
Fund Balances:				
Nonspendable	7,246	0	0	7,246
Restricted	7,671,432	20,265	0	7,691,697
Committed	686	0	0	686
Assigned	508,496	0	71,111	579,607
Unassigned	(204,067)	0	0	(204,067)
Total Fund Balances	<u>7,983,793</u>	<u>20,265</u>	<u>71,111</u>	<u>8,075,169</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$11,528,498</u>	<u>\$1,719,128</u>	<u>\$71,111</u>	<u>\$13,318,737</u>

City of Mason, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Investment Earnings	(\$1,880)	\$0	\$0	(\$1,880)
Intergovernmental	184,963	0	0	184,963
Special Assessments	0	136,654	0	136,654
Fines, Licenses & Permits	909,764	0	0	909,764
Revenue in Lieu of Taxes	1,982,675	0	0	1,982,675
Other Revenues	50,118	0	450	50,568
Total Revenues	3,125,640	136,654	450	3,262,744
Expenditures:				
Current:				
General Government	410,472	0	0	410,472
Public Safety	12,663	0	0	12,663
Community Development	1,268,074	0	0	1,268,074
Transportation and Street Repair	597,014	0	23,120	620,134
Debt Service:				
Principal	205,000	80,000	0	285,000
Interest and Other Charges	64,513	57,300	0	121,813
Total Expenditures	2,557,736	137,300	23,120	2,718,156
Excess of Revenues Over (Under) Expenditures	567,904	(646)	(22,670)	544,588
Other Financing Sources (Uses):				
Transfers In	16,672	0	0	16,672
Transfers (Out)	(607,353)	(14,823)	0	(622,176)
Total Other Financing Sources (Uses)	(590,681)	(14,823)	0	(605,504)
Net Change in Fund Balance	(22,777)	(15,469)	(22,670)	(60,916)
Fund Balance - Beginning of Year	8,026,939	35,734	93,781	8,156,454
Change in Reserve for Inventory	(20,369)	0	0	(20,369)
Fund Balance - End of Year	\$7,983,793	\$20,265	\$71,111	\$8,075,169

Nonmajor Special Revenue Funds

Fund Descriptions

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

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

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

American Rescue Plan Act - This fund accounts for grants received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan. Grants are restricted for various purposes designated by the Department of the Treasury.

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

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

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

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

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

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

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

Nonmajor Special Revenue Funds

Fund Descriptions (Continued)

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

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

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

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

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

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

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

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

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

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

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

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City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	State Highway Improvement	Street Subdivision	Cares Act Federal Grant	American Rescue Plan Act	Parks and Recreation
Assets:					
Equity in Pooled Cash and Investments	\$45,973	\$1,235,804	\$0	\$1,773,959	\$324,683
Receivables (Net):					
Accounts	0	0	0	0	0
Interest	106	0	0	0	0
Intergovernmental	89,573	0	0	0	0
Inventory	0	0	7,246	0	0
Total Assets	<u>135,652</u>	<u>1,235,804</u>	<u>7,246</u>	<u>1,773,959</u>	<u>324,683</u>
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	280,000	0	0	0	0
Unearned Revenue	0	0	0	1,773,959	0
Total Liabilities	<u>280,000</u>	<u>0</u>	<u>0</u>	<u>1,773,959</u>	<u>0</u>
Deferred Inflows of Resources:					
Grants and Other Taxes	59,677	0	0	0	0
Unavailable Amounts	42	0	0	0	0
Total Deferred Inflows of Resources	<u>59,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Nonspendable	0	0	7,246	0	0
Restricted	0	1,235,804	0	0	324,683
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	(204,067)	0	0	0	0
Total Fund Balances	<u>(204,067)</u>	<u>1,235,804</u>	<u>7,246</u>	<u>0</u>	<u>324,683</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$135,652</u>	<u>\$1,235,804</u>	<u>\$7,246</u>	<u>\$1,773,959</u>	<u>\$324,683</u>

Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement
\$686	\$54,645	\$6,640	\$18,451	\$245,192	\$285,995	\$359,815
0	100	75	310	4,746	1,686	9,272
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
686	54,745	6,715	18,761	249,938	287,681	369,087
0	0	0	2,386	0	0	617
0	0	0	0	0	0	4,426
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,386	0	0	5,043
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	54,745	6,715	16,375	249,938	287,681	364,044
686	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
686	54,745	6,715	16,375	249,938	287,681	364,044
\$686	\$54,745	\$6,715	\$18,761	\$249,938	\$287,681	\$369,087

Continued

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF
Assets:					
Equity in Pooled Cash and Investments	\$17,398	\$58,116	\$127	\$0	\$781,041
Receivables (Net):					
Accounts	0	13,806	215	0	0
Interest	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	<u>17,398</u>	<u>71,922</u>	<u>342</u>	<u>0</u>	<u>781,041</u>
Liabilities:					
Accounts Payable	0	419	0	0	0
Accrued Wages and Benefits	0	5,911	0	0	0
Interfund Payable	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>6,330</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	0
Unavailable Amounts	0	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	17,398	65,592	342	0	781,041
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total Fund Balances	<u>17,398</u>	<u>65,592</u>	<u>342</u>	<u>0</u>	<u>781,041</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$17,398</u>	<u>\$71,922</u>	<u>\$342</u>	<u>\$0</u>	<u>\$781,041</u>

Mason Enterprise Parke TIF	Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$102,167	\$758,404	\$3,134,085	\$272,418	\$513,014	\$9,988,613
0	0	0	0	0	30,210
0	0	0	0	0	106
59,909	309,585	590,310	452,946	0	1,502,323
0	0	0	0	0	7,246
<u>162,076</u>	<u>1,067,989</u>	<u>3,724,395</u>	<u>725,364</u>	<u>513,014</u>	<u>11,528,498</u>
0	0	0	0	101	3,523
0	0	0	0	4,417	14,754
0	0	0	0	0	280,000
0	0	0	0	0	1,773,959
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,518</u>	<u>2,072,236</u>
59,909	309,585	590,310	452,946	0	1,472,427
0	0	0	0	0	42
<u>59,909</u>	<u>309,585</u>	<u>590,310</u>	<u>452,946</u>	<u>0</u>	<u>1,472,469</u>
0	0	0	0	0	7,246
102,167	758,404	3,134,085	272,418	0	7,671,432
0	0	0	0	0	686
0	0	0	0	508,496	508,496
0	0	0	0	0	(204,067)
<u>102,167</u>	<u>758,404</u>	<u>3,134,085</u>	<u>272,418</u>	<u>508,496</u>	<u>7,983,793</u>
<u>\$162,076</u>	<u>\$1,067,989</u>	<u>\$3,724,395</u>	<u>\$725,364</u>	<u>\$513,014</u>	<u>\$11,528,498</u>

City of Mason, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2021

	State Highway Improvement	Street Subdivision	Cares Act Federal Grant	American Rescue Plan Act	Parks and Recreation
Revenues:					
Investment Earnings	(\$2,038)	\$0	\$0	\$0	\$158
Intergovernmental	184,963	0	0	0	0
Fines, Licenses & Permits	0	177,058	0	0	89,918
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	0	0	0	0	50,000
Total Revenues	182,925	177,058	0	0	140,076
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	308	0	0
Community Development	0	0	0	0	0
Transportation and Street Repair	0	80,000	0	0	0
Debt Service:					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
Total Expenditures	0	80,000	308	0	0
Excess of Revenues Over (Under) Expenditures	182,925	97,058	(308)	0	140,076
Other Financing Sources (Uses):					
Transfers In	0	10,320	0	0	0
Transfers (Out)	(601,000)	0	0	0	0
Total Other Financing Sources (Uses)	(601,000)	10,320	0	0	0
Net Change in Fund Balance	(418,075)	107,378	(308)	0	140,076
Fund Balance - Beginning of Year	214,008	1,128,426	27,923	0	184,607
Change in Reserve for Inventory	0	0	(20,369)	0	0
Fund Balance - End of Year	(\$204,067)	\$1,235,804	\$7,246	\$0	\$324,683

Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	11,678	800	8,045	63,973	22,718	125,301
0	0	0	0	0	0	0
0	0	0	0	0	0	48
0	11,678	800	8,045	63,973	22,718	125,349
0	0	0	31,862	81,692	699	114,158
0	12,355	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	12,355	0	31,862	81,692	699	114,158
0	(677)	800	(23,817)	(17,719)	22,019	11,191
0	0	0	6,352	0	0	0
0	0	0	0	0	0	0
0	0	0	6,352	0	0	0
0	(677)	800	(17,465)	(17,719)	22,019	11,191
686	55,422	5,915	33,840	267,657	265,662	352,853
0	0	0	0	0	0	0
\$686	\$54,745	\$6,715	\$16,375	\$249,938	\$287,681	\$364,044

