

**CITY OF MASON, OHIO**

General Purpose Financial Statements

December 31, 1999



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Honorable City Council  
City of Mason, Ohio

We have reviewed the Independent Auditor's Report of the City of Mason, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 1999 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Mason is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

September 8, 2000



**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**  
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June 29, 2000

The Honorable Mayor and Members of the  
City Council of the City of Mason

### **REPORT OF INDEPENDENT ACCOUNTANTS**

We have audited the accompanying general purpose financial statements of the City of Mason, Ohio, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2000 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 grants.

Plattenburg & Associates, Inc.  
Certified Public Accountants

CITY OF MASON, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
Assets:				
Pooled cash and investments	\$5,166,866	\$4,753,139	\$156,620	\$6,843,326
Receivables (net of allowance for uncollectibles):				
Taxes	3,293,330	2,458,889	85,264	0
Accounts	81,944	50,491	0	0
Intergovernmental	46,070	13,901	0	0
Special assessments	0	0	2,389,017	0
Restricted pooled cash and investments	0	0	0	0
Inventory	0	29,946	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$8,588,210</u></b>	<b><u>\$7,306,366</u></b>	<b><u>\$2,630,901</u></b>	<b><u>\$6,843,326</u></b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
Liabilities:				
Accounts payable	1,502,160	157,525	490	939,730
Accrued wages and benefits	135,651	57,220	0	0
Interest payable	21,091	15,473	0	7,448
Compensated absences	0	0	0	0
Due to others	0	0	0	0
Deferred revenue	2,617,237	2,458,889	2,474,281	0
General obligation notes payable	2,800,000	1,430,000	0	300,000
Revenue bonds payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Capital lease obligations	0	0	0	0
<b>Total Liabilities</b>	<b><u>7,076,139</u></b>	<b><u>4,119,107</u></b>	<b><u>2,474,771</u></b>	<b><u>1,247,178</u></b>
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
Fund Balances:				
Reserved for encumbrances	2,308,169	1,662,653	1,887	2,264,516
Reserved for inventory	0	29,946	0	0
Unreserved, undesignated	(796,098)	1,494,660	154,243	3,331,632
<b>Total Equity and Other Credits</b>	<b><u>1,512,071</u></b>	<b><u>3,187,259</u></b>	<b><u>156,130</u></b>	<b><u>5,596,148</u></b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b><u>\$8,588,210</u></b>	<b><u>\$7,306,366</u></b>	<b><u>\$2,630,901</u></b>	<b><u>\$6,843,326</u></b>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$15,131,017	\$394,300	\$431,696	\$0	\$0	\$32,876,964
0	0	0	0	0	5,837,483
1,431,312	0	37,618	0	0	1,601,365
0	0	0	0	0	59,971
0	0	0	0	0	2,389,017
0	0	232,412	0	0	232,412
94,079	0	0	0	0	124,025
42,766,024	0	0	17,944,075	0	60,710,099
0	0	0	0	154,243	154,243
0	0	0	0	8,811,584	8,811,584
<u>\$59,422,432</u>	<u>\$394,300</u>	<u>\$701,726</u>	<u>\$17,944,075</u>	<u>\$8,965,827</u>	<u>\$112,797,163</u>
521,527	100,359	7,057	0	0	3,228,848
36,649	0	0	0	0	229,520
0	0	0	0	0	44,012
51,900	0	0	0	404,064	455,964
0	0	694,669	0	0	694,669
0	0	0	0	0	7,550,407
0	0	0	0	0	4,530,000
15,055,000	0	0	0	0	15,055,000
0	0	0	0	5,545,000	5,545,000
64,000	0	0	0	1,445,000	1,509,000
0	0	0	0	1,571,763	1,571,763
<u>15,729,076</u>	<u>100,359</u>	<u>701,726</u>	<u>0</u>	<u>8,965,827</u>	<u>40,414,183</u>
0	0	0	17,944,075	0	17,944,075
4,663,550	0	0	0	0	4,663,550
39,029,806	293,941	0	0	0	39,323,747
0	0	0	0	0	6,237,225
0	0	0	0	0	29,946
0	0	0	0	0	4,184,437
<u>43,693,356</u>	<u>293,941</u>	<u>0</u>	<u>17,944,075</u>	<u>0</u>	<u>72,382,980</u>
<u>\$59,422,432</u>	<u>\$394,300</u>	<u>\$701,726</u>	<u>\$17,944,075</u>	<u>\$8,965,827</u>	<u>\$112,797,163</u>

CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES:					
Local tax revenues	\$11,142,479	\$2,432,651	\$84,246	\$0	\$13,659,376
Intergovernmental revenues	1,144,190	1,098,908	0	669,199	2,912,297
Charges for services	159,601	319,911	0	0	479,512
Fines and forfeitures	332,346	124,631	0	0	456,977
Investment earnings	237,624	115,733	0	279,521	632,878
Special assessments	0	0	214,265	0	214,265
Licenses and permits	668,375	390,460	0	0	1,058,835
All other revenue	318,407	40,466	0	3,221	362,094
<b>Total Revenues</b>	<b>14,003,022</b>	<b>4,522,760</b>	<b>298,511</b>	<b>951,941</b>	<b>19,776,234</b>
EXPENDITURES:					
Current:					
Security of persons and property	2,504,029	3,139,529	0	0	5,643,558
Leisure time activities	1,975,052	0	0	0	1,975,052
Community development	621,413	0	0	0	621,413
Basic utility services	179,570	0	0	0	179,570
Transportation and street repair	3,094,327	348,196	0	1,499,950	4,942,473
General government	4,506,728	14,650	490	803,182	5,325,050
Capital outlay	0	0	0	1,608,929	1,608,929
Debt service:					
Principal	0	0	391,438	0	391,438
Interest and fiscal charges	21,091	15,473	328,861	11,858	377,283
<b>Total Expenditures</b>	<b>12,902,210</b>	<b>3,517,848</b>	<b>720,789</b>	<b>3,923,919</b>	<b>21,064,766</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,100,812	1,004,912	(422,278)	(2,971,978)	(1,288,532)
OTHER FINANCING SOURCES (USES):					
Proceeds of notes and bonds	0	0	0	600,000	600,000
Operating transfers - in	114,769	0	335,000	3,667,640	4,117,409
Operating transfers - (out)	(4,099,428)	(167,811)	0	0	(4,267,239)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,984,659)</b>	<b>(167,811)</b>	<b>335,000</b>	<b>4,267,640</b>	<b>450,170</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses	(2,883,847)	837,101	(87,278)	1,295,662	(838,362)
Fund Balance at Beginning of Year	4,395,918	2,346,102	243,408	4,300,486	11,285,914
Increase (decrease) in reserve for inventory	0	4,056	0	0	4,056
<b>Fund Balance at End of Year</b>	<b>\$1,512,071</b>	<b>\$3,187,259</b>	<b>\$156,130</b>	<b>\$5,596,148</b>	<b>\$10,451,608</b>

See accompanying notes.



CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local tax revenues	\$11,919,441	\$11,920,923	\$1,482	\$2,459,460	\$2,460,439	\$979
Intergovernmental revenues	1,141,500	1,144,810	3,310	1,036,350	1,093,242	56,892
Charges for services	160,000	161,671	1,671	31,579	278,216	246,637
Fines and forfeitures	353,000	353,765	765	126,963	126,964	1
Interest revenue	238,000	238,315	315	97,713	110,764	13,051
Special assessments	0	0	0	0	0	0
Licenses and permits	665,950	668,375	2,425	378,591	390,460	11,869
All other revenue	305,100	306,649	1,549	46,192	50,215	4,023
<b>Total Revenues</b>	<b>14,782,991</b>	<b>14,794,508</b>	<b>11,517</b>	<b>4,176,848</b>	<b>4,510,300</b>	<b>333,452</b>
<b>EXPENDITURES:</b>						
Current:						
Security of persons and property	3,041,980	2,844,824	197,156	4,681,960	4,314,608	367,352
Leisure time activities	2,883,857	2,760,841	123,016	0	0	0
Community development	993,229	867,243	125,986	0	0	0
Basic utility services	227,223	215,042	12,181	0	0	0
Transportation and street repair	4,218,160	4,096,485	121,675	1,505,057	489,240	1,015,817
General government	5,059,117	4,744,310	314,807	305,508	46,010	259,498
Debt service:						
Principal	0	0	0	1,195,000	1,195,004	(4)
Interest and fiscal charges	0	0	0	20,000	17,640	2,360
<b>Total Expenditures</b>	<b>16,423,566</b>	<b>15,528,745</b>	<b>894,821</b>	<b>7,707,525</b>	<b>6,062,502</b>	<b>1,645,023</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,640,575)</b>	<b>(734,237)</b>	<b>906,338</b>	<b>(3,530,677)</b>	<b>(1,552,202)</b>	<b>1,978,475</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from general obligation notes	2,800,000	2,800,000	0	1,430,000	1,430,000	0
Proceeds from general obligation bonds	0	0	0	0	0	0
Operating transfers - in	86,255	110,221	23,966	200	171	(29)
Operating transfers - (out)	(4,102,575)	(4,099,413)	3,162	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,216,320)</b>	<b>(1,189,192)</b>	<b>27,128</b>	<b>1,430,200</b>	<b>1,430,171</b>	<b>(29)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>(2,856,895)</b>	<b>(1,923,429)</b>	<b>933,466</b>	<b>(2,100,477)</b>	<b>(122,031)</b>	<b>1,978,446</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,296,706</b>	<b>3,296,706</b>	<b>0</b>	<b>3,076,808</b>	<b>3,076,808</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$439,811</b>	<b>\$1,373,277</b>	<b>\$933,466</b>	<b>\$976,331</b>	<b>\$2,954,777</b>	<b>\$1,978,446</b>

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$85,283	\$85,283	\$0	\$0	\$0	\$0	\$14,464,184	\$14,466,645	\$2,461
0	0	0	0	0	0	2,177,850	2,238,052	60,202
0	0	0	0	0	0	191,579	439,887	248,308
0	0	0	0	0	0	479,963	480,729	766
0	0	0	243,740	269,560	25,820	579,453	618,639	39,186
215,020	215,020	0	0	0	0	215,020	215,020	0
0	0	0	0	0	0	1,044,541	1,058,835	14,294
0	0	0	6,000	6,913	913	357,292	363,777	6,485
<u>300,303</u>	<u>300,303</u>	<u>0</u>	<u>249,740</u>	<u>276,473</u>	<u>26,733</u>	<u>19,509,882</u>	<u>19,881,584</u>	<u>371,702</u>
0	0	0	0	0	0	7,723,940	7,159,432	564,508
0	0	0	0	0	0	2,883,857	2,760,841	123,016
0	0	0	0	0	0	993,229	867,243	125,986
0	0	0	0	0	0	227,223	215,042	12,181
0	0	0	2,163,472	2,163,169	303	7,886,689	6,748,894	1,137,795
0	0	0	3,323,270	3,323,207	63	8,687,895	8,113,527	574,368
377,450	377,450	0	450,284	450,284	0	2,022,734	2,022,738	(4)
346,428	345,212	1,216	20,307	17,640	2,667	386,735	380,492	6,243
<u>723,878</u>	<u>722,662</u>	<u>1,216</u>	<u>5,957,333</u>	<u>5,954,300</u>	<u>3,033</u>	<u>30,812,302</u>	<u>28,268,209</u>	<u>2,544,093</u>
<u>(423,575)</u>	<u>(422,359)</u>	<u>1,216</u>	<u>(5,707,593)</u>	<u>(5,677,827)</u>	<u>29,766</u>	<u>(11,302,420)</u>	<u>(8,386,625)</u>	<u>2,915,795</u>
0	0	0	300,465	300,465	0	4,530,465	4,530,465	0
0	0	0	568,115	569,601	1,486	568,115	569,601	1,486
400,833	335,000	(65,833)	3,667,550	3,667,640	90	4,154,838	4,113,032	(41,806)
0	0	0	0	0	0	(4,102,575)	(4,099,413)	3,162
<u>400,833</u>	<u>335,000</u>	<u>(65,833)</u>	<u>4,536,130</u>	<u>4,537,706</u>	<u>1,576</u>	<u>5,150,843</u>	<u>5,113,685</u>	<u>(37,158)</u>
(22,742)	(87,359)	(64,617)	(1,171,463)	(1,140,121)	31,342	(6,151,577)	(3,272,940)	2,878,637
<u>242,847</u>	<u>242,847</u>	<u>0</u>	<u>4,813,970</u>	<u>4,813,970</u>	<u>0</u>	<u>11,430,331</u>	<u>11,430,331</u>	<u>0</u>
<u>\$220,105</u>	<u>\$155,488</u>	<u>(\$64,617)</u>	<u>\$3,642,507</u>	<u>\$3,673,849</u>	<u>\$31,342</u>	<u>\$5,278,754</u>	<u>\$8,157,391</u>	<u>\$2,878,637</u>

CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1999

	Proprietary Fund Type		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>OPERATING REVENUES:</b>			
Charges for services	\$12,869,512	\$837,893	\$13,707,405
Other	10,500	0	10,500
Total Operating Revenue	12,880,012	837,893	13,717,905
<b>OPERATING EXPENSES:</b>			
Personal services	1,280,228	743,666	2,023,894
Contractual services	2,124,028	0	2,124,028
Depreciation	1,046,239	0	1,046,239
Materials and supplies	249,045	0	249,045
Cost of services	7,826	0	7,826
Other	22,306	0	22,306
Total Operating Expenses	4,729,672	743,666	5,473,338
OPERATING INCOME (LOSS)	8,150,340	94,227	8,244,567
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings	816,694	2,395	819,089
Interest expense	(867,751)	0	(867,751)
Total Nonoperating Revenues (Expenses)	(51,057)	2,395	(48,662)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	8,099,283	96,622	8,195,905
<b>OPERATING TRANSFERS:</b>			
Operating transfers - in	260,403	0	260,403
Operating transfers - (out)	(110,573)	0	(110,573)
Total Operating Transfers	149,830	0	149,830
NET INCOME (LOSS)	8,249,113	96,622	8,345,735
RETAINED EARNINGS BEGINNING OF YEAR	30,780,693	197,319	30,978,012
RETAINED EARNINGS END OF YEAR	\$39,029,806	\$293,941	\$39,323,747

See accompanying notes.

CITY OF MASON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<b>OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$8,150,340	\$94,227	\$8,244,567
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,046,239	0	1,046,239
Changes in assets and liabilities:			
(Increase) decrease in receivables	(1,202,995)	101	(1,202,894)
(Increase) decrease in inventory	(3,225)	0	(3,225)
(Increase) decrease in other assets	6,490	0	6,490
Increase (decrease) in payables	173,853	40,860	214,713
Increase (decrease) in accrued liabilities	885	0	885
Net Cash Provided (Used) by Operating Activities	<u>8,171,587</u>	<u>135,188</u>	<u>8,306,775</u>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers - in	260,403	0	260,403
Operating transfers - (out)	<u>(110,573)</u>	<u>0</u>	<u>(110,573)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>149,830</u>	<u>0</u>	<u>149,830</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid	(700,000)	0	(700,000)
Interest paid	(895,542)	0	(895,542)
Acquisition of fixed assets	(8,018,117)	0	(8,018,117)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,613,659)</u>	<u>0</u>	<u>(9,613,659)</u>
<b>INVESTING ACTIVITIES:</b>			
Investment earnings	<u>747,547</u>	<u>2,395</u>	<u>749,942</u>
Net Cash Provided (Used) by Investing Activities	<u>747,547</u>	<u>2,395</u>	<u>749,942</u>
NET INCREASE (DECREASE) IN CASH	(544,695)	137,583	(407,112)
CASH BEGINNING OF YEAR	<u>15,675,712</u>	<u>256,717</u>	<u>15,932,429</u>
CASH END OF YEAR	<u><u>15,131,017</u></u>	<u><u>394,300</u></u>	<u><u>\$15,525,317</u></u>

See accompanying notes.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

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.

**A. Reporting Entity**

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (the “GASB”) Statement No. 14, “*The Financial Reporting Entity*,” in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization’s governing body and either (1) the City’s ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City includes the following services: police protection, parks and recreation, planning, zoning, community development, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system, each of which is reported as an enterprise fund. The City Council and City Manager have direct responsibility for these activities.

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**B. Basis of Presentation – Fund Accounting**

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation – Fund Accounting** (Continued)

***Governmental Funds***

The Governmental Funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City’s expendable financial resources and the related current liabilities (except that accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of “financial flow” sources, uses and balances of financial resources). The following are the City’s governmental fund types:

General Fund – This fund is used to account for all financial resources except those 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 general laws of Ohio and the Charter.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – These funds are used for the accumulation of resources for the payment of general and special assessment long-term debt principal and interest.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than that financed by the proprietary funds).

***Proprietary Funds***

Proprietary Funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) are segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund – This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or other governments on a cost-reimbursement basis. The City created the Self Insurance Internal Service Fund to pay employee health insurance claims and life insurance premiums.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation – Fund Accounting** (Continued)

***Fiduciary Funds***

Agency Funds – These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units and /or other funds. The City maintains agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups – To make a clear distinction between fixed assets relating to specific funds and those of general government and between long-term liabilities relating to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group – This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group – This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

**C. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, property taxes, certain fees and other local taxes (including hotel/motel tax and estate taxes). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 1999 but which are not intended to finance 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting** (Continued)

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

Annual budgets are adopted for all funds; however, only governmental funds are required to be reported. The primary level of budgetary control is at the function level within each department. Budgetary modifications may only be made by ordinance of the City Council.

**1. Tax Budget**

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year or the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**D. Budgetary Process (Continued)**

2. Estimated Resources (Continued)

The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures which appear in the “Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—All Governmental Fund Types” are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process** (Continued)

6. Budgetary Basis of Accounting

The City’s budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the governmental funds:

Excess (Deficiency) of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	(\$2,883,847)	\$837,101	(\$87,278)	\$1,295,662
Adjustments:				
Revenue Accruals, Net	3,586,938	1,417,711	1,792	(405,402)
Expenditure Accruals, Net	(2,626,520)	(2,376,843)	(1,873)	(2,030,381)
Budget Basis	<u>(\$1,923,429)</u>	<u>(\$122,031)</u>	<u>(\$87,359)</u>	<u>(\$1,140,121)</u>

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and short-term certificates of deposit. The City pools its cash for investment and resource management purposes. Each fund’s equity in pooled cash represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent.

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund’s cash balance at the date of investment. In accordance with GASB Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Investments – (Continued)**

investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

1. Property, Plant and Equipment-General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. The City has elected not to record depreciation in the General Fixed Assets Account Group.

**H. Fixed Assets and Depreciation (Continued)**

2. Property, Plant and Equipment – Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (Years)
Buildings	15 – 50
Improvements Other Than Buildings	25 – 50
Machinery, Equipment, Furniture and Fixtures	3 – 20

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund Water Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Water Fund Waste Collection Fund Sewer Fund
Police Pension Liability	General Fund
Mortgage Revenue Bonds	Water Fund Sewer Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation and compensatory time are accrued as liabilities when an employee’s right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement is accrued to the extent that it is considered probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees expected to become eligible to receive such payments in the future.

For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the water and sewer enterprise funds when earned, and the related liability is reported within the fund.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Operating Transfers In” by the recipient fund and “Operating Transfers Out” by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations. There were no residual equity transfers made during 1999.

**M. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

Before 1990 the City did not prepare its financial statements in accordance with generally accepted accounting principles; therefore, the exact amount of contributed capital pertaining to years prior to 1990 cannot be determined. Only amounts since 1990 that could be specifically identified as contributed have been recorded as contributed capital in the accompanying general purpose financial statements.

**N. Intergovernmental Revenue**

Shared revenues and entitlements are recorded as intergovernmental receivables and revenues when they are measurable and available.

**O. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventory, prepaid items, debt service and encumbered amounts that have not been accrued at year end.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Total Columns on Combined Financial Statements – Overview**

Total columns on the “Combined Financial Statements–Overview” are captioned “Memorandum Only” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Q. Restricted Assets**

Certain investments are classified as revenue bond reserve on the balance sheet because these funds are being held by a trustee according to the terms of the revenue bond indenture.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The fund deficit at December 31, 1999 of \$281,480 in the Swimming Pool Construction Note Fund (capital projects fund) arise from the recording of notes payable as fund liabilities. The deficit does not exist under the budgetary/cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

**B. Excess of Appropriation over Estimated Resources**

For the year ended December 31, 1999, appropriations exceeded estimated resources in the Fire and Emergency Medical Service Special Revenue Fund.

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Each fund type’s portion of this pool is displayed on the combined balance sheet as “Cash and Cash Equivalents.”

Statutes require the classification of funds held by the City into three categories.

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Category 3 consists of “interim” funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty day;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository with which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Deposits collateralized by investment pools are classified as Category 3 deposits per GASB Statement No. 3.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH, CASH EQUIVALENT AND INVESTMENTS (Continued)**

The GASB has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City’s name.
- Category 2 Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.
- Category 3 Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name.

*Investments:*

- Category 1 Insured or registered, with securities held by the City or its agent in the City’s name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the City’s name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

**A. Deposits**

At year end, the carrying amount of the City’s deposits was \$3,632,403 and the bank balance was \$3,901,151. Federal Depository Insurance covered \$200,000 of the deposits and bank balance. All remaining deposits were classified as Category 3.

**B. Investments**

The City’s investments at December 31, 1999 are summarized below:

Categorized Investments	Category 1	Fair Value
United States Federal Securities	\$29,476,973	\$29,476,973
	<u>\$29,476,973</u>	<u>\$29,476,973</u>



**NOTE 4 – TAXES**

**A. 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) are collected in one calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by the County Auditor as 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder is payable by September 20.

Public utility real and tangible personal 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 taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mason. The County Auditor periodically remits to the City its portion of the taxes collected.

The assessed value upon which the 1999 levy was based was \$562,626,397. This amount constitutes \$448,944,160 in real property assessed value, \$17,969,920 in public utility assessed value and \$95,712,317 in tangible personal property assessed value.

**B. Income Tax**

The City levies a tax of 1.0% of all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of up to 50% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 5 – RECEIVABLES**

Receivables at December 31, 1999 consisted of taxes, interest, accounts receivable, loans and special assessments. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not available at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

**NOTE 6 – FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in General Fixed Assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Land and Land Improvements	\$8,411,957	\$-0-	\$-0-	\$8,411,957
Buildings and Building Improvements	1,061,546	105,631	(325)	1,166,852
Furniture, Fixtures and Machinery	5,699,756	514,306	(126,088)	6,087,973
Construction in Progress	54,755	2,277,293	54,755	2,277,293
Totals	<u>\$15,228,018</u>	<u>\$2,897,229</u>	<u>(\$181,168)</u>	<u>\$17,944,075</u>

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 1999:

Category	Balance 12/31/99
Land	\$16,585,142
Buildings and Improvements	25,571,450
Machinery and Equipment	2,426,948
Construction in Progress	8,749,090
Total	\$53,332,630
Less:	
Accumulated Depreciation	(10,566,606)
Net Fixed Assets:	<u>\$42,766,024</u>

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Public Employees Retirement System (the “PERS of Ohio”)**

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, *“Accounting for Pensions by State and Local Government Employers.”*

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City’s contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$437,562, \$410,154 and \$361,842, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides post employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer’s contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post employment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$135,628.

Other Post employment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other post employment benefits during 1999 were \$523,559,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,000. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)**

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**B. Police and Fireman’s Disability and Pension Fund (the PFDPF System of Ohio)**

All City full-time police officers participate in the Police and Fireman’s Disability and Pension Fund of Ohio (the “PFDPF System of Ohio”), a cost-sharing multiple-employer defined benefit pension plan. The PFDPF System of Ohio provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Police and Fireman’s Disability and Pension Fund of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PFDPF System of Ohio. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City’s contributions to the PFDPF System of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$311,335, \$223,587 and \$182,972 respectively for police which was equal to the required contributions for each year. Prior to 1998 fire protection services for the City were provided by the Mason-Deerfield Township Joint Fire District. On September 30, 1998 the City accepted the Township’s request to dissolve the District and assumed the responsibility for these services. The City’s contribution to the PFDPF for firefighters for the year ending December 31, 1999 was \$68,556.

The PFDPF System of Ohio provides post employment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the Police and Firemen’s Disability and Pension Fund shall be included in the employer’s contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund’s Board of Trustees to provide post employment health care coverage to all eligible individuals from the employer’s contributions to the PFDPF System of Ohio.

The portion of the 1999 covered payroll that was used to fund post employment health care benefits was \$80,926 representing 6.50% of covered payroll for police and \$18,567 representing 6.50% of covered payroll for firefighters. Health care funding and accounting were on a

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Police and Firemen’s Disability and Pension Fund (the PFDPF System of Ohio) (Continued)**

pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998 (latest information available), the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The PFDPF System of Ohio does not provide separate data on the funded status and funding progress of post employment health care benefits. The Fund’s total health care expenses for the year ended December 31, 1998 were \$78,596,790.

**NOTE 8 – COMPENSATED ABSENCES**

All full-time City employees earn sick leave at the rate of one day per calendar month of active service. Upon retirement from the City an eligible employee receives one hour of monetary compensation for every three hours of unused sick leave. The monetary compensation is the hourly rate of compensation of the employee at the time of retirement.

All full-time City employees can earn vacation at varying rates based upon length of service. An employee’s vacation must be used during the period in which it is earned unless the department head allows the balance to be carried over to the following year, in which case the vacation is taken in the next subsequent year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance, which is not to exceed the carryover for one year.

As of December 31, 1999, the total liability for unpaid compensated absences was \$404,064 for all funds of the City except proprietary funds. For governmental funds, the entire amount was considered long-term since no payments were anticipated requiring the use of current available financial resources. The liability has been reported in the General Long-Term Obligations Account Group. The portion attributable to the proprietary funds has been recorded within the fund and amounted to \$51,900 at year end.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

Year Issued	Maturity Date	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
<b>Enterprise Funds Long-Term Debt:</b>				
Special Assessment Bond with Governmental Commitment:				
1994	Dilley Water-Sewer	2011	\$66,000 (\$2,000)	\$64,000
Mortgage Revenue Bonds:				
1991	Water Mortgage Revenue	2016	2,555,000 (80,000)	2,475,000
1993	Water Mortgage Revenue	2017	5,400,000 (170,000)	5,230,000
1994	Sewer Mortgage Revenue	2019	7,550,000 (200,000)	7,350,000
Total Mortgage Revenue Bonds			<u>15,505,000</u> (450,000)	<u>15,055,000</u>
Total Enterprise Long-Term Debt			<u>\$15,571,000</u> ( <u>\$452,000</u> )	<u>\$15,119,000</u>
<b>General Obligation Long-Term Debt:</b>				
General Obligation Bonds:				
1983	Civic Building	2003	\$160,000 (\$10,000)	\$150,000
1983	Real Estate - Library Site	2003	50,000 (30,000)	20,000
1998	Road Improvement	2018	4,945,000 (170,000)	4,775,000
1999	Tax Increment Financing	2018	-0- 600,000	600,000
Total General Obligation Bonds			<u>\$5,155,000</u> <u>\$390,000</u>	<u>\$5,545,000</u>
Special Assessment Bonds with Governmental Commitment				
1991	North East Sewer	2011	\$705,000 (\$50,000)	\$655,000
1991	Snider Road	2011	205,000 (20,000)	185,000
1979	Waterline 42 S	1999	2,000 (2,000)	-0-
1982	Waterline Bethany Rd #1	2002	9,000 (2,000)	7,000
1982	Taft Sewer	2002	35,000 (5,000)	30,000
1983	Western Row Widening	2003	65,000 (15,000)	50,000
1983	Waterline Bethany Rd # 2	2003	20,000 (4,000)	16,000
1985	Sewer line Mason-Montgomery Road	2005	8,000 (1,000)	7,000
1985	Waterpark Drive - Beach	2005	245,000 (35,000)	210,000
1988	Lindemann C.G.	2009	17,000 (2,000)	15,000
1990	741 Waterline	2010	290,000 (20,000)	270,000
Total Special Assessment Bonds with Governmental Commitment			<u>1,601,000</u> (156,000)	<u>1,445,000</u>
Installment Loan:				
Mueller Property			<u>173,438</u> (173,438)	<u>-0-</u>
Total General Obligation Long-Term Debt			<u>6,929,438</u> <u>60,562</u>	<u>6,990,000</u>
<b>Other General Long-Term Obligations:</b>				
Compensated Absences			151,133 252,931	404,064
Capital Leases Payable			<u>1,861,896</u> (290,133)	<u>1,571,763</u>
Total Other General Long-Term Obligations			<u>\$2,013,029</u> ( <u>\$37,202</u> )	<u>\$1,975,827</u>
Total General Long-Term Debt and Other Long-Term Obligations			<u>\$8,942,467</u> <u>\$23,360</u>	<u>\$8,965,827</u>

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

The principal amount of the City’s special assessment debt outstanding at December 31, 1999, \$1,509,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$147,564 in the Special Assessment Bond Retirement fund at December 31, 1999 is reserved for the retirement of outstanding special assessment bonds.

A summary of the city’s future long-term debt funding requirements, including principal and interest payments as of December 31, 1999, follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$220,000	\$248,442	\$167,000	\$111,140	\$470,000	\$895,542
2001	220,000	238,355	163,000	98,280	495,000	871,276
2002	230,000	228,275	161,000	85,261	520,000	845,354
2003	230,000	213,780	150,000	72,556	550,000	817,388
2004	200,000	182,413	135,000	59,503	575,000	787,141
2005-2035	4,445,000	2,359,385	733,000	194,596	12,445,000	6,340,071
Totals	\$5,545,000	\$3,470,650	\$1,509,000	\$621,336	\$15,055,000	\$10,556,772

Years	Capital Leases Payable	
	Principal	Interest
2000	\$304,724	\$70,744
2001	308,230	55,459
2002	299,526	40,654
2003	280,161	25,759
2004	-0-	-0-
2005-2035	-0-	-0-
Totals	\$1,571,763	\$209,251

In 1990 the City defeased \$400,000 of Sewer Mortgage Revenue Bonds dated December 1, 1962. In 1990 the City defeased \$335,000 of Water Mortgage Revenue Bonds dated March 1, 1967. The Sewer Mortgage Revenue Bonds matured on December 1, 1999. The principal balance of the Water Mortgage Revenue Bonds at December 31, 1999 is \$90,000.

At the time of the defeasance, funds were deposited with the City’s trustees for the sewer and water issues, the Provident Bank and National City Bank respectively. The principal and interest on the investments in these escrow funds are used solely to pay the principal and interest requirements on the original issue bonds as they come due. As of December 31, 1999, there was \$158,106 of interest and principal on deposit with the Provident Bank and \$165,677 on deposit with National City Bank.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

As the money on deposit with the trustee is adequate to service both of the defeased debt issues, the City is not required to service any portion of this debt directly. Accordingly, neither the 1962 Sewer Mortgage Revenue Bonds nor the 1967 Water Revenue Bonds is included in the long-

**A. Defeased Debt – (Continued)**

term debt schedule or in the enterprise funds balance sheet at December 31, 1999. Similarly, as no obligation is recorded, neither are the funds held on deposit at the Provident Bank and National City Bank, which will be used to service that obligation.

**NOTE 10 – CONTRIBUTED CAPITAL**

There were no changes to the contributed capital balances of the City during the year. Contributed capital balances at year end were as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance at December 31, 1999	<u>\$2,327,069</u>	<u>\$2,336,481</u>	<u>\$4,663,550</u>

**NOTE 11 – NOTES PAYABLE**

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding form more than five year must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.



**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 11 – NOTES PAYABLE – (Continued)**

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	<u>Due Date</u>	<u>Balance December 31, 1998</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 1999</u>	
General Notes Payable:					
1999	Land Acquisition	2000	\$-0-	\$1,600,000	\$1,600,000
1999	Heritage Oak Park Expansion	2000	-0-	1,200,000	1,200,000
	Total General Notes Payable		<u>\$-0-</u>	<u>\$2,800,000</u>	<u>\$2,800,000</u>
Special Revenue Notes Payable:					
1998	Fire Equipment	1999	\$499,423	(\$499,423)	\$-0-
1999	Fire Station Expansion	2000	-0-	1,000,000	1,000,000
1999	Fire Truck Acquisition	2000	-0-	430,000	430,000
	Total Special Revenue Notes Payable		<u>\$-0-</u>	<u>\$930,577</u>	<u>\$1,430,000</u>
Capital Projects Notes Payable:					
1998	Swimming Pool Construction	1999	450,000	(450,000)	-0-
1999	Swimming Pool Construction	2000	-0-	300,000	300,000
	Total Capital Projects Notes Payable		<u>\$450,000</u>	<u>(\$150,000)</u>	<u>\$300,000</u>
Enterprise Notes Payable:					
1998	Real Estate Acquisition Western Row Road	1999	\$100,000	(\$100,000)	\$-0-
1998	Reconstruction	1999	150,000	(150,000)	-0-
	Total Enterprise Notes Payable		<u>\$250,000</u>	<u>(\$250,000)</u>	<u>\$-0-</u>
	Total Notes Payable		<u>\$1,199,423</u>	<u>\$3,330,577</u>	<u>\$4,530,000</u>

**NOTE 12 – CAPITALIZED LEASES**

The City lease fire department equipment under capital leases. The cost of the equipment obtained under capital leases is included in the General Fixed Assets Account Group and the related liability included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 1999:

<u>Year ending December 31, 1999</u>	<u>Capital Leases</u>
2000	\$375,468
2001	363,689
2002	340,180
2003	305,920
2004	395,800
Minimum Lease Payments	<u>\$1,781,057</u>
Less amount representing interest at the City's incremental borrowing rate of interest	<u>209,294</u>
Present value of minimum lease payments	<u>\$1,571,763</u>

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 13 – CONTINGENCIES**

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

**NOTE 14 – INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The following describes the City’s risk management program:

**A. Self Insurance**

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator, Buckeye Employee Benefit Services, Inc., which monitors all claim payments.