Continued

City of Mason, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2021

	Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	JW Harris TIF	Central Parke TIF
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0
Fines, Licenses & Permits	0	177,704	5,401	0	0
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	0	43	0	0	0
Total Revenues	0	177,747	5,401	0	0
Expenditures:					
Current:					
General Government	0	182,061	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	0	0	0
Transportation and Street Repair	0	0	0	517,014	0
Debt Service:					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
Total Expenditures	0	182,061	0	517,014	0
Excess of Revenues Over (Under) Expenditures	0	(4,314)	5,401	(517,014)	0
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	(6,353)	0	0
Total Other Financing Sources (Uses)	0	0	(6,353)	0	0
Net Change in Fund Balance	0	(4,314)	(952)	(517,014)	0
Fund Balance - Beginning of Year	17,398	69,906	1,294	517,014	781,041
Change in Reserve for Inventory	0	0	0	0	0
Fund Balance - End of Year	\$17,398	\$65,592	\$342	\$0	\$781,041

Mason Enterprise Parke TIF	Tylersville Road TIF	I-71 Corridor TIF	Everybody's Farm TIF	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	(\$1,880)
0	0	0	0	0	184,963
0	0	0	0	227,168	909,764
95,710	216,452	916,065	754,448	0	1,982,675
0	0	0	0	27	50,118
95,710	216,452	916,065	754,448	227,195	3,125,640
0	0	0	0	0	410,472
0	0	0	0	0	12,663
39,135	104,450	445,550	565,663	113,276	1,268,074
0	0	0	0	0	597,014
55,000	0	0	150,000	0	205,000
3,850	0	0	60,663	0	64,513
97,985	104,450	445,550	776,326	113,276	2,557,736
(2,275)	112,002	470,515	(21,878)	113,919	567,904
0	0	0	0	0	16,672
0	0	0	0	0	(607,353)
0	0	0	0	0	(590,681)
(2,275)	112,002	470,515	(21,878)	113,919	(22,777)
104,442	646,402	2,663,570	294,296	394,577	8,026,939
0	0	0	0	0	(20,369)
\$102,167	\$758,404	\$3,134,085	\$272,418	\$508,496	\$7,983,793

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, 2021

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$160,000	\$182,448	\$22,448
Investment Earnings	0	1,330	1,330
Total Revenues	160,000	183,778	23,778
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	160,000	183,778	23,778
Other Financing Sources (Uses):			
Transfers In	280,000	280,000	0
Transfers (Out)	(612,000)	(601,000)	11,000
Total Other Financing Sources (Uses)	(332,000)	(321,000)	11,000
Net Change in Fund Balance	(172,000)	(137,222)	34,778
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	183,060	183,060	0
Fund Balance End of Year	\$11,060	\$45,838	\$34,778

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, 2021

	Street Subdivision Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$177,058	\$177,058
Total Revenues	0	177,058	177,058
Expenditures:			
Current:			
Transportation and Street Repair	80,000	80,000	0
Total Expenditures	80,000	80,000	0
Excess of Revenues Over (Under) Expenditures	(80,000)	97,058	177,058
Other Financing Sources (Uses):			
Transfers In	0	10,320	10,320
Transfers (Out)	(220,000)	0	220,000
Total Other Financing Sources (Uses)	(220,000)	10,320	230,320
Net Change in Fund Balance	(300,000)	107,378	407,378
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,128,426	1,128,426	0
Fund Balance End of Year	\$828,426	\$1,235,804	\$407,378

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, 2021

	Cares Act Federal Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	23,885	23,885	0
Total Expenditures	23,885	23,885	0
Net Change in Fund Balance	(23,885)	(23,885)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,885	23,885	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, 2021

	American Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$1,773,959	\$1,773,959
Total Revenues	0	1,773,959	1,773,959
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	1,773,959	1,773,959
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$1,773,959	\$1,773,959

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, 2021

	Parks and Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$40,000	\$89,918	\$49,918
Investment Earnings	0	2,451	2,451
Other Revenues	50,000	50,000	0
Total Revenues	90,000	142,369	52,369
Expenditures:			
Capital Outlay	3,735	0	3,735
Total Expenditures	3,735	0	3,735
Net Change in Fund Balance	86,265	142,369	56,104
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	181,335	181,335	0
Fund Balance End of Year	\$267,600	\$323,704	\$56,104

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, 2021

	Police Crime Prevention Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Public Safety	500	0	500
Total Expenditures	500	0	500
Net Change in Fund Balance	(500)	0	500
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	686	686	0
Fund Balance End of Year	\$186	\$686	\$500

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,000	\$12,453	\$11,453
Total Revenues	1,000	12,453	11,453
Expenditures:			
Current:			
Public Safety	30,000	12,355	17,645
Total Expenditures	30,000	12,355	17,645
Net Change in Fund Balance	(29,000)	98	29,098
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,546	54,546	0
Fund Balance End of Year	\$25,546	\$54,644	\$29,098

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, 2021

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$775	\$275
Total Revenues	500	775	275
Expenditures:			
Current:			
Public Safety	4,000	0	4,000
Total Expenditures	4,000	0	4,000
Net Change in Fund Balance	(3,500)	775	4,275
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,865	5,865	0
Fund Balance End of Year	\$2,365	\$6,640	\$4,275

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, 2021

	Indigent Driver Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$7,500	\$7,860	\$360
Total Revenues	7,500	7,860	360
Expenditures:			
Current:			
General Government	49,739	39,489	10,250
Total Expenditures	49,739	39,489	10,250
Excess of Revenues Over (Under) Expenditures	(42,239)	(31,629)	10,610
Other Financing Sources (Uses):			
Transfers In	6,300	6,352	52
Total Other Financing Sources (Uses)	6,300	6,352	52
Net Change in Fund Balance	(35,939)	(25,277)	10,662
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,338	36,338	0
Fund Balance End of Year	\$399	\$11,061	\$10,662

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, 2021

	Municipal Court Computer Costs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$60,000	\$63,578	\$3,578
Total Revenues	60,000	63,578	3,578
Expenditures:			
Current:			
General Government	181,293	218,689	(37,396)
Capital Outlay	7,000	0	7,000
Total Expenditures	188,293	218,689	(30,396)
Net Change in Fund Balance	(128,293)	(155,111)	(26,818)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	264,255	264,255	0
Fund Balance End of Year	\$135,962	\$109,144	(\$26,818)

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, 2021

	Municipal Court Computer Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$20,000	\$22,565	\$2,565
Total Revenues	20,000	22,565	2,565
Expenditures:			
Current:			
General Government	28,763	122,000	(93,237)
Total Expenditures	28,763	122,000	(93,237)
Net Change in Fund Balance	(8,763)	(99,435)	(90,672)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	264,129	264,129	0
Fund Balance End of Year	\$255,366	\$164,694	(\$90,672)

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, 2021

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$120,000	\$124,431	\$4,431
Other Revenues	0	83	83
Total Revenues	120,000	124,514	4,514
Expenditures:			
Current:			
General Government	199,128	118,250	80,878
Total Expenditures	199,128	118,250	80,878
Net Change in Fund Balance	(79,128)	6,264	85,392
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	247,756	347,755	99,999
Fund Balance End of Year	\$168,628	\$354,019	\$185,391

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, 2021

	Vehicle Immobilization Fee Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,398	17,398	0
Fund Balance End of Year	\$17,398	\$17,398	\$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, 2021

	Municipal Court Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$160,000	\$178,000	\$18,000
Other Revenues	0	74	74
Total Revenues	160,000	178,074	18,074
Expenditures:			
Current:			
General Government	219,777	189,073	30,704
Total Expenditures	219,777	189,073	30,704
Net Change in Fund Balance	(59,777)	(10,999)	48,778
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	61,773	61,773	0
Fund Balance End of Year	\$1,996	\$50,774	\$48,778

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, 2021

	Municipal Court Indigent Driver IDAM Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$5,783	\$5,910	\$127
Total Revenues	5,783	5,910	127
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	5,783	5,910	127
Other Financing Sources (Uses):			
Transfers (Out)	(6,352)	(6,352)	0
Total Other Financing Sources (Uses)	(6,352)	(6,352)	0
Net Change in Fund Balance	(569)	(442)	127
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	570	570	0
Fund Balance End of Year	\$1	\$128	\$127

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, 2021

	JW Harris TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Transportation and Street Repair	662,154	662,154	0
Total Expenditures	662,154	662,154	0
Net Change in Fund Balance	(662,154)	(662,154)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	662,154	662,154	0
Fund Balance End of Year	\$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, 2021