The claims liability of \$100,359 reported in the fund at December 31, 1999 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 fund’s claims liability amount in 1999 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
1998	\$40,042	\$661,315	(\$641,858)	\$59,499
1999	59,499	743,666	(702,806)	100,359

**B. Other Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 1999, the pool has sixteen members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, general liability, boiler and machinery, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 14 – INSURANCE AND RISK MANAGEMENT (Continued)**

**B. Other Insurance -** (Continued)

broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a sixteen 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. Management is provided by an Executive Director, who is assisted by a full-time Claims Manager, Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board.

The sixteen participating cities and their respective pool contribution factors for the loss year ended December 31, 1999 are:

<u>Entity</u>	<u>Percentage</u>
Beavercreek	7.78
Blue Ash	6.52
Indian Hill	3.30
Kettering	17.58
Madeira	2.14
Mason	2.24
Miamisburg	12.43
Montgomery	3.44
Sidney	10.64
Springdale	6.40
Tipp City	2.09
Troy	7.75
Vandalia	5.47
West Carrollton	5.52
Wilmington	4.12
Wyoming	2.58
Total	<u><u>100.00</u></u>

The 1999 pool contribution of the City of Mason was \$78,787 representing 2.24% of the total collected from all members for that year’s operating costs and projected loss reserves.

The individual MVRMA, Inc. members are not considered “participants having equity interest” as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 14 – INSURANCE AND RISK MANAGEMENT (Continued)**

**B. Other Insurance (Continued)**

The following is a summary of insurance coverages at year end:

General Liability	\$750,000	excess of	per occurrence
	\$250,000		
Public Officials Liability	\$500,000	excess of	per occurrence
	\$500,000		
Property	\$1,000,000		Up to the appraised value on member buildings
Excess Public Officials Liability	\$10,000,000	excess	per occurrence
	of \$1,000,000		
Boiler and Machinery	Blanket		

The deductible per occurrence for most types of claims is \$2,500, except Boiler and Machinery which is \$1,000. The pool’s self insured retention (SIR) for property claims is \$2,501 - \$250,000 per occurrence except Boiler and Machinery which is \$1,001 - \$5,000. The pool’s SIR for liability claims is \$500,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$500,001 to the limits stated above. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The city was not required to make any supplemental payments as of December 31, 1999, because an actuarial opinion issued as of that date reported actual reserves in excess of \$3,671,956, an amount in excess of the recommended net reserve of \$1,124,822.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 1450 East Davidson Road, Suite 1B, Kettering, Ohio 45429.

Worker’s compensation claims are covered through the City’s participation in the State of Ohio’s program. The City pays the State Worker’s Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The City pays unemployment claims to the State of Ohio as incurred.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 15 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City financed primarily by user charges are water treatment and distribution, wastewater collection and treatment and refuse collection. The key financial information for the year ended December 31, 1999 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Waste Collection</u>	<u>Total</u>
Operating Revenues	\$5,899,964	\$6,072,820	\$896,728	\$12,869,512
Depreciation	502,430	543,809	-0-	1,046,239
Operating Income (Loss)	3,879,820	4,121,288	149,232	8,150,340
Operating Transfers In	-0-	260,403	-0-	260,403
Operating Transfers Out	50,028	60,545	-0-	110,573
Net Income (Loss)	3,816,370	4,282,204	150,539	8,249,113
Property, Plant and Equipment:				
Additions	6,220,685	4,100,070	-0-	10,320,755
Deletions	1,031,124	1,299,789	-0-	2,330,913
Assets	26,439,329	32,589,181	393,922	59,422,432
Net Working Capital	6,926,547	8,839,476	332,209	16,098,232
Notes and Bonds Payable	7,769,000	7,350,000	-0-	15,119,000
Total Equity	18,309,696	25,054,513	329,147	43,693,356

**NOTE 16 – CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 1999, there were six series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the two series issued after January 1, 1996, was \$21,100,000. The aggregate principal amount payable for the four series issued prior to January 1, 1996, could not be determined; however, their original amounts totaled \$7,900,000.

The City has also issued Revenue Bonds to provide financial assistance to the City's health care facilities. The monies are used primarily for upgrades to these facilities. The City has no obligation for the repayment of this debt. The bonds are not bonded indebtedness of the City and are therefore not reported on the City's balance sheet. At December 31, 1999, there were two series of Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after January 1, 1996, was \$6,750,000. The aggregate principal amount payable for the series issued prior to January 1, 1996, could not be determined; however, its original amount totaled \$8,985,000.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 17 – CONSTRUCTION COMMITMENTS**

The City had the following outstanding commitments at December 31, 1999:

Project	Amount
Brandt Street Connector & Kings Island Drive Traffic Signal	\$61,000
Cedar Village Drive Water Line Extension	10,988
Cincinnati Waterworks Connection	890,386
Cincinnati Waterworks Connection/Tylersville Road Watermain	1,574,270
Design/Landscape Medians (10)	246,774
Fire Department Improvements	951,471
Geological Services	2,545
Heritage Oak Park Expansion	628,832
I-71 Sanitary Sewer & Waterline Extension	1,335,399
Industrial Pretreatment Program	8,510
Innovation Way Extension	2,064
Mason Montgomery Road & Cedar Village Drive	868
Mason Montgomery Road & Western Row Road Traffic Signal	644
Mason Montgomery Road Bridge Replacement	24,262
Mason Montgomery Road Sanitary Sewer	13,237
Mason Montgomery Road Widening	76,373
Mason Montgomery Road Widening and I & O Bridge Replacement	337,961
Mason Montgomery Road Elevated Water Storage Tank	48,540
North Mason Trunk Sanitary Sewer & Lift Station	129,231
Northcrest Storm Sewer	40,741
Roof Replacement	20,695
S.R. 741 & Bethany Road Traffic Signal & Left Turn Lane	1,143
Snider Road & Tylersville Road Improvement	21,833
Snider Road & U.S. 42 Sewer Design	8,815
Snider Road Extension	43,863
Snider Road Improvements	42,429
Stormwater Master Plan	18,459
Street Maintenance Program	66,068
Street Striping Program	8,541
Tylersville Road & Foxfield Drive Traffic Signal	2,234
Tylersville Road Extension & Widening	58,587
U.S. 42 & West Main Street Traffic Signal	69,860
U.S. 42 North Trunk Sewer	23,000
U.S. 42 Trunk Sanitary Sewer Improvements	68,057
Waste Reclamation Plant	447,320
Water Main Extension/Mason Rd./Butler Warren/Tylersville Rd.	43,740
Water Well #6	58,630
Total	<u>\$7,387,369</u>

**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

8280 MONTGOMERY ROAD, SUITE 210/ CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

**Report on compliance and on internal control over financial reporting  
based on an audit of financial statements performed in accordance with  
*Government Auditing Standards***

June 29, 2000

Honorable City Council  
City of Mason, Ohio

We have audited the general purpose financial statements of the City of Mason, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Auditor of State and the Honorable City Council of the City of Mason, Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.  
Certified Public Accountants



# **Comprehensive Annual Financial Report**



**City of Mason  
Mason, Ohio  
December 31, 1999**

**CITY OF MASON, OHIO**

**WARREN COUNTY**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
December 31, 1999**

**Prepared By: Finance Department**

**Jennifer Heft  
Finance Director**

# Introductory Section

**CITY OF MASON, OHIO**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 1999**

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# City of Mason

*"Commitment to Excellence in Public Service"*

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202 West Main Street  
Mason, Ohio 45040-1699

(513) 398-8010  
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July 30, 2000

Honorable Mayor, Members of Council  
and Citizens of Mason

We are pleased to present the City of Mason Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1999. 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.

The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the Director of Finance's Office. This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

The accompanying report consists of the following three parts:

Introductory Section - This section introduces the report and includes the table of contents, this transmittal letter, the City's organizational chart, and a chart of elected and appointed officials.

Financial Section - Included within this section is the independent auditors' report; the general purpose financial statements, which include explanatory notes and provide an overview of the City's financial position; results of operations and cash flow; the combining financial statements, which focus on individual funds rather than fund types; individual funds and schedules, that provide detailed information to the general purpose financial statements.

Statistical Section - The multi-year information presented in this section is designed to reflect social and economical data, financial trends and the fiscal capacity of the City.



## Reporting Entity and Services

For financial reporting purposes, the City includes in this report all funds, account groups, agencies, boards and commissions that are controlled by, or dependent on, the City legislative branch. "Controlled by" or "dependent on" the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and/or the City's obligation to fund any deficits that may occur.

### The City

Mason has earned its reputation as a progressive, innovative community. Mason is located in the southwest portion of Ohio, 22 miles northeast of Cincinnati and 30 miles south of Dayton. The municipality is the largest and fastest growing city in Warren County, and Warren County is the second fastest growing county in Ohio.

Originally, settled as the village of Palmyra in 1815, by Major William Mason the community was renamed in his honor 20 years later. Incorporated in 1971, Mason is governed by a City charter that establishes guidelines for its operations. Mason is a home-rule City with a Council/Manager form of government. The legislative body of Mason consists of a Mayor and six Council members who are responsible for the legislative affairs of the City. Council also makes appointments to various statutory and advisory boards and appoints the City Manager, Law Director and Clerk of Council. As chief executive officer, the City Manager is responsible for enforcement of all laws and ordinances, the efficient delivery of all City services, and preparation of capital and operating budgets.

The City provides many of the municipal services normally associated with a municipality. These services include:

1. Police
2. Fire and Emergency Medical Services
3. Street Construction and Maintenance
4. Traffic Signalization
5. Street Lighting
6. Planning and Zoning
7. Building Inspections
8. Recreation
9. Parks
10. Swimming Pool
11. Library (contractual basis)
12. Business Recruitment and Retention
13. General Administrative Services

In addition, water, sanitary sewer and solid waste collection and disposal services are provided under an Enterprise Fund concept with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

## **Economic Conditions and Outlook**

Mason, located just north of Cincinnati, is one of the fastest growing cities in the State of Ohio. Incorporated as the village of Palmyra in 1815, it became a city in 1971, and now has a population of approximately 19,200, with a community able to provide a full range of services to its citizens, businesses, and industries. The City is comprised of 17 square miles with approximately 65% of available land developed. The City expects to continue this pace of development with 2,200 acres zoned high technical and industrial. Of that 2,200 acres, 1,400 are currently developed and more than 800 acres are available in Mason for additional manufacturing and corporate office development.

Considered to be part of the Cincinnati metropolitan area, Mason is strategically located between the region's two most vital commerce corridors, Interstates 71 and 75. The City of Mason continues to attract quality companies locating new or expanded operations. In choosing Mason companies cite: Mason's prime location along the region's two most vital commerce corridors; availability of land for development within established business parks; rising property values; established core of high-tech businesses and labor; and exceptional level of support and services with a favorable business environment widely promoted in the region. Tax incentives targeting high-tech businesses and light industry are strong inducements as well.

Following the inception of tax abatement programs in 1984, the City of Mason has provided 46 abatement agreements under the Community Reinvestment Area Program and eight under the Enterprise Zone Program. These projects have generated initial investment in excess of \$270 million and facilitated the creation or retention of more than 8,400 jobs in the community. Tax abatements continue to be a strong attractor for businesses to locate in Mason.

A transportation and industrial center since the early development of the territory west of the Appalachians, the Metropolitan Area has grown and developed into a major center for insurance and finance companies, wholesaling, retailing, government installation, medical and service industries as well as manufacturing. This diverse economic base continues to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle. Within 300 miles of Mason is 59% of the nation's population, 59% of the nation's purchasing power, 58% of the nation's manufacturing establishments and 65% of the nation's manufacturing industries.

Warren County continues to experience tremendous residential growth as well as unprecedented industrial expansion, making the County the second fastest growing in Ohio. Industrial expansion in Warren County has been concentrated primarily along the Interstate highways, and the County is very fortunate to have more than 36 miles of Interstate highway. This gives businesses and residents the opportunity to easily access the metropolitan areas of both Cincinnati and Dayton. This proximity and accessibility is primarily responsible for the growth taking place in Mason.

Business is booming in Mason, a credit to the City's successful economic strategy to balance high-tech corporations with upscale housing. New industrial and high-tech projects underway in Mason in 1999 added 631,800 square feet of new manufacturing space (projects exceeding \$250,000 capital investment and excluding commercial projects).

The City of Mason targets high-tech companies, corporate headquarters and light industry for its business community. More than 80 corporations have headquarters or manufacturing operations in

Mason's 18 commerce parks, three of which are ranked among the 25 largest commerce parks in the Cincinnati region. New business parks continue to be developed, as evidenced by the addition of "Mason Industrial Park" in 1997, "42 North Mason Business Park" in 1998, Central Parke of Mason in 1999, and plans underway for Tyler's Crossing Office Park in 2000-2001.

Mason's diverse business base is home to national and international blue chip companies. In the last decade numerous major industrial facilities have located within the City of Mason. Some of these major facilities include: Procter & Gamble; Cincinnati Electronics; Cincinnati Fan; Mitsubishi Electric; CINTAS Corporation; Worthington Industries, Inc.; Makino Incorporated; Portion Pac, Inc.; A-Mold Corporation; Steelex Systems; Basco Shower & Door; Loveland Pet Products; Re-Pac Surgical; and Superior Label Systems.

Mason's industrial facilities employ more than 20,000 persons, exceeding the city's current population of more than 19,500. Three of the 10 largest employers in Warren County are located in Mason, and Mason's 15 largest employers provide work for more than 6,000 persons and generate more than \$2.2 million annually in income tax revenue alone.

Because of its proximity to major urban markets, access to highway, rail, truck and air transportation, and large amount of available land, the City is a particularly attractive location for industry. On-site assets such as rail, water and sewer service have further strengthened the City's appeal as a place to do business.

The Metropolitan Area is an important rail freight center fed by three major trunk line railroads, operating twelve divisions with total mileage of 64,000 in 27 states. The Amtrak passenger network also serves the area. The Chessie System serves Mason, with sidings available at three of the four industrial park sites in the City.

The Metropolitan Area is also on the 15,000-mile Great Mississippi River Inland Waterway and Intra coastal Canal System. As a major Ohio River port with 37 commercial water terminals, Cincinnati is the second largest inland coal port. Towboats also handle coal, petroleum, iron, steel, grain, chemicals, fertilizer and automobiles. One hundred seventy-five million tons are annually transported on the Ohio River. There are eight barge lines based in the area with 36 barge lines serving the area.

Additionally, five airports serve Mason residents. The Cincinnati/Northern Kentucky International Airport is located in Northern Kentucky, about thirty-five minutes from Mason, via two interstate routes. Seventeen major regional and commuter airlines provide non-stop or direct service to over 105 cities. In 1996, the airport provided service to over 19 million air passengers. There are over 525 daily or weekday nonstop and one-stop departures to over 105 cities, including five European and two Canadian cities. In 1991, a new \$65 million north-south runway was completed and thereafter, Delta underwent a \$375 million expansion that doubled its number of gates from 25 to 50. Plans have also been announced and approved by the FAA for \$773 million of additional airport expansion projects including replacing two existing terminals with a new terminal, a new runway, and road improvements.

In addition, the Dayton airport is within fifty minutes driving time and is served by all major Midwest carriers. Blue Ash Airport is located to the southeast, 20 minutes driving time from the Mason central business district. Adjacent to a 500-acre industrial park, this airport accommodates private aircraft. Lunken Airport, municipally owned and located in Cincinnati is 25 minutes driving time southeast of

Mason. Cincinnati West Airport in Harrison has a 3,050 foot paved runway and also accommodates private and corporate aircraft.

Business is thriving in Mason, a credit to the city's successful economic strategy to balance light industry and high-tech corporations with attractive housing. Major projects developed in Mason recently include: A \$22 million expansion and technical training center by machine tool manufacturer Makino Incorporated announced in 1996 was one of the largest industrial projects in the Cincinnati metropolitan area, adding more than 200 new jobs to Mason's economy. In 1997, Mitsubishi Electric Automotive America completed its seventh expansion since beginning operations in Mason in 1988. The J.W. Harris Company announced in 1998 plans for a \$40 million project in Mason to manufacture alloys for the HVAC industry and will employ up to 250 people. Also in 1998, uniform-industry giant Cintas Corporation broke ground for a new office complex on the site of its world headquarters and distribution campus in Mason. In 1999 Procter & Gamble, the City's top employer, completed construction of a 200,000 square foot office tower addition bringing employment in Mason to 2,400.

Growth and development in the City of Mason will continue to exceed the normal and average growth of the economy because of Mason's physical location, developable terrain, municipal facilities, services and utilities, and the progressive attitude and actions of City Council, Administration and citizens. The City's taxable property base and its economic base are strong due in part to the quality of life, which has attracted industry and citizens to Mason. The level of new tax base associated with new construction and use of City services is expected to continue to increase. Mason will maintain its focus on having a balanced tax base with viable commercial and industrial businesses to complement a growing residential base.

There is every reason to anticipate a continuation of traditional City financing resources in upcoming budget years. The City closely monitors its resources and has emphasized program efficiencies and cost containment efforts, allowing its strong financial position to be maintained. We believe that the positive economic environment in this area and the diligent management of the City's costs and services will provide ongoing financial health and fiscal capacity.

The following projects were the largest new developments in the City of Mason for 1999:

	<u>Project</u>	<u>Value (capital and payroll)</u>
1.	Paramount's Kings Island	\$40,000,000
2.	CNG Financial Corp	\$18,250,000
3.	Interlott Technologies	\$13,830,000
4.	Mitsubishi Electric	\$10,050,000
5.	Portion Pac (Heinz)	\$ 4,500,000

### **Major Initiatives**

#### **For the Year**

Mason's citizens are the City's greatest assets. Therefore, in preparing each year's budget, residents' needs for services and the safeguarding of their environment in conformity with applicable Federal and

State standards is the government's greatest concern. Major needs of Mason's citizens, identified for the present year include the following:

#### Extension of Innovation Way

Construction of this important roadway that connected existing Innovation Way through to Socialville-Fosters Road was finished in 1999. The next step in this project is to install street lights. New street lights will match existing street lights on Innovation Way and run from Western Row Road to Socialville-Fosters Road

#### I&O Bridge Replacement and Mason-Montgomery Road Widening

In November 1997, the City of Mason began a roadway improvement project on Mason Montgomery Road at the I&O Bridge just north of downtown Mason. The completed, Spring 2000, project improved traffic flow significantly for residents and businesses by building a new railroad overpass that will accommodate a three lane roadway underneath instead of the previous single lane underpass. Project cost was \$1.85 million, of which 60% was funded by the City of Mason and 40% by State of Ohio Issue II funds. The improvement is being constructed in two phases due to its complexity and the City's desire to ease its impact on residents and businesses.

#### Traffic Signal and Lane Improvements at the Intersection of Tylersville Road and Snider Road

Along with the approval of the Greenbrier Subdivision, the Mason Planning Commission and City Council approved a project to add a traffic signal and left turn lanes at the intersection of Tylersville Road and Snider Road. This additional lane and traffic signal assists in facilitating the additional traffic that the new subdivision added to Tylersville Road. TEC Engineering was awarded the contract and completed the left-turn lane design, traffic signal design, and the utility coordination. The funding for this project was split between the City and the Greenbrier Subdivision developer. Work was started in 1999 and was finalized in Spring 2000.

#### Snider Road Extension from the North Property line of the Greenbrier Subdivision to Mason Road.

In 1998, a right-of-way dedication plat was approved for the Snider Road extension project. The extension connects the existing Snider Road from the northern edge of the Greenbrier Subdivision through to Mason Road. This road extension facilitates the high levels of growth brought about by new residential developments in the area. Project parameters consisted of constructing a two-lane road that runs approximately 2,100 feet in length. Additional features of the project included a left-turn lane at Mason Road, an 8 ft. bikepath/sidewalk on the east side of the road, three landscaped medians along the center of the extension, and a third lane on Mason Road at the new intersection. The engineering plans were completed by Kleingers & Associates in 1998. The project was finished in 1999.

#### Mason-Montgomery Road Beautification

City Council awarded one of the City's first design/build contracts to Thornton Gardens in the amount of \$350,000. Thornton's contract authorized them to design and landscape 10 medians with street trees on both sides of Mason-Montgomery Road from Socialville-Fosters Road to Tylersville Road. A second contract with Cinergy in the amount of \$290,000 adds decorative street lights in the medians and along the road where medians are not located. Thornton's design was chosen by a group of residents from subdivisions that border Mason-Montgomery Road.

#### Kings Island Drive Street Lights

City Council awarded a contract to Cinergy to install street lights along Kings Island Drive north of

Western Row Road. Council has been interested in lighting Kings Island Drive for the safety of the residents and the motorists who travel to Paramount's Kings Island each year. Prior to the intersection upgrade at Kings Island Drive/Columbia Road/Western Row Road, this intersection was the most

dangerous intersection in the City. Paramount's Kings Island attracts over 3 million visitors annually and the likelihood of accidents increases without street lights. Previously, there were no street lights on Kings Island Drive except at the intersection with Western Row Road.

#### New Traffic Signal at the Intersection of Brant Connector and Kings Island Drive

Upon the annexation of Kings Island, the City of Mason agreed to install a new traffic signal at the intersection of the Brant Connector and Kings Island Drive. The traffic signal facilitates Kings Island's south parking lot and anticipated future growth in the area. All electric service needed to complete the project was placed underground. Bids for the project were submitted in December of 1998, the contract was awarded to T.C. Signal, and the work was completed in 1999.

#### U.S.42 Sewer Project

Design began in 1999 by the firm of Finkbeiner, Pettis & Strout, The U.S. 42 South portion is designed to begin in Quinn Park and proceed north through the undeveloped area across from Snider Road to the intersection of U.S. 42 and Tylersville Road. This portion of sewer will eliminate three sewer lift stations and provide sewer service for undeveloped land between Tylersville Road and U.S.42. The U.S. 42 North portion is being designed to replace the existing trunk sewer with a new and larger sewer to meet the need for expected growth and replace portions of sewer main that show leakage problems. The North portion will start at Tylersville Road and extend along the Muddy Creek to a point behind the Four Seasons apartment complex.

#### Bethany Road Water Tower Rehabilitation

BBS Corporation performed a tank assessment on the tower in 1997. Based on their recommendations, a rehabilitation project was begun in late spring 1999 and completed in early fall the same year. The project included removal of all coating material and disposal by required methods, upgrading all ladders and manways to meet OSHA standards, and refinishing the tower with a high quality long life coating system. As part of this project the area inside the fence and below the tower was paved and the cart path shared with the Crooked Tree Golf Course was up graded to a 10-foot drive way.

#### Wellfield Projects

The City has performed extensive work in the wellfield located at the water treatment plant. Construction contracts were let for the completion of Well Number 6 and the well was placed in service. A contract was signed with the firm of Malcolm Pirnie to perform an aquifer evaluation and develop a wellfield maintenance plan.

#### Water Treatment Plant Improvement Project

The water treatment plant was improved and the old water treatment plant was taken out of service. All treatment is now accomplished at the new treatment plant. The project allows the 6 mgd capacity to be increased to 7mgd at the expanded plant with the addition of 4 new filters and chemical feeding equipment.