	Central Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Community Development	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)	781,043	781,043	0
Fund Balance End of Year	<u>\$781,043</u>	<u>\$781,043</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, 2021

	Mason Enterprise Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$85,000	\$95,710	\$10,710
Total Revenues	85,000	95,710	10,710
Expenditures:			
Current:			
Community Development	42,000	39,135	2,865
Debt Service:			
Principal Retirement	55,000	55,000	0
Interest and Fiscal Charges	3,850	3,850	0
Total Expenditures	100,850	97,985	2,865
Net Change in Fund Balance	(15,850)	(2,275)	13,575
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	104,444	104,444	0
Fund Balance End of Year	\$88,594	\$102,169	\$13,575

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Tylersville Road TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$150,000	\$216,452	\$66,452
Total Revenues	150,000	216,452	66,452
Expenditures:			
Current:			
Community Development	107,500	104,450	3,050
Capital Outlay	120,000	120,000	0
Total Expenditures	227,500	224,450	3,050
Net Change in Fund Balance	(77,500)	(7,998)	69,502
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	646,403	646,403	0
Fund Balance End of Year	\$568,903	\$638,405	\$69,502

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, 2021

	I-71 Corridor TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$850,000	\$916,065	\$66,065
Total Revenues	850,000	916,065	66,065
Expenditures:			
Current:			
Community Development	515,000	445,550	69,450
Total Expenditures	515,000	445,550	69,450
Net Change in Fund Balance	335,000	470,515	135,515
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,663,571	2,663,571	0
Fund Balance End of Year	<u>\$2,998,571</u>	<u>\$3,134,086</u>	<u>\$135,515</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, 2021

	Everybody's Farm TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$600,000	\$754,448	\$154,448
Total Revenues	600,000	754,448	154,448
Expenditures:			
Current:			
Community Development	339,000	565,663	(226,663)
Debt Service:			
Principal Retirement	150,000	150,000	0
Interest and Fiscal Charges	61,000	60,663	337
Total Expenditures	550,000	776,326	(226,326)
Net Change in Fund Balance	50,000	(21,878)	(71,878)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	294,299	294,299	0
Fund Balance End of Year	\$344,299	\$272,421	(\$71,878)

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, 2021

	Subdivision Inspection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$50,000	\$227,168	\$177,168
Other Revenues	0	46	46
Total Revenues	50,000	227,214	177,214
Expenditures:			
Current:			
Community Development	126,210	115,010	11,200
Total Expenditures	126,210	115,010	11,200
Net Change in Fund Balance	(76,210)	112,204	188,414
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	398,580	398,580	0
Fund Balance End of Year	\$322,370	\$510,784	\$188,414

Nonmajor Debt Service Funds

Fund Description

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

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

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021

	Special Assessment Bond Retirement	Government Center Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$20,265	\$0	\$20,265
Receivables (Net):			
Special Assessments	1,698,863	0	1,698,863
Total Assets	1,719,128	0	1,719,128
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources:			
Special Assessments	1,698,863	0	1,698,863
Total Deferred Inflows of Resources	1,698,863	0	1,698,863
Fund Balances:			
Restricted	20,265	0	20,265
Total Fund Balances	20,265	0	20,265
Total Liabilities, Deferred Inflows and Fund Balances	\$1,719,128	\$0	\$1,719,128

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, 2021

	Special Assessment Bond Retirement	Government Center Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special Assessments	\$136,654	\$0	136,654
Total Revenues	136,654	0	136,654
Expenditures:			
Current:			
Debt Service:			
Principal	80,000	0	80,000
Interest and Other Charges	56,800	500	57,300
Total Expenditures	136,800	500	137,300
Excess of Revenues Over (Under) Expenditures	(146)	(500)	(646)
Other Financing Sources (Uses):			
Transfers (Out)	0	(14,823)	(14,823)
Total Other Financing Sources (Uses)	0	(14,823)	(14,823)
Net Change in Fund Balance	(146)	(15,323)	(15,469)
Fund Balance - Beginning of Year	20,411	15,323	35,734
Fund Balance - End of Year	\$20,265	\$0	\$20,265

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, 2021

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$130,000	\$136,654	\$6,654
Total Revenues	130,000	136,654	6,654
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges	60,000	56,800	3,200
Total Expenditures	140,000	136,800	3,200
Net Change in Fund Balance	(10,000)	(146)	9,854
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,413	20,413	0
Fund Balance End of Year	\$10,413	\$20,267	\$9,854

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, 2021

	Government Center Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Interest and Fiscal Charges	500	500	0
Total Expenditures	500	500	0
Excess of Revenues Over (Under) Expenditures	(500)	(500)	0
Other Financing Sources (Uses):			
Transfers (Out)	(14,823)	(14,823)	0
Total Other Financing Sources (Uses)	(14,823)	(14,823)	0
Net Change in Fund Balance	(15,323)	(15,323)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,323	15,323	0
Fund Balance End of Year	\$0	\$0	\$0

Nonmajor Capital Project Fund

Fund Description

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

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

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Common Ground Parks Construction Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$450	\$450
Total Revenues	0	450	450
Expenditures:			
Current:			
Transportation and Street Repair	34,828	31,834	2,994
Total Expenditures	34,828	31,834	2,994
Net Change in Fund Balance	(34,828)	(31,384)	3,444
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	102,495	102,495	0
Fund Balance End of Year	\$67,667	\$71,111	\$3,444

Other General Funds

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

Fund Descriptions

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

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

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

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

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$496,380	\$442,273	(\$54,107)
Total Revenues	496,380	442,273	(54,107)
Expenditures:			
Current:			
Capital Outlay	30,051,908	28,692,183	1,359,725
Total Expenditures	30,051,908	28,692,183	1,359,725
Excess of Revenues Over (Under) Expenditures	(29,555,528)	(28,249,910)	1,305,618
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	100,920	100,920
Transfers In	0	17,014,823	17,014,823
Transfers (Out)	(5,059,200)	(5,050,000)	9,200
Total Other Financing Sources (Uses)	(5,059,200)	12,065,743	17,124,943
Net Change in Fund Balance	(34,614,728)	(16,184,167)	18,430,561
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	61,826,365	61,826,365	0
Fund Balance End of Year	\$27,211,637	\$45,642,198	\$18,430,561

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

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Economic Sustainability Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Transfers In	0	2,000,000	2,000,000
Total Other Financing Sources (Uses)	0	2,000,000	2,000,000
Net Change in Fund Balance	0	2,000,000	2,000,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,000,000	3,000,000	0
Fund Balance End of Year	\$3,000,000	\$5,000,000	\$2,000,000

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

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Employee Medical Insurance Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$4,000,000	\$4,204,399	\$204,399
Other Revenues	0	615,161	615,161
Total Revenues	4,000,000	4,819,560	819,560
Expenditures:			
Current:			
General Government	4,479,132	5,601,099	(1,121,967)
Total Expenditures	4,479,132	5,601,099	(1,121,967)
Net Change in Fund Balance	(479,132)	(781,539)	(302,407)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,169,619	4,169,619	0
Fund Balance End of Year	\$3,690,487	\$3,388,080	(\$302,407)

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

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$3,450	\$3,450
Total Revenues	0	3,450	3,450
Expenditures:			
Current:			
General Government	40,500	0	40,500
Total Expenditures	40,500	0	40,500
Net Change in Fund Balance	(40,500)	3,450	43,950
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	121,372	121,372	0
Fund Balance End of Year	<u>\$80,872</u>	<u>\$124,822</u>	<u>\$43,950</u>

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

Other Nonmajor Funds

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

Fund Descriptions

Municipal Court - 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 - 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 - To account for custodial transactions related to community improvement.