#### Backwash Water Lagoon Replacement

The existing backwash water lagoons at the water treatment plant were leaking and recommendations

were given to the City to eliminate the lagoons rather than enter into a rebuilding project. The North Mason Sewer Project will allow the City to construct a pump station and related piping to convey the backwash water and sanitary wastes to the new sewer being constructed south of the treatment plant near Mason Montgomery Road. The N.P.D.E.S. permit needed by this discharge to a surface water will be eliminated. The firm of Malcolm Pirnie is at the 40% complete point.

#### North Mason Trunk Sewer and Lift Station Project

There were large areas of undeveloped land in the north portion of the City without sewer service, and the Crooked Tree Treatment Plant serving the Crooked Tree Golf course and surrounding subdivisions was near design capacity and in need of replacement. This project will allow the flows from the Crooked Tree area to flow by gravity to the east across previously unsewered areas to a new lift station constructed near the north corporate limit along State Route 741. The lift station pumps directly to the main Mason Water Reclamation Plant. Also included in the project are gravity sewers along S.R. 741 to the south and flowing north to the lift station that will provide sewer service to industrial property along that road.

#### Water Connection to City of Cincinnati Water Works and Related Projects

In 1997 the City of Mason entered into a contract with the City of Cincinnati Water Works (CWW) to purchase 5 mgd to increase Mason's capacity. CWW constructed a pump station for Mason along Socialville Foster Road to pump Mason's system. The City contracted for the design and construction of Water mains to transport the water from the CWW supply to areas of the City that will be supplied from this source. This includes a total of 21,000 feet of 20-inch and 16-inch water main from Socialville Foster Road along Innovation Way and Tylersville Road to the North Snider Road Connector. Also under contract is the design of a new water tower in this service area which is expected to be bid for construction in May 2000. The tower will be built on property purchased for this purpose on Mason Road.

#### Water Main and Sanitary Main Extension under I-71

To facilitate the demands of Mason's recent growth, a water main and sanitary sewer extension were constructed under Interstate 71 just south of Western Row Road. The extension will service an area enclosed by I-71 on the west, Western Row Road on the north, Columbia Road on the east, and Socialville-Fosters Road on the south. The lines will be extended to Columbia road in anticipation of future extension of the lines further east. Eventually a loop of water main and sanitary sewer lines will connect from Western Row Road to Socialville-Fosters Road. The improvements are consistent with the Water Distribution System Report and the Western Row Road lift station. The sanitary sewer portion of the project is almost complete and the water main will be completed by June 2000.

#### Water Main Extension along Cedar Village Drive

An important part of the Cincinnati Water Works connection is a 12-inch main on Cedar Village Drive from Mason-Montgomery Road to Snider Road. Now that Cedar Village Drive is extended to Snider Road design of this main has started. Construction should occur in fall of 2000.

#### Water Master Plan Update

The 1996 Water Master Plan predicted growth and demands until the year 2005. Current system demands are following those projections, but it is now necessary to project out to the year 2020 to allow for infrastructure planning. The Firm of Malcolm Pirnie was contracted to perform the update. The final report is expected by Summer 2000.

### Wastewater Master Plan Update

The Wastewater Master Plan was finalized in 1992 before the high growth began. Examination of the projected flows for the treatment plant revealed average daily flows that were not expected until the year 2013. To allow the City to provide necessary services, a contract for the upgrade of the Wastewater Master Plan was entered into with the firm of Finkbeiner, Pettis & Strout who completed the project in June 1999.

### Water Reclamation Plant Improvements, Phase II

Growth has required the City to begin design on the next phase of improvements to the Water Reclamation Plant. The firm of Finkbeiner Pettis & Strout was awarded the contract for the design of the improvements and they have reached the 45% completion point of design.

### Butler-Warren Road Water Main

Development and the Water Master plan indicated the need for a 16-inch water main on Butler-Warren Road to supply water to the northwest portion of the South Pressure Zone. The Firm of Lock Jones and Beals was awarded the contract for the design of the main and have begun the project.

### Heritage Oak Park Expansion

In August 1999, City Council approved a contract with Sunesis Construction Company for \$1.74 million for the largest single park project ever undertaken in the City of Mason. When the two phases are completed in September 2000, there will be eight new soccer fields, underground utilities (water, sanitary and storm sewer), a bike/walking path, and approximately 800 paved parking spaces. Safety was a major factor in the design. All park amenities are located within an outer parking circle.

## **For the Future**

### Municipal Facility

In November 1999, a Municipal Facility Construction Process Team (CP Team) was formed. The mission of the team was to layout a process for the development of a Municipal Facility. As part of the process, on November 8, 1999, Council authorized an agreement with Michael Schuster & Associates (MSA) for a space needs analysis. On March 27, 2000, after approval of the space needs analysis and the required bidding process, Council authorized a contract with Michael Schuster & Associates for architectural design services. Currently, schematic designs for the interior and exterior of the building are being finalized. The CP team is finalizing the selection process for a construction manager. Seven subcommittees have been created, consisting of City employees, to help facilitate the municipal construction process. These subcommittees consist of: Technology, Security, Furniture, Landscape, Records Retention, Parking and Traffic Control and Public Affairs. Estimated completion date for the project September 2002.

### Tylersville Road Extension and Widening

Mason public officials are attempting to shape the pattern of City growth to achieve a sensible and attractive land-use pattern. This means encouraging a pattern of development that gives residents ready access to recreational, cultural, school, shopping and other facilities, such as I-71 and I-75. The Tylersville Road extension and widening project from U.S. 42 to Kings Island Drive is an important component of the City of Mason's planning objectives.



This new roadway alignment stretching for 2.784 miles consists of four twelve (12) foot lanes, left turn lanes at intersections, 12 ft. grass medians in sections without left turn lanes, curb and gutter, four (4) ft. sidewalk (south side), and a ten (10) ft. bike path (north side). Replacement of nine minor culverts and six major culverts, including the bridge east of the high school property and the twin culverts east of Tylersville Road are also part of the design. Coordinated with the existing traffic signals, at U.S. 42, Mason-Montgomery Road, Cintas Boulevard, and Kings Island Drive; new signals at Willow Lane, Fairway Drive, Western Row Road, Foxfield Drive, and Innovation Way will be added for a total of nine signals. The maximum design speed is 35 mph except for the 20 mph school zones in front of the middle school and the high school.

Construction began May, 2000 and will take approximately two years to complete. Right-of-way was obtained in 1999 and bids were opened in March, 2000. SK Construction, the low and best bidder, was awarded the contract for this \$7,100,000 project.

#### Lane Improvements and Traffic Signal at the Intersection of S.R. 741 & Bethany Road

Drawings for this important traffic improvement are prepared and ready for bidding. This project is necessary to provide safe access from Bethany Road to S.R. 741. The railroad crossing on north S.R. 741 and west Bethany Road make this project more complicated than a typical traffic signal installation. Traffic signals, activated by trains as they move across this intersection, are required by the railroad. Estimated cost for road improvements and traffic signal are over \$420,000.

#### Upgraded Traffic Signal at the Intersection of Main Street & U.S. 42

Mason officials are concerned about traffic and pedestrian flow throughout the City. The traffic control equipment at this intersection is the oldest in Mason and will be replaced with mast arm signal poles in 2000. The project includes new pedestrian signals with new signal heads, detector loops in the pavement necessary for traffic maintenance, and new pedestrian push button controlled signals to give pedestrians easy access across the intersection

#### Mason-Montgomery Road Widening – Second Phase

Mason residents approved a bond issue for a new high school and recreation center on 74 acres purchased by the City of Mason on the east side of Mason-Montgomery Road north of the existing high school. Included as part of the new high school are road improvements to Mason-Montgomery Road and three new traffic signals. Where the schools stop with their improvements the City will take up the project and continue to Main Street. Project limits begin at Tylersville Road and end at Main Street. Design will take place in 2000 and construction will start in 2001.

#### Western Row Road and Snider Road Intersection Improvements and Widening

Western Row is a major commuter road for the businesses located along the Western Row Road Corridor from Interstate 71 to U.S. 42. Included in this important roadway project is the widening of Western Row Road from an existing two-lane to a four-lane road with turn lanes east and west of Snider Road. Widening Snider Road at the intersection of Western Row Road with left turn lanes and adding a traffic signal are also part of the project. The City will add curb & gutters, storm sewers and catch basins. A major component is replacing the bridge east of Snider Road from its current with of a narrow two lane to a four-lane structure. The project length is 1,300 feet east of Snider Road and 1,500 feet west of Snider Road.

Street Lights for Snider Road Extension from the North Property line of the Greenbrier Subdivision to Mason Road.

This project was finished in 1999; however, City Council added streetlights in the 2000 budget for this street. Engineering will receive bids from Cinergy and proceed with construction in 2000

Widening of Socialville Fosters Road from Mason-Montgomery Road to the City of Mason Corporation

In order to accommodate the rapid growth that is occurring in the City of Mason, Socialville-Fosters Road is being widened from Mason-Montgomery Road to the eastern corporation line of the City, a total distance of 2,700 ft. This collector road widening consists of three 12-ft. lanes, curbs and gutters, pavement stripping, catch basins and storm sewers, and street lights with underground wiring. It is expected that no additional right-of-way dedication will be needed. When development occurred along the northern side of Socialville-Fosters Road, additional right-of-way was dedicated in anticipation of a future road-widening project. In November of 1998, the contract for the engineering design was awarded to LJB engineers.

Traffic Signal at the Intersection of Cedar Village Drive and Mason-Montgomery Road

The extension of Cedar Village Drive to Snider Road has opened a new east-west collector street parallel to Western Row Road and Socialville-Fosters Road. This road has spurred commercial and residential development in the south quadrant of Mason. City Council also authorized the construction of the new firehouse on the north side of Cedar Village Drive. Access onto Mason-Montgomery Road is difficult for northbound traffic, especially for fire department vehicles on emergency runs. A new traffic signal with preemption capabilities by fire department personnel is needed for this intersection. Design will start in the spring of 1999 with construction to follow in 2000 or 2001.

### **Departmental Focus**

Each year the City selects a department to highlight for its service efforts and accomplishments. For 1999, the City of Mason would like to acknowledge the efforts of the Fire Department. In December 1997, the Deerfield Township trustees withdrew from the Mason-Deerfield Joint Fire District, which had been providing fire and EMS services to both the City of Mason and Deerfield Township. The township's withdrawal, effective at midnight on September 30, 1998, made it necessary for the city to create its own fire department. On October 1, 1998 the new City of Mason Fire Rescue and EMS department began operations.

The department is staffed with two fire units and two life squads and has a paramedic supervisor/Chief Officer on duty 24 hours a day. There are eight full time employees and eight part time line officers led by Fire Chief William Goldfeder. The full-time positions consist of one Deputy Fire Chief, one Shift Supervisor/Assistant Fire Chief, two Shift Supervisors/Captains, two Fire Marshal/Paramedic/Firefighters, a full-time Administrative Assistant and the Chief. There are approximately 100 part time and volunteer (Paid-On-Call) employees. The volunteer (On Call Paid) program provides supplemental equipment and manpower based upon the reported incident or emergency.

The department currently operates two stations. The current station in downtown Mason serves the central and north sides of Mason. Construction on a second station began during 1998 and occupation took place during 1999, although the entire facility will not be completed until later this year.

Training is a high priority for the Department. All Mason firefighters are trained to the State of Ohio Firefighter Minimum Standards Level 1-A, with many more firefighters maintaining advanced certifications up to the maximum firefighter 1-C certification. Mason's ambulances are staffed by a combination of Emergency Medical Technicians and Paramedics. Mason's Fire Department is accredited by the State of Ohio Division of Emergency Medical Services to teach and certify EMT and Paramedic continuing education classes. This accreditation allows the majority of employees' recertification training, that normally would have to be taken outside of the department, to be done in-house-reducing costs to the City and employees. All of our duty crews are required to participate in additional fire and EMS training each shift (4-6 hours). These training sessions enhance the department's ability to work together as a team and build quality experience through realistic training.