City of Mason, Ohio
Combining Statement of Net Position
Custodial Funds
December 31, 2021

	Municipal Court	Mason Port Authority	Community Improvement Corporation	Total
Assets:				
Equity in Pooled Cash and Investments	\$11,004	\$1,159,930	\$393,047	\$1,563,981
Receivables (Net):				
Accounts	0	0	26,320	26,320
Due From Others	12,962	0	0	12,962
Total Assets	23,966	1,159,930	419,367	1,603,263
Liabilities:				
Accounts Payable	0	0	246	246
Total Liabilities	0	0	246	246
Net Position:				
Individuals, Organizations, and Other Governments	23,966	0	0	23,966
Economic Development	0	1,159,930	0	1,159,930
Community Improvement	0	0	419,121	419,121
Total Net Position	\$23,966	\$1,159,930	\$419,121	\$1,603,017

City of Mason, Ohio
Combining Statement of Changes in Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2021

	Municipal Court	Mason Port Authority	Community Improvement Corporation	Total
Additions:				
Municipal Court Receipts	\$2,036,510	\$0	\$0	\$2,036,510
Mason Port Authority Receipts	0	26,833	0	26,833
Community Improvement Corporation Receipts	0	0	119,863	119,863
Total Additions	2,036,510	26,833	119,863	2,183,206
Deductions:				
Municipal Court Disbursements	2,028,283	0	0	2,028,283
Mason Port Authority Disbursements	0	1,278	0	1,278
Community Improvement Corporation Disbursements	0	0	198,375	198,375
Total Deductions	2,028,283	1,278	198,375	2,227,936
Change in Net Position	8,227	25,555	(78,512)	(44,730)
Net Position - Beginning of Year	15,739	1,134,375	497,633	1,647,747
Net Position - End of Year	\$23,966	\$1,159,930	\$419,121	\$1,603,017

STATISTICAL SECTION

Statistical Section

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

Contents

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

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

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

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

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

Sources

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

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017(2)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net Investment in Capital Assets	\$129,162,686	\$128,860,388	\$137,675,713	\$148,517,620	\$160,013,762	\$163,696,502	\$171,236,501	\$182,420,146	\$181,436,817	\$205,582,972
Restricted	13,822,941	14,942,529	15,932,379	21,930,408	16,650,729	24,171,568	26,736,081	32,001,705	36,782,975	36,589,794
Unrestricted	41,380,921	51,370,384	31,071,105	33,540,033	34,960,857	36,551,337	19,548,152	35,580,308	57,256,566	61,029,217
Total Governmental Activities Net Position	\$184,366,548	\$195,173,301	\$184,679,197	\$197,791,295	\$211,625,348	\$224,419,407	\$217,520,734	\$250,002,159	\$275,476,358	\$303,201,983
Business-Type Activities										
Net Investment in Capital Assets	\$88,637,940	\$88,126,890	\$89,504,980	\$91,666,228	\$93,282,553	\$94,272,576	\$96,937,382	\$99,198,148	\$97,717,147	\$109,956,987
Restricted	784,933	786,591	788,035	791,199	796,196	792,282	800,603	10,694	0	0
Unrestricted	10,148,188	11,896,384	12,709,974	16,471,007	19,878,612	23,262,822	24,990,782	29,170,440	34,428,908	28,733,880
Total Business-Type Activities Net Position	\$99,571,061	\$100,809,865	\$103,002,989	\$108,928,434	\$113,957,361	\$118,327,680	\$122,728,767	\$128,379,282	\$132,146,055	\$138,690,867
Primary Government										
Net Investment in Capital Assets	\$217,800,626	\$216,987,278	\$227,180,693	\$240,183,848	\$253,296,315	\$257,969,078	\$268,173,883	\$281,618,294	\$279,153,964	\$315,539,959
Restricted	14,607,874	15,729,120	16,720,414	22,721,607	17,446,925	24,963,850	27,536,684	32,012,399	36,782,975	36,589,794
Unrestricted	51,529,109	63,266,768	43,781,079	50,011,040	54,839,469	59,814,159	44,538,934	64,750,748	91,685,474	89,763,097
Total Governmental Activities Net Position	\$283,937,609	\$295,983,166	\$287,682,186	\$306,719,729	\$325,582,709	\$342,747,087	\$340,249,501	\$378,381,441	\$407,622,413	\$441,892,850

Source: City of Mason, Ohio, Department of Finance

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

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

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$8,831,767	\$6,893,775	\$8,253,186	\$7,767,758	\$8,200,480	\$9,447,447	\$8,826,290	\$7,056,183	\$10,243,055	\$10,018,970
Public Safety	12,023,613	12,986,006	13,513,159	13,790,633	16,338,179	18,252,746	19,439,968	10,195,645	21,385,248	14,286,543
Community Development	2,676,490	2,508,451	2,425,668	3,466,084	5,797,741	4,215,313	4,760,635	4,300,396	4,139,870	3,818,410
Leisure Time Activities	2,314,310	2,198,219	2,882,829	2,638,497	2,923,260	3,346,183	3,006,718	1,451,038	4,056,090	2,844,816
Transportation and Street Repair	6,231,801	8,183,460	7,324,935	7,084,253	8,245,318	8,852,082	8,818,489	8,776,592	10,829,743	11,706,887
Basic Utility Service	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330	250,649	291,674
Interest, Fiscal Charges and Bond Issuance Cost	1,826,561	1,659,947	1,581,121	2,017,459	1,403,597	1,332,168	1,211,475	1,101,931	1,455,184	1,450,526
Total Governmental Activities Expenses	34,182,081	34,711,587	36,264,123	37,048,456	43,189,944	45,747,851	46,330,268	33,158,115	52,359,839	44,417,826
Business-type activities										
Sewer	5,962,355	6,248,535	5,743,995	6,090,047	6,360,304	6,893,298	6,151,996	6,537,076	7,552,934	5,405,378
Waste Collection	1,440,349	1,384,282	1,413,025	1,447,712	1,493,448	1,635,745	1,735,451	1,795,781	1,905,539	1,936,182
Stormwater Utility	1,165,556	1,142,284	1,117,558	1,289,342	1,248,280	1,388,963	1,534,845	1,380,178	1,509,497	1,327,447
Community Center	5,372,732	5,898,548	6,483,630	6,507,143	6,461,430	7,070,645	6,698,402	6,447,857	3,562,325	6,835,350
Golf Course	2,665,088	2,651,261	2,811,835	2,695,618	2,633,090	2,707,395	2,722,980	2,808,522	2,724,636	3,110,931
Total business-type activities expenses	16,606,080	17,324,910	17,570,043	18,029,862	18,196,552	19,696,046	18,843,674	18,969,414	17,254,931	18,615,288
Total primary government expenses	\$50,788,161	\$52,036,497	\$53,834,166	\$55,078,318	\$61,386,496	\$65,443,897	\$65,173,942	\$52,127,529	\$69,614,770	\$63,033,114
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$2,122,272	\$2,057,346	\$2,793,861	\$2,097,958	\$2,311,007	\$2,467,450	\$2,055,585	\$4,326,571	\$2,056,064	\$1,547,546
Public Safety	1,542,684	1,236,491	1,410,863	1,368,530	1,856,418	1,934,390	2,322,252	2,575,777	2,332,992	3,065,674
Community Development	503,782	599,799	589,526	950,199	960,420	1,087,732	903,229	661,452	564,363	928,019
Leisure Time Activities	443,332	432,908	1,047,156	461,836	645,031	674,459	668,815	637,164	525,925	811,744
Transportation and Street Repair	10,400	26,679	73,791	129,475	180,820	386,068	253,338	248,976	86,021	188,219
Basic Utility Service	319,006	298,529	316,009	299,193	336,955	341,426	402,405	391,111	394,571	410,462
Operating Grants and Contributions	783,868	3,562,350	2,368,802	2,280,027	2,693,774	2,258,052	1,975,582	2,927,576	6,619,387	3,256,978
Capital Grants and Contributions	6,139,061	1,712,043	2,501,501	3,500,408	6,353,942	5,818,898	4,349,426	2,129,094	7,532,503	7,331,659
Total Governmental Activities Program Revenues	11,864,405	9,926,145	11,101,509	11,087,626	15,338,367	14,968,475	12,930,632	13,897,721	20,111,826	17,540,301
Business-Type Activities										
Charges for Services:										
Sewer	5,934,351	6,100,178	6,511,953	6,871,548	7,268,796	7,253,272	7,838,400	8,047,061	7,270,462	8,434,109
Waste Collection	1,580,927	1,582,570	1,595,826	1,637,354	1,619,811	1,674,251	1,758,321	1,816,223	1,860,401	1,964,916

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for Services: (continued)										
Stormwater Utility	1,078,126	1,142,264	1,472,169	1,307,652	1,436,238	1,315,890	1,635,985	1,535,164	1,469,888	1,640,468
Community Center	5,985,612	6,445,131	6,653,029	7,033,126	6,993,632	6,767,137	6,556,750	7,107,884	4,055,897	6,101,698
Golf Course	1,966,766	1,871,546	1,936,890	1,987,022	1,910,162	1,735,919	1,643,063	1,792,821	1,772,443	2,254,934
Operating Grants and Contributions	20,000	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions	1,572,077	779,644	2,786,840	2,818,892	2,323,669	2,501,470	3,568,694	1,610,184	1,969,943	2,131,801
Total Business-Type Activities Program Revenues	18,305,329	18,346,364	21,357,830	22,035,299	21,591,224	21,917,137	23,267,776	21,909,337	18,399,034	22,527,926
Total Primary Government Program Revenues	\$28,231,474	\$29,447,873	\$32,445,456	\$37,373,666	\$36,559,699	\$34,847,769	\$37,165,497	\$35,807,058	\$38,510,860	\$40,068,227
Net (Expense)/Revenue										
Governmental Activities	(\$24,785,442)	(\$25,162,614)	(\$25,960,830)	(\$27,851,577)	(\$30,779,376)	(\$33,399,636)	(\$19,260,394)	(\$19,260,394)	(\$32,248,013)	(\$26,877,525)
Business-Type Activities	980,419	776,321	3,327,968	3,838,747	1,895,178	3,073,463	4,298,362	2,939,923	1,144,103	3,912,638
Total Primary Government Net Expense	(\$23,805,023)	(\$24,386,293)	(\$22,632,862)	(\$24,012,830)	(\$28,884,198)	(\$30,326,173)	(\$14,962,032)	(\$16,320,471)	(\$31,103,910)	(\$22,964,887)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$22,957,701	\$26,314,564	\$25,867,801	\$30,159,378	\$30,932,502	\$31,924,252	\$37,542,739	\$36,291,906	\$39,221,456	\$45,434,993
Property Taxes Levied for:										
General Purposes	542,228	611,485	423,801	301,725	545,186	964,574	256,782	677,876	751,185	694,693
Special Revenue Purposes	3,823,815	3,966,997	3,886,757	3,927,783	4,143,329	5,494,947	3,381,854	5,125,291	6,309,286	4,695,485
Debt Service Purposes	1,536,649	1,523,714	1,541,012	1,580,755	1,636,134	2,157,903	1,475,246	2,151,515	2,624,161	1,972,812
Unrestricted Grants and Entitlements	2,514,375	2,608,730	1,337,037	1,905,927	1,808,925	1,856,392	1,957,353	2,226,651	1,644,621	2,632,482
Payment in Lieu of Taxes	2,398,676	1,007,338	1,192,962	1,194,327	2,972,508	2,249,384	2,236,927	2,278,530	1,964,577	2,175,219
Investment Earnings	257,148	105,613	318,366	410,879	495,491	564,352	1,302,099	3,078,024	2,821,919	(441,458)
Gain on Sale of Capital Asset	0	0	0	0	0	0	0	0	2,049,159	0
Other Revenues	887,160	985,437	455,638	1,156,154	604,055	883,407	906,821	1,398,026	1,773,848	223,924
Transfers-Internal Activities	(996,500)	(1,054,000)	(1,046,000)	(1,564,000)	(1,452,500)	(2,521,776)	(1,547,000)	(1,486,000)	(1,438,000)	(2,785,000)
Total Governmental Activities	33,921,252	36,069,878	33,977,374	39,072,928	41,685,630	43,573,435	47,512,821	51,741,819	57,722,212	54,603,150
Business-Type Activities										
Investment Earnings	63,321	29,511	83,495	91,509	183,385	204,091	515,977	1,126,581	894,753	(187,148)
Other Revenues	13,663	26,313	61,133	35,020	37,286	92,559	109,481	98,011	289,917	34,322
Transfers-Internal Activities	996,500	1,054,000	1,046,000	1,564,000	1,452,500	2,521,776	1,547,000	1,486,000	1,438,000	2,785,000
Extraordinary Item	0	0	0	609,184	0	0	0	0	0	0
Total Business-Type Activities	1,073,484	1,109,824	1,190,628	2,299,713	1,673,171	2,818,426	2,172,458	2,710,592	2,622,670	2,632,174
Total Primary Government	\$34,994,736	\$37,179,702	\$35,168,002	\$41,372,641	\$43,358,801	\$46,391,861	\$49,685,279	\$54,452,411	\$60,344,882	\$57,235,324

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Changes in Net Position										
Governmental Activities	\$10,907,264	\$8,016,544	\$11,221,351	\$10,906,254	\$10,173,799	\$28,252,427	\$32,481,425	\$32,481,425	\$25,474,199	\$27,725,625
Business-Type Activities	1,886,145	4,518,596	6,138,460	3,568,349	5,891,889	6,470,820	5,650,515	5,650,515	3,766,773	6,544,812
Total Primary Government	\$12,793,409	\$12,535,140	\$17,359,811	\$14,474,603	\$16,065,688	\$34,723,247	\$38,131,940	\$38,131,940	\$29,240,972	\$34,270,437

Source: City of Mason, Ohio, Department of Finance

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

Fiscal Year	Income Tax	Property tax revenue for:			
		General	Special Revenue	Debt Service	Total Property Taxes
2012	\$22,957,701	\$542,228	\$3,823,815	\$1,536,649	\$5,902,692
2013	26,314,564	611,485	3,966,997	1,523,714	6,102,196
2014	25,867,801	423,801	3,886,757	1,541,012	5,851,570
2015	30,159,378	301,725	3,927,783	1,580,755	5,810,263
2016	30,932,502	545,186	4,143,329	1,636,134	6,324,649
2017 (1)	31,924,452	964,574	5,494,947	2,157,903	8,617,424
2018	37,542,739	256,782	3,381,854	1,475,246	5,113,882
2019	36,291,906	677,876	5,125,291	2,151,515	7,954,682
2020	39,221,456	751,185	6,309,286	2,624,161	9,684,632
2021	45,434,993	694,693	4,695,485	1,972,812	7,362,990
					\$28,860,393
					32,416,760
					31,719,371
					35,969,641
					37,257,151
					40,541,876
					42,656,621
					44,246,588
					48,906,088
					52,797,983

Source: City of Mason, Ohio, Department of Finance

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

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$282,460	\$282,398	\$344,898	\$560,194	\$501,274	\$360,487	\$430,197	\$554,010	\$511,886	\$541,463
Assigned	22,788,806	22,794,902	20,543,640	27,104,971	31,104,283	34,597,957	40,615,675	43,669,072	77,151,958	62,592,069
Unassigned	7,334,177	12,876,440	17,623,466	19,384,655	22,191,660	20,126,322	22,447,959	23,743,959	18,676,543	31,898,977
Total General Fund	\$30,405,443	\$35,953,740	\$38,512,004	\$47,049,820	\$53,797,217	\$55,084,766	\$63,493,831	\$67,967,041	\$96,340,387	\$95,032,509
All Other Governmental Funds										
Nonspendable	31,565	26,839	18,997	27,595	27,424	19,157	15,657	16,074	49,486	26,653
Restricted	12,786,546	13,722,199	14,283,876	14,430,667	15,901,389	21,399,662	23,790,083	29,198,225	32,688,575	43,073,882
Committed	686	686	686	686	10,146	686	686	686	686	686
Assigned	2,026,338	2,074,188	2,120,201	2,279,076	2,496,191	3,039,830	3,763,802	3,358,550	503,681	579,607
Unassigned	(238,084)	(215,251)	(172,219)	(128,747)	(1,812,193)	(26,894)	0	0	0	(204,067)
Total All Other Governmental Funds	\$14,607,051	\$15,608,661	\$16,251,541	\$16,609,277	\$16,622,957	\$24,432,441	\$27,570,228	\$32,573,535	\$33,242,428	\$43,476,761