The Department employs two full-time Fire Marshals/Paramedics/Firefighters, who run the Bureau of Fire Prevention. A Fire Marshals' main responsibilities are to enforce State of Ohio and local fire codes. The Fire Marshals inspect all City businesses at least once a year to ensure a safe work environment as well as compliance with State and local fire codes. The Fire Marshals also work closely with the Engineering and Building Department in reviewing all the plans for new sub-divisions, buildings and additions to existing structures and are responsible for the City's pre-plan program. The pre-plan program involves documenting target hazards inside buildings and other critical information about the structure and the occupancy. The most significant part of a fire marshals job is the public education programs. The Fire Marshals coordinate all public education programs for schools, civic groups and businesses.

The City of Mason Fire and Police Departments maintain a co-operative Chaplains unit. Members of the Chaplains unit are pastors who serve as volunteers, representing almost every church in the City. Chaplains regularly respond to emergency incidents with the Fire Department and assist as non-denominational liaisons between the family, victims and the department.

### **Financial Information**

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding; (1) the safeguarding of assets against loss from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of cost and benefits requires estimates and judgments by management.

### **Budgetary Controls**

The City Charter grants the City Council full authority over the financial affairs of the City. The Charter requires that all funds of the City, except funds made up of proceeds of bond issues, agency funds and enterprise funds be budgeted. The City Manager is charged with the responsibility of preparing the estimates of the annual budget and the enforcement of the provisions of the budget as specified in the budget ordinance. Upon adoption of the annual budget ordinance by the Council, it becomes the formal budget for City operations. After the budget ordinance is adopted, Council, on recommendation of the

City Manager, may at any time by ordinance transfer any unencumbered balance of an appropriation from one item or project to another under the same fund, or reduce or increase any item, provided the ordinance as amended does not increase the authorized expenditures to an amount greater than the total estimated income. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls. The City does maintain an informal monitoring system to facilitate budgetary control over proposed purchases. Essentially, the system entails the use of monthly computerized printouts which detail year-to-date actual versus budgeted expenditures comparisons of the various funds by budgeted line item. Encumbered amounts lapse at year end. However, encumbrances generally are reappropriated as part of the following year's budget.

### **Fund Categories and Types**

Local government is considered to comprise a number of separate fiscal entities known as funds. These funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions, or limitations. All funds established by Mason must be classified in one of seven fund types for financial reporting purposes.

**Governmental Funds** - Those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary fund) are accounted for through governmental

funds. The measurement focus is upon determination of financial flow (sources, uses and balances of financial resources). The following are the City's governmental fund types:

**General Fund** - This fund is used to account for all financial resources except those accounted for in another fund. The general fund is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio, and the limitations of the City Charter.

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

**Debt Service Funds** - These Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest other than that accounted for in the proprietary fund.

**Capital Project Funds** - These funds are used to account for the acquisition or construction of major capital facilities and capital improvements other than those financed by Proprietary Funds. They include capital projects financed by special assessments.

**Proprietary Funds** - The Proprietary Funds are used to account for those City activities which are similar to those often found in the private sector. Funds included are:

**Enterprise Funds** - These funds are used to account for operations that provide services which are financed primarily by user charges or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes. Enterprise funds are accounted for on an economic resources measurement focus.

**Internal Service Fund** - This fund accounts for the financing of services provided by one department or agency to another department or agency of the City on a cost reimbursement basis.

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

**Agency Funds** - The City's Agency Funds are custodial in nature (assets equal liabilities) and do not purport to present financial position or the results of operations.

**Account Groups** - Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. They are neither expendable resources nor do they require current appropriations.

The two account groups include:

**General Fixed Assets Account Group** - This account group is used to present the general fixed assets that the City utilized in its general operations, exclusive of

those used in the Enterprise Funds. General fixed assets include land, buildings, building improvements, and furniture, fixtures and equipment owned by the City.

**General Long-Term Debt Account Group** - This account is used to account for all long-term obligations of the City except those accounted for in the Enterprise Funds.

### **General Fund Functions**

Revenues for the general fund totaled \$14,003,022, representing an increase of 6% over 1998. This increase is primarily the result of an increase in local governments funds received from the Warren County and the State of Ohio. During 1999, the City evaluated and adjusted its fee structure for charges assessed on City services. Moreover, the City's Parks and Recreation Department has been very aggressive implementing new recreation programs for our residents. The decline in All Other Revenue is due to a substantial reimbursement received in 1998 for

expenses previously incurred by the City. The following schedule presents a summary of general fund revenues for the years ended December 31, 1998 and 1999, the percentage of total revenues for each year and the amount and percentage of increase (decrease) in relation to 1998.

### General Fund Revenues

Revenue Source	1998 Total	Percent of Total	1999 Total	Percent of Total	Increase (Decrease) over 1997	Percent of Increase (Decrease)
Taxes	\$ 10,777,058	82%	\$ 11,142,479	80%	\$ 365,421	3%
Fines and Forfeitures	333,280	3%	332,346	2%	(934)	0%
Intergovernmental						
Revenues	702,610	5%	1,144,190	8%	441,580	63%
Charges for Services	113,396	1%	159,601	1%	46,205	41%
Licenses and Permits	551,783	4%	668,375	5%	116,592	21%
Investment Earnings	241,673	2%	237,624	2%	(4,049)	-2%
All Other Revenues	462,430	3%	318,407	2%	(144,023)	-31%
Total	\$ 13,182,230	100%	\$ 14,003,022	100%	\$ 820,792	

Expenditures for the general fund totaled \$12,902,210 in 1999, an increase of 62% over 1998. This increase in expenditures was the result of an increase in capital expenditures to finance the needs of a growing community. The following schedule presents a summary of general fund expenditures for the years ended December 31, 1998 and 1999, the percentage of total expenditures for each year and the amount and percentage of increase (decrease) in relation to 1998.

### General Fund Expenditures

Expenditure Source	1998 Total	Percent of Total	1999 Total	Percent of Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
Security of Persons and Property	\$2,052,836	26%	\$2,504,029	19%	\$ 451,193	22%
Leisure Time Activities	774,456	10%	1,975,052	15%	1,200,596	155%
Community Environment	487,525	6%	621,413	5%	133,888	27%
Transportation	1,753,028	22%	3,094,327	24%	1,341,299	77%
Basic Utility Services	103,774	1%	179,570	1%	75,796	73%
General Government	2,712,168	34%	4,506,728	35%	1,794,560	66%
Other Expenditures	36,472	1%	-0-	0%	(36,472)	0%
Debt Service	-0-	0%	21,091	1%	21,091	100%
Total	\$ 7,920,259	100%	\$12,092,210	100%	\$ 4,981,951	

### **Proprietary Operations**

There are three separate proprietary activities accounted for in the City's enterprise funds: Water, Sewer and Waste Collection. These funds had total fund equity of \$43,693,356 and total net income of \$8,249,113 as of December 31, 1999. The City has met the needs for expanding utility service in its growing area with upgrades to the water and sewer plants. Over 3 million gallons of water are currently generated each day from six wells. The water is pumped to Mason's water treatment plant, which has a total capacity of 7.0 million gallons per day and an average peak day demand of 3,800,000. Mason's existing distribution system includes 5 elevated tanks, 3 pumping stations, and 150 miles of transmission and distribution mains.

During 1997, the City entered into an agreement with Cincinnati Waterworks to provide additional water service to the City of Mason. As part of the project the City will finance approximately \$10,000,000 of water system improvements. The additional water supplied by Cincinnati Waterworks gives Mason a water system capacity of 11 mgd. This capacity should meet the City's needs until 2010. The City's wastewater treatment system is comprised of one treatment plant, 14 lift stations, and approximately 150 miles of sanitary sewer mains. The main treatment facility has a capacity of 4.95 million gallons per day. Current average daily flow is approximately 3.8 million gallons per day.

### **Fiduciary Operations**

The City's Fiduciary Funds account for resources received and held by the City as trustee or for which the City acts as the agent for individuals. As of December 31, 1999, assets reported under programs in which the City provided custodial responsibilities totaled \$701,726. These include the Municipal Court, Subdivision Inspection Fund and the Joint Fire District Fund.

### **Debt Administration**

The City has judiciously used tax-exempt bond financing for a variety of its capital programs that have benefits over multi-year periods. Use of bonded debt proceeds has allowed the City to make ongoing improvements to its utility systems, develop recreation facilities and provide needed street improvements and construction. These programs have been accomplished while imposing reasonable debt burdens within the capacity of taxpayers.

As of December 31, 1999, the following was the outstanding debt of the City:

General Obligation Notes	\$ 4,530,000
General Obligation Bonds	5,545,000
Mortgage Revenue Bonds	15,055,000
Special Assessment Bonds	1,509,000
Total Outstanding Debt:	\$26,639,000

### **General Fixed Assets**

Mason conforms with GASB guidelines in classifying fixed assets in either the General Fixed Asset Account Group or within individual Proprietary Funds. Only assets with a cost of \$1,000 or more and which have a useful life of one year or more are considered fixed assets. Major improvements, which are of value only to the City such as roads, curbs and sidewalks are not included in the General Fixed Asset Account Group. General fixed assets totaled \$17,944,075 as of December 31, 1999. Enterprise fund fixed assets totaled \$42,766,024, net of depreciation as of December 31, 1999.

### **Cash Management**

The City of Mason adopted its investment policy on September 23, 1996 with approval of Ordinance 96-133. This City policy is guided in large part by State Statute: Chapter 135 of the Ohio Revised Code.

The primary objective of the City's investment activities is the preservation of capital and protection of investment principal. In investing public funds, the City will strive to maximize the return on the portfolio but will avoid assuming unreasonable risks. The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements which might be reasonably anticipated. The City will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

All eligible financial institutions must meet the requirements of the Uniform Depository Act which requires the financial institution to maintain a full service facility located in the City of Mason and to have a current Agreement for Deposit of Interim Funds with the City.

Authorized investments are described in detail in Note 4 of the footnotes to the general purpose financial statements included within the financial section of this comprehensive annual financial report. The City currently has all excess collected balances not needed to cover daily check clearings transferred into a repurchase investment account at Fifth Third Bank, Cincinnati, Ohio. All funds held in the repurchase investment account are collateralized with eligible securities as defined by Chapter 135 of the Ohio Revised Code, held in the City's name by the trust department at Fifth Third Bank. The securities are valued daily on a market to market basis and are pledged at 102% of the funds invested in the repurchase agreement.

Over the past twelve months, the City's investment yield has averaged 5.51%. This compares favorably with the most common industry benchmarks; Star Ohio, 5.01% and Treasury Bills, 5.06%. The yields are monitored on a monthly basis and when the point spread is sufficient to justify the loss of immediate liquidity and the absence of specific collateral pledged in the City's name, other types of authorized investments, collateralized as and if required, may be considered for the City's portfolio.



## **Risk Management**

In September 1997, in an attempt to reduce insurance costs, the City of Mason joined a local joint self-insurance pool, the Miami Valley Risk Management Association (MVRMA), in lieu of reliance upon conventional insurance.