Source: City of Mason, Ohio, Department of Finance

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$29,277,581	\$32,703,069	\$33,711,798	\$36,510,341	\$38,152,129	\$41,077,499	\$44,424,065	\$45,115,793	\$49,473,963	\$53,975,742
Charges for Services	2,076,044	2,174,388	2,135,411	2,085,989	2,820,263	2,840,435	3,336,546	3,546,217	3,217,386	4,220,109
Investment Earning	236,004	91,918	307,704	399,249	481,325	534,372	1,296,309	3,022,069	2,876,580	(433,364)
Intergovernmental	7,793,877	5,885,803	4,612,903	5,347,271	8,801,391	4,892,782	4,672,327	5,108,504	9,795,217	11,602,455
Fines, Licenses & Permits	2,238,725	2,328,919	3,003,599	2,748,158	3,037,544	3,484,489	2,958,595	2,675,661	2,005,919	2,563,334
Special Assessments	13,364	13,426	6,477	0	0	0	136,948	136,415	136,410	136,654
Revenue in Lieu of Taxes	2,351,777	1,101,682	1,193,794	1,164,715	2,952,032	2,280,491	2,195,903	2,186,013	2,057,098	1,982,675
Other Revenue	1,293,884	1,417,134	2,193,185	1,631,646	1,137,776	1,425,838	1,406,476	3,856,946	2,311,943	719,220
Total Revenues	45,281,256	45,716,339	47,164,871	49,887,369	57,382,460	56,535,906	60,427,169	65,647,618	71,874,516	74,766,825
Expenditures										
General Government	8,245,266	6,287,335	7,598,473	7,190,949	7,199,194	8,022,692	7,620,161	7,638,961	8,868,661	9,913,333
Public Safety	11,717,593	12,381,894	13,017,332	12,897,974	14,159,846	15,369,761	16,008,398	16,547,378	18,105,298	16,809,164
Community Development	2,423,239	2,498,610	2,904,994	3,463,967	5,680,876	4,053,604	4,531,433	4,750,244	3,963,766	4,000,572
Leisure Time Activities	1,772,418	1,710,742	1,959,721	2,254,479	2,304,088	2,397,596	2,302,929	2,216,199	3,278,495	2,701,370
Transportation and Street Repair	3,084,414	3,467,723	4,998,074	5,423,862	5,158,461	5,370,369	6,392,333	6,769,310	7,580,673	9,335,749
Basic Utility Service	277,539	281,729	283,225	283,772	281,369	301,912	266,693	276,330	250,649	291,674
Capital Outlay	9,189,762	7,156,134	8,248,954	12,136,133	10,022,629	8,226,151	4,964,472	13,504,828	16,989,685	25,369,911
Debt Service										
Principal Retirement	3,080,000	2,681,250	2,371,250	4,951,250	3,066,250	2,900,000	4,020,000	1,970,000	9,335,000	4,170,000
Interest, Fiscal Charges and Bond Issuance Cost	1,791,037	1,657,718	1,578,415	2,009,302	1,465,427	1,374,429	1,273,058	1,135,277	1,787,341	1,513,314
Total Expenditures	41,531,268	38,123,135	42,960,438	50,611,688	49,338,140	48,016,514	47,379,477	54,808,527	70,159,568	74,105,087
Excess of Revenues										
Over (Under) Expenditures	3,749,988	7,593,204	4,204,433	(724,319)	8,044,320	8,519,392	13,047,692	10,839,091	1,714,948	661,738

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other Financing Sources (Uses)										
Sale of Capital Assets	0	0	0	1,430,890	116,833	31,945	0	0	4,053,824	100,920
Issuance of Long-Term Capital-Related Debt	450,000	0	0	9,000,000	8,575,000	2,000,000	0	0	23,000,000	10,000,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	(9,600,367)	0	0	0	0	0
Premium on Debt Issuance	0	0	0	534,150	1,156,623	0	0	0	1,731,165	938,034
Issuance of Capital Leases	0	25,000	0	0	0	0	0	0	0	0
Transfer In	1,828,365	4,293,511	4,114,144	6,970,254	4,376,957	8,048,887	10,202,456	8,532,230	9,254,979	8,197,171
Transfer Out	(2,824,865)	(5,347,511)	(5,160,144)	(8,534,254)	(5,829,457)	(9,353,887)	(11,749,456)	(10,018,230)	(10,692,979)	(10,982,171)
Total Other Financing Sources (Uses)	(546,500)	(1,029,000)	(1,046,000)	9,401,040	(1,204,411)	726,945	(1,547,000)	(1,486,000)	27,346,989	8,253,954
Net Change in Fund Balances	\$7,046,704	\$3,175,433	(\$1,770,319)	\$17,445,360	\$7,314,981	\$13,774,637	\$9,292,091	(\$1,486,000)	\$29,061,937	\$8,915,692
Debt Service as a Percentage of Noncapital Expenditures	14.8%	10.5%	16.3%	12.9%	11.5%	13.1%	6.6%	7.6%	22.5%	11.8%

Source: City of Mason, Ohio, Department of Finance

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

<u>Fiscal Year</u>	<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Percentage of Total</u>		
					<u>Withholding</u>	<u>Business</u>	<u>Individual</u>
2012	\$15,036,406	\$3,354,868	\$3,746,111	\$22,137,385	67.9%	15.2%	16.9%
2013	17,387,727	3,732,510	4,577,195	25,697,432	67.7%	14.5%	17.8%
2014	18,462,999	3,823,889	4,266,319	26,553,207	69.5%	14.4%	16.1%
2015	19,305,702	5,652,877	4,437,307	29,395,886	65.7%	19.2%	15.1%
2016	21,313,476	5,112,306	4,992,424	31,418,206	67.8%	16.3%	15.9%
2017	22,145,087	4,629,661	4,868,771	31,643,519	70.0%	14.6%	15.4%
2018	23,961,340	9,455,422	4,137,634	37,554,396	63.8%	25.2%	11.0%
2019	26,375,737	4,576,337	4,922,166	35,874,240	73.5%	12.8%	13.7%
2020	26,962,882	6,559,837	5,101,020	38,623,739	69.8%	17.0%	13.2%
2021	28,325,734	10,195,526	6,189,829	44,715,089	63.3%	22.8%	13.8%

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

<u>Fiscal Year</u>	<u>Delinquent</u>	<u>Penalties</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
2012	\$308,741	\$256,627	\$4,411,346	\$17,160,671	\$22,137,385
2013	(51,451)	253,618	5,622,577	19,872,688	25,697,432
2014	253,419	195,400	4,976,987	21,127,401	26,553,207
2015	249,055	173,592	6,139,305	22,833,934	29,395,886
2016	427,351	198,735	6,319,233	24,472,887	31,418,206
2017	(34,581)	317,363	6,000,839	25,359,898	31,643,519
2018	(103,332)	255,568	7,881,573	29,520,588	37,554,397
2019	(928,727)	342,976	6,771,199	29,688,792	35,874,240
2020	768,456	262,856	9,451,939	28,140,489	38,623,739
2021	910,967	332,384	9,420,233	34,051,505	44,715,089

Source: City of Mason, Ohio, Department of Finance

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

Tax Year	Real Property		Public Utility (1)		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2012	\$961,184,410	\$2,746,241,171	\$16,625,240	\$18,892,318	\$977,809,650	\$2,765,133,489	7.32	35.36%
2013	969,297,620	2,769,421,771	18,094,150	20,561,534	987,391,770	2,789,983,305	6.72	35.39%
2014	980,478,870	2,801,371,057	19,495,730	22,154,238	999,974,600	2,823,525,295	6.72	35.42%
2015	1,067,993,410	3,051,409,743	20,299,970	23,882,318	1,088,293,380	3,075,292,061	6.72	35.39%
2016	1,090,772,940	3,116,494,114	20,553,230	24,180,271	1,111,326,170	3,140,674,385	6.72	35.38%
2017	1,122,760,390	3,207,886,829	22,147,560	26,055,953	1,144,907,950	3,230,034,389	6.72	35.45%
2018	1,271,359,680	3,632,456,229	23,678,020	67,651,485	1,295,037,700	3,700,107,714	6.72	35.00%
2019	1,315,894,450	3,759,698,429	24,976,370	71,361,057	1,340,870,820	3,831,059,486	6.72	35.00%
2020	1,360,824,030	3,888,068,657	27,735,470	79,244,200	1,388,559,500	3,967,312,857	6.72	35.00%
2021	1,512,664,690	4,321,899,114	29,928,880	85,511,086	1,542,593,570	4,407,410,200	6.72	35.00%

Source: Warren County Auditor's Office

(1) Estimate based upon 85% assessed value

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

Tax Year	City of Mason				Overlapping Rates				
	General Fund	Fire Operating (2)	Debt Service	Total	Mason City School District	Warren County	Joint Voc. School	Special District	Total
2012	0.58%	5.00%	1.74%	7.32%	83.97%	7.78%	2.70%	2.25%	104.02%
2013	0.58%	4.40%	1.74%	6.72%	83.97%	7.78%	2.70%	2.25%	103.42%
2014	0.58%	4.40%	1.74%	6.72%	83.97%	7.78%	2.70%	2.25%	103.42%
2015	0.58%	4.40%	1.74%	6.72%	83.11%	7.78%	2.70%	2.25%	102.56%
2016	0.58%	4.40%	1.74%	6.72%	83.11%	7.78%	2.70%	2.25%	102.56%
2017	0.58%	4.40%	1.74%	6.72%	83.11%	6.28%	2.70%	2.00%	100.81%
2018	0.58%	4.40%	1.74%	6.72%	82.79%	6.28%	2.70%	2.00%	100.49%
2019	0.58%	4.40%	1.74%	6.72%	82.79%	6.28%	2.70%	2.00%	100.49%
2020	0.58%	4.40%	1.74%	6.72%	87.10%	6.28%	2.70%	2.00%	104.80%
2021	0.58%	4.40%	1.74%	6.72%	86.35%	2.50%	2.70%	2.00%	100.27%

Source: Warren County Auditor's Office

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

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

City of Mason, Ohio
Principal Property Taxpayers
December 31, 2021
Table 9

Taxpayer	Fiscal Year 2021			Fiscal Year 2011		
	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation
Duke Energy Ohio Inc.	\$29,903,910	1	1.94%	\$12,506,210	3	1.21%
Kings Island Company	17,524,540	2	1.14%	20,079,340	1	1.95%
Mason Family Resorts	12,600,480	3	0.82%			
Lens Crafters, Inc	11,417,330	4	0.74%			
Indiana Senior Housing	8,296,490	5	0.54%			
Twin Fountains of Mason	8,044,720	6	0.52%	8,695,050	4	0.84%
Mason Christian Village	7,645,140	7	0.50%	6,973,740	5	0.68%
Cintas Sales Corporation	5,991,210	8	0.39%	5,565,000	6	0.54%
Scion Real Estate Investments	4,852,670	9	0.31%			
Mitsubishi Electric Auto	4,445,650	10	0.29%	4,732,050	9	0.46%
Linder Center of Hope				12,686,430	2	1.23%
Makino				4,759,160	8	0.46%
Health Alliance				4,059,830	10	0.39%
Tennis for Charity				5,342,700	6	0.52%
All Others	1,431,871,430		92.81%	943,996,170		92.24%
Total Assessed Valuation	\$1,542,593,570		100.00%	\$1,029,395,680		100.00%

Source: Warren County Auditor's Office

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

Tax Year: Fiscal Year:	2011/2012 <u>2012</u>	2012/2013 <u>2013</u>	2013/2014 <u>2014</u>	2014/2015 <u>2015</u>	2015/2016 <u>2016</u>	2016/2017 <u>2017</u>	2017/2018 <u>2018</u>	2018/2019 <u>2019</u>	2019/2020 <u>2020</u>	2020/2021 <u>2021</u>
Current Tax Levy	\$6,846,621	\$6,714,798	\$6,623,235	\$6,711,730	\$7,274,791	\$7,500,402	\$7,738,662	\$8,677,773	\$8,929,969	\$9,282,368
Current Tax Collections	6,707,544	6,606,807	6,530,015	6,543,116	7,163,604	7,389,214	7,634,616	8,579,145	8,048,674	9,059,440
Percent of Levy Collected	97.97%	98.39%	98.59%	97.49%	98.47%	98.52%	98.66%	98.86%	90.13%	97.60%
Delinquent Tax Collections (1)	414,651	188,875	128,004	105,306	185,931	122,090	162,859	123,644	113,556	218,719
Total Tax Collections	7,122,195	6,795,682	6,658,019	6,648,421	7,349,535	7,511,304	7,797,475	8,702,788	8,162,230	9,278,158
Ratio of Total Tax Collections to Current Taxes Levied	104.02%	101.20%	100.53%	99.06%	101.03%	100.15%	100.76%	100.29%	91.40%	99.95%

Source: Warren County Auditor's Office

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

City of Mason, Ohio
Special Assessment Billings and Collections
Last Ten Fiscal Years
Table 11

<u>Tax Year</u>	<u>Current Assessments Billings</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collection To Amount Billed</u>
2011	\$10,833	\$10,833	100.00%
2012	14,852	14,011	94.34%
2013	7,544	6,160	81.65%
2014	3,298	3,207	97.24%
2015	3,152	2,811	89.18%
2016	2,662	1,613	60.59%
2017	139,644	138,401	99.11%
2018	138,853	138,434	99.70%
2019	141,233	140,580	99.54%
2020	138,871	137,317	98.88%

Source: Warren County Auditor's Office

Note: Tax Year 2020 is billed and due in 2021

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

Fiscal Year	Governmental Activities										Total Governmental Activities
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Financing	Certificates of Participation	Special Assessments Bonds	Taxable Revenue Note					
2012	\$19,432,659	\$3,200,000	\$3,230,000	\$17,211,228	\$0	\$3,120,000					\$46,193,887
2013	18,281,569	7,885,000	2,595,000	16,250,783	0	3,170,000					48,182,352
2014	17,080,479	8,500,000	2,345,000	15,265,338	0	0					43,190,817
2015	25,373,539	2,000,000	2,105,000	11,729,893	0	0					41,208,432
2016	24,340,980	0	1,855,000	10,664,448	0	0					36,860,428
2017	22,496,798	0	1,695,000	9,574,003	2,000,000	0					35,765,801
2018	19,657,613	0	1,530,000	8,438,558	1,925,000	0					31,551,171
2019	18,948,696	0	1,350,000	7,258,113	1,850,000	0					29,406,809
2020	41,353,090	0	1,165,000	0	1,775,000	0					44,293,090
2021	48,190,649	0	960,000	0	1,695,000	0					50,845,649

Fiscal Year	Business-Type Activities										Total Primary Government	Percentage of Personal Income(1)	Per Capital(1)
	General Obligation Bonds	Mortgage Revenue Bonds	Bond Anticipation Notes	Certificates of Participation	Special Assessments Bonds	Business-Type Activities							
2012	\$33,569,968	\$0	\$0	\$10,337,692	\$13,000	\$43,920,660					\$88,148,000	7.87%	\$3,121
2013	31,864,166	0	0	10,033,479	7,000	41,904,645					81,422,000	6.73%	2,753
2014	30,133,364	0	0	9,724,266	0	39,857,630					77,140,000	6.32%	2,746
2015	28,362,563	0	0	9,405,053	0	37,767,616					69,950,000	5.73%	2,518
2016	20,695,358	0	5,500,000	9,075,840	0	35,271,198					67,790,000	4.07%	2,142
2017	19,195,626	0	5,000,000	8,736,627	0	32,932,253					68,698,054	3.83%	2,052
2018	17,640,894	0	4,500,000	8,382,414	0	30,523,308					62,074,479	3.41%	1,868
2019	16,066,162	0	4,000,000	7,215,832	0	27,281,994					56,688,803	2.98%	1,674
2020	20,123,717	0	0	6,569,249	0	26,692,966					70,986,056	3.70%	2,075
2021	4,978,699	0	0	5,907,666	0	10,886,365					61,732,014	2.98%	1,774

Source: City of Mason, Ohio, Department of Finance

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

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

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	General Bonded Debt ⁽³⁾	Less Debt Service Fund ⁽⁴⁾	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	31,269	\$977,809,650	\$53,002,627	\$601,897	\$52,400,730	5.36%	\$1,676
2013	31,449	987,391,770	50,145,735	735,048	49,410,687	5.00%	1,571
2014	31,613	999,974,600	47,213,843	830,279	46,383,564	4.64%	1,467
2015	31,613	1,088,293,380	53,736,102	896,336	52,839,766	4.86%	1,671
2016	32,662	1,111,326,170	45,036,338	495,343	44,540,995	4.01%	1,364
2017	33,037	1,144,907,950	41,692,424	567,796	41,124,628	3.59%	1,245
2018	33,235	1,295,037,700	37,298,507	727,058	36,571,449	2.82%	1,100
2019	33,870	1,340,870,820	35,014,858	2,009,513	33,005,345	2.46%	974
2020	34,209	1,388,559,500	61,476,807	1,498,731	59,978,076	4.32%	1,753
2021	34,792	1,542,593,570	53,169,348	2,104,478	51,064,870	3.31%	1,468

Source: City of Mason, Ohio, Department of Finance

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

(1) U.S. Census Bureau 2010

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

(3) Does not include Bond Anticipation Notes, Tax Increment Financing, Certificates of Participation or Special Assessment debt with governmental commitment.

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service To General Government Expenditures</u>
2012	\$1,100,000	\$790,420	\$1,890,420	\$8,245,266	22.93%
2013	1,125,000	759,670	1,884,670	6,287,335	29.98%
2014	1,175,000	724,108	1,899,108	7,598,473	24.99%
2015	1,215,000	686,983	1,901,983	7,190,949	26.45%
2016	1,790,000	643,558	2,433,558	7,199,194	33.80%
2017	1,695,000	813,986	2,508,986	8,022,692	31.27%
2018	2,690,000	713,534	3,403,534	7,620,161	44.66%
2019	580,000	631,727	1,211,727	7,638,961	15.86%
2020	2,135,000	896,848	3,031,848	8,868,661	34.19%
2021	4,090,000	1,310,270	5,400,270	9,313,333	57.98%

Source: City of Mason, Ohio, Department of Finance

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

(2) Excludes bond issuance and other costs.

City of Mason, Ohio
Direct and Overlapping Governmental General Obligation Debt
As of December 31, 2021
Table 15

	Net General Obligations Bonded Debt Outstanding (1)	Percentage Applicable (2) to City	Amount Applicable to City
Mason City School District	\$19,275,000	55.02%	\$10,605,105
Kings Local School District	33,860,000	13.27%	4,493,222
Great Oaks Career Center Joint Vocational School	0	5.97%	0
Lebanon City School District	34,283,407	0.21%	71,995
Deerfield Township	0	1.13%	0
Warren County Career Center Jt. Voc. School	75,000	2.52%	1,890
Warren County	19,485,000	16.51%	3,216,974
Subtotal Overlapping Debt	106,978,407		18,389,186
City of Mason - Direct Debt	\$50,845,649	100.00%	\$50,845,649
Total Direct and Overlapping Debt	\$157,824,056		\$69,234,835

Source: Ohio Municipal Advisory Council

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

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Limit (1)										
Total Debt Limit (10.5%)	\$102,670,013	\$103,676,136	\$104,997,333	\$114,270,805	\$116,689,248	\$120,215,335	\$135,978,959	\$140,791,436	\$145,798,748	\$161,972,325
Total Net Debt Applicable to Limits	28,803,102	31,914,952	24,584,721	25,800,620	22,164,657	21,947,204	19,472,942	21,554,513	40,316,270	48,741,171
Legal Debt Limit Margin	\$73,866,911	\$71,761,184	\$80,412,612	\$88,470,185	\$94,524,591	\$98,268,131	\$116,506,017	\$119,236,923	\$105,482,478	\$113,231,154
Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit	28.05%	30.78%	23.41%	22.58%	18.99%	18.26%	14.32%	15.31%	27.65%	30.09%
Total Unvoted Debt Limit (1)										
Total Unvoted Debt Limit (5.5%)	\$53,779,531	\$54,306,547	\$54,998,603	\$59,856,136	\$61,122,939	\$62,969,937	\$71,227,074	\$73,747,895	\$76,370,773	\$84,842,646
Total Net Debt Applicable to Limits	28,803,102	31,914,952	24,584,721	25,800,620	22,164,657	21,947,204	19,472,942	21,554,513	40,316,270	48,741,171
Legal Unvoted Debt Limit Margin	\$24,976,429	\$22,391,595	\$30,413,882	\$34,055,516	\$38,958,282	\$41,022,733	\$51,754,132	\$52,193,382	\$36,054,503	\$36,101,475
Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit	53.56%	58.77%	44.70%	43.10%	36.26%	34.85%	27.34%	29.23%	52.79%	57.45%
Legal Debt Margin Calculation for Fiscal Year 2021										
	Total Debt Limit								Total Unvoted Debt Limit	
Net assessed valuation	1,542,593,570								1,542,593,570	
Statutory legal debt limitation (1)	10.5%								5.5%	
Total debt limitation	\$161,972,325								\$84,842,646	
Debt applicable to limit:										
Debt applicable to limit(2)	50,845,649								50,845,649	
Less: applicable debt service fund amounts(3)	(2,104,478)								(2,104,478)	
Total net debt applicable to limit	48,741,171								48,741,171	
Legal debt margin	\$113,231,154								\$36,101,475	

Source: City of Mason, Ohio, Department of Finance

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

City of Mason, Ohio
Demographic and Economic Statistics
December 31, 2021
Table 17

Year	Area (Square Miles)	Population (1)	Estimated Personal Income(2)	Per Capita Personal Income(3)	Median Age(4)	School Enrollment(5)	Unemployment Rates (6)		
							Warren County	Ohio	United States
2012	18.6	31,269	\$1,279,464,942	\$40,918	38.4	10,991	5.6%	7.0%	7.5%
2013	18.6	31,449	1,366,584,846	43,454	38.4	10,911	4.6%	5.9%	6.2%
2014	18.6	31,613	1,388,537,799	43,923	38.9	10,773	3.7%	5.2%	5.4%
2015	18.6	31,613	1,636,541,784	51,768	38.9	10,715	4.4%	5.4%	5.1%
2016	19.2	32,662	1,719,621,638	52,649	40.4	10,713	4.7%	6.0%	5.1%
2017	19.2	33,037	1,771,080,533	53,609	41.9	10,728	3.8%	4.5%	3.9%
2018	19.2	33,235	1,818,353,320	54,712	42.3	10,664	3.9%	4.8%	3.7%
2019	19.2	33,870	1,899,937,650	56,095	37.9	10,420	3.1%	3.8%	3.4%
2020	19.2	34,209	1,918,953,855	56,095	42.4	10,283	4.0%	5.2%	6.5%
2021	19.2	34,792	2,073,846,744	59,607	42.9	10,295	2.6%	3.4%	3.7%

Sources:

- (1) U.S. Census Bureau 2020 Census
- (2) Population estimate times per capita person income
- (3) U.S. Department of Commerce, Bureau of Economic Analysis for the Cincinnati Metropolitan Statistical Area. 2020 information not available.
- (4) U.S. Census Bureau 2020 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 18

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

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Full-time position at December 31										
General Government										
City Administration	10	10	10	10	11	11	11	11	11	11
Council	1	1	1	1	1	1	1	1	1	1
Facility	1	1	3	3	4	4	4	4	4	4
Finance	10	10	10	10	10	10	10	10	10	10
Municipal Court	20	20	20	20	20	20	20	20	20	20
Public Safety										
Police										
Officers	43	43	43	43	46	47	52	52	52	52
Non-sworn	7	7	7	7	7	7	7	7	7	7
Fire	36	42	42	42	46	46	52	52	52	52
Leisure Time Activities										
Recreation/Community Center	22	22	15	15	14	14	15	15	15	15
Park Maintenance			6	6	6	6	6	6	6	6
Community Development										
Planning	2	2	2	2	2	2	2	2	2	2
Building Inspection	7	7	7	7	7	7	7	7	7	7
Economic Development	3	3	3	3	3	3	3	3	3	3
Basic Utility Service										
Sanitary Sewer	16	16	16	16	16	16	16	16	16	16
Billing	1	1	1	1	1	1	1	1	1	1
Stormwater	2	2	2	2	2	2	2	2	2	2
Transportation and Street Repair										
Engineering	8	8	8	8	7	7	7	7	7	7
Public Works/Street Maintenance	20	20	19	19	19	19	19	19	19	19
Total Full-Time Positions	209	215	215	215	222	223	235	235	235	235
Total Part-Time Positions	182	203	208	210	206	186	185	185	185	185

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

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police Protection:										
Number of Marked Patrol Vehicles	21	19	19	19	19	19	19	22	24	24
Calls for Service	31,545	36,635	41,193	41,267	46,412	55,331	61,373	62,996	51,236	46,620
Moving Violation Citations	2,638	2,502	2,226	2,579	2,977	3,451	2,900	2,411	1,540	1,282
Arrests	536	910	908	961	980	991	1,076	991	880	567
Fire & Emergency Medical:										
Fire Responses	1,118	978	1,229	974	968	992	1,181	1,209	1,059	1,005
Emergency Medical Responses	2,601	2,477	2,767	2,823	3,086	2,852	2,963	3,316	2,866	3,457
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Emergency Vehicles	20	19	19	20	20	21	21	20	20	20
Leisure Time Activities										
Parks	7	7	7	7	7	7	7	7	7	8
Park acreage (developed)	296	296	296	296	296	296	296	296	296	301
Community Center Membership										
Premier	1,634	1,798	2,257	2,432	2,685	2,648	2,766	2,927	1,751	3,668
Basic	1,467	1,368	1,304	1,208	1,135	1,203	1,178	1,156	743	765
Golf Center Rounds Played										
Grizzly Course	37,708	39,750	39,676	40,211	39,243	38,474	37,056	39,146	43,775	45,668
Bruin Course (9 hole Oct. 2010, closed)	7,345	7,428	5,858	5,905	4,069	0	0	0	0	0
Community Development										
Building Permits Issued	54	92	192	153	155	171	153	153	138	168
Utility Services										
Number of Sewer Customers	10,243	10,283	10,410	10,580	10,628	10,873	10,961	11,075	11,165	11,290
Number of Refuse Customers	8,941	8,928	9,064	9,113	9,181	9,377	9,565	9,691	9,763	9,890
Number of Stormwater Customers	10,348	10,389	10,609	10,763	10,809	10,911	11,198	11,330	11,407	11,536
Storm sewers (miles)	95	95	96	98	99	99	101	102	103	104
Sanitary sewers (miles)	137	137	138	141	142	142	145	146	147	148
Sewage Treatment capacity per day (million gallons)	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67
Transportation & Street Repair										
Number of Streets (dedicated)	452	452	454	459	466	466	477	477	478	481
Lane Miles	357	357	359	360	362	362	364	367	372	375
Traffic Signals	40	40	40	40	42	42	42	42	42	42
Bike Paths (miles)	19	19	19	20	20	20	20	21	21	21

Source: City of Mason, Ohio, Department of Finance