The Miami Valley Risk Management Association was formed in 1988 by a core group of Dayton, Ohio area municipalities who possessed professional administration, stable operations, and unusually good claims and loss experience. Since then, their marketing committee has sought out cities with similar characteristics. The 1998 membership includes Beavercreek, Blue Ash, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming. The amount of each member's annual contribution for losses and operating costs is based upon a weighted average computation which includes a four year average of claims expenses and losses, population, the number of full time police officers, the number of other full time employees, the number of titled vehicles, net operating expenditures, and the valuation of property requiring property damage coverage. Since the claim/loss factor is more heavily weighted than the others, cities that do well on loss prevention and claims experience represent a smaller portion of the overall risk factor and thus have lower contributions. Cities with higher than average losses will pay proportionately more for each year's loss computations.

The Association's Centerville, Ohio office is staffed by a qualified full time administrator, claims manager, loss control manager and an assistant. The Association has been fully audited by the Ohio Department of Insurance, is a certified not for profit corporation, has a tax exempt status, and operates under bylaws and procedures established by the governing board composed of one trustee from each member city. A Comprehensive Annual Financial Report (CAFR) is prepared each year by the association.

When a claim is filed, the first \$2,500 of each loss is a deductible that is fully payable by the member city. Each property claim and each crime claim excess of \$2,500 up to \$250,000 is paid by the pool including the cost of settlement and legal defense. Each casualty/liability claim excess of \$2,500 up to \$500,000 is paid by the pool including the cost of settlement and legal defense. As of December 31, 1999, the Association had current assets of \$4,300,010; total assets of \$4,341,490; current liabilities of \$1,675,210; and no long-term liabilities. MVRMA estimates that member cities are paying approximately 35% less for coverage through MVRMA than would be paid under a commercial insurance program.

Expenses for any claims exceeding the \$250,000 level are covered by the traditional policies purchased through various markets by the Association. The per occurrence limit of liability for MVRMA casualty claims is \$11,500,000 per claim and is placed by the Association's broker, J & H Marsh McLennan.

The Pool's overall loss experience has been excellent since its inception in 1988. A synopsis of insurance is presented in the Statistical Section (Table 14).

### Independent Audit

This report includes financial statements and supplemental schedules which have been audited by Plattenburg & Associates, Inc., a firm of independent Certified Public Accountants. The auditor's report of Plattenburg & Associates, Inc., specifies the scope of their audit, the use of generally accepted auditing standards and the conformity of generally accepted accounting principles, and concludes that these financial statements present fairly the financial position of the City.

### Certificate of Achievement

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments and as set forth by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Government Finance Officers Association of the United States and Canada recognizes, by awarding a Certificate of Achievement for Excellence in Financial Reporting, governmental units that issue their comprehensive annual financial reports substantially in conformity with the standards developed by GASB.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governments finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Mason was awarded the Certificate of Achievement for our 1997 and 1998 CAFR and we believe our current report conforms to the Certificate of Achievement Program requirements, and it is being submitted to GFOA to determine its eligibility for an award.

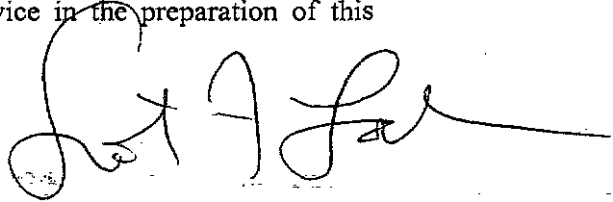
### Acknowledgment

Our most sincere appreciation is extended to all members of the staff, whose efforts have made this report possible. Special thanks is extended to Bev Salatin, the staff of Plattenburg & Associates, Inc., for their dedicated service in the preparation of this comprehensive annual financial report.

Sincerely,



Jennifer Heft  
Finance Director



Scot Lahrmer  
City Manager

# THE CITY OF MASON, OHIO

## LIST OF PRINCIPAL OFFICIALS

December 31, 1999

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### ELECTED OFFICIALS

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Mayor	John McCurley
Vice Mayor	James Fox
Council Member	Peter Beck
Council Member	Betty Davis
Council Member	Thomas Muennich
Council Member	Charlene Pelfrey
Council Member	James Dick Staten

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### ADMINISTRATIVE OFFICIALS

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City Manager	Scot Lahrmer
City Engineer	Richard Fair
Chief of Police	Ron Ferrell
Fire Chief	William Goldfeder
Assistant City Manager	Eric Hansen
Finance Director	Jennifer Heft
Public Works Director	John Saar
Public Utilities Director	Ernie Stickler
Parks & Recreation Director	Paul Walsh



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mason,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

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



*Cary Brueck*  
President

*Jeffrey L. Esser*  
Executive Director

# Financial Section



**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

8280 MONTGOMERY ROAD, SUITE 210 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
2211 SOUTH DIXIE AVENUE / DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

June 29, 2000

The Honorable Mayor and Members of the  
City Council of the City of Mason

**REPORT OF INDEPENDENT ACCOUNTANTS**

We have audited the accompanying general purpose financial statements of the City of Mason, Ohio, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

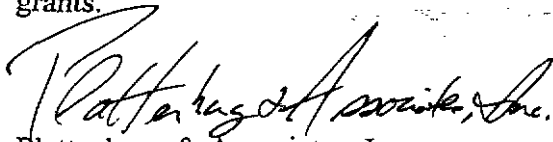
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Honorable Mayor and Members of the  
City Council of the City of Mason  
Page 2

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2000 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 grants.



Plattenburg & Associates, Inc.  
Certified Public Accountants



## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.*

CITY OF MASON, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
<b>Assets:</b>				
Pooled cash and investments	\$5,166,866	\$4,753,139	\$156,620	\$6,843,326
Receivables (net of allowance for uncollectibles):				
Taxes	3,293,330	2,458,889	85,264	0
Accounts	81,944	50,491	0	0
Intergovernmental	46,070	13,901	0	0
Special assessments	0	0	2,389,017	0
Restricted pooled cash and investments	0	0	0	0
Inventory	0	29,946	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
<b>Other debits:</b>				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$8,588,210</b>	<b>\$7,306,366</b>	<b>\$2,630,901</b>	<b>\$6,843,326</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
<b>Liabilities:</b>				
Accounts payable	1,502,160	157,525	490	939,730
Accrued wages and benefits	135,651	57,220	0	0
Interest payable	21,091	15,473	0	7,448
Compensated absences	0	0	0	0
Due to others	0	0	0	0
Deferred revenue	2,617,237	2,458,889	2,474,281	0
General obligation notes payable	2,800,000	1,430,000	0	300,000
Revenue bonds payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Capital lease obligations	0	0	0	0
<b>Total Liabilities</b>	<b>7,076,139</b>	<b>4,119,107</b>	<b>2,474,771</b>	<b>1,247,178</b>
<b>Equity and Other Credits:</b>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
<b>Fund Balances:</b>				
Reserved for encumbrances	2,308,169	1,662,653	1,887	2,264,516
Reserved for inventory	0	29,946	0	0
Unreserved, undesignated	(796,098)	1,494,660	154,243	3,331,632
<b>Total Equity and Other Credits</b>	<b>1,512,071</b>	<b>3,187,259</b>	<b>156,130</b>	<b>5,596,148</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$8,588,210</b>	<b>\$7,306,366</b>	<b>\$2,630,901</b>	<b>\$6,843,326</b>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$15,131,017	\$394,300	\$431,696	\$0	\$0	\$32,876,964
0	0	0	0	0	5,837,483
1,431,312	0	37,618	0	0	1,601,365
0	0	0	0	0	59,971
0	0	0	0	0	2,389,017
0	0	232,412	0	0	232,412
94,079	0	0	0	0	124,025
42,766,024	0	0	17,944,075	0	60,710,099
0	0	0	0	154,243	154,243
0	0	0	0	8,811,584	8,811,584
<u>\$59,422,432</u>	<u>\$394,300</u>	<u>\$701,726</u>	<u>\$17,944,075</u>	<u>\$8,965,827</u>	<u>\$112,797,163</u>
521,527	100,359	7,057	0	0	3,228,848
36,649	0	0	0	0	229,520
0	0	0	0	0	44,012
51,900	0	0	0	404,064	455,964
0	0	694,669	0	0	694,669
0	0	0	0	0	7,550,407
0	0	0	0	0	4,530,000
15,055,000	0	0	0	0	15,055,000
0	0	0	0	5,545,000	5,545,000
64,000	0	0	0	1,445,000	1,509,000
0	0	0	0	1,571,763	1,571,763
<u>15,729,076</u>	<u>100,359</u>	<u>701,726</u>	<u>0</u>	<u>8,965,827</u>	<u>40,414,183</u>
0	0	0	17,944,075	0	17,944,075
4,663,550	0	0	0	0	4,663,550
39,029,806	293,941	0	0	0	39,323,747
0	0	0	0	0	6,237,225
0	0	0	0	0	29,946
0	0	0	0	0	4,184,437
<u>43,693,356</u>	<u>293,941</u>	<u>0</u>	<u>17,944,075</u>	<u>0</u>	<u>72,382,980</u>
<u>\$59,422,432</u>	<u>\$394,300</u>	<u>\$701,726</u>	<u>\$17,944,075</u>	<u>\$8,965,827</u>	<u>\$112,797,163</u>

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CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES:</b>					
Local tax revenues	\$11,142,479	\$2,432,651	\$84,246	\$0	\$13,659,376
Intergovernmental revenues	1,144,190	1,098,908	0	669,199	2,912,297
Charges for services	159,601	319,911	0	0	479,512
Fines and forfeitures	332,346	124,631	0	0	456,977
Investment earnings	237,624	115,733	0	279,521	632,878
Special assessments	0	0	214,265	0	214,265
Licenses and permits	668,375	390,460	0	0	1,058,835
All other revenue	318,407	40,466	0	3,221	362,094
<b>Total Revenues</b>	<b>14,003,022</b>	<b>4,522,760</b>	<b>298,511</b>	<b>951,941</b>	<b>19,776,234</b>
<b>EXPENDITURES:</b>					
Current:					
Security of persons and property	2,504,029	3,139,529	0	0	5,643,558
Leisure time activities	1,975,052	0	0	0	1,975,052
Community development	621,413	0	0	0	621,413
Basic utility services	179,570	0	0	0	179,570
Transportation and street repair	3,094,327	348,196	0	1,499,950	4,942,473
General government	4,506,728	14,650	490	803,182	5,325,050
Capital outlay	0	0	0	1,608,929	1,608,929
Debt service:					
Principal	0	0	391,438	0	391,438
Interest and fiscal charges	21,091	15,473	328,861	11,858	377,283
<b>Total Expenditures</b>	<b>12,902,210</b>	<b>3,517,848</b>	<b>720,789</b>	<b>3,923,919</b>	<b>21,064,766</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,100,812</b>	<b>1,004,912</b>	<b>(422,278)</b>	<b>(2,971,978)</b>	<b>(1,288,532)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds of notes and bonds	0	0	0	600,000	600,000
Operating transfers - in	114,769	0	335,000	3,667,640	4,117,409
Operating transfers - (out)	(4,099,428)	(167,811)	0	0	(4,267,239)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,984,659)</b>	<b>(167,811)</b>	<b>335,000</b>	<b>4,267,640</b>	<b>450,170</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>(2,883,847)</b>	<b>837,101</b>	<b>(87,278)</b>	<b>1,295,662</b>	<b>(838,362)</b>
<b>Fund Balance at Beginning of Year</b>	<b>4,395,918</b>	<b>2,346,102</b>	<b>243,408</b>	<b>4,300,486</b>	<b>11,285,914</b>
<b>Increase (decrease) in reserve for inventory</b>	<b>0</b>	<b>4,056</b>	<b>0</b>	<b>0</b>	<b>4,056</b>
<b>Fund Balance at End of Year</b>	<b>\$1,512,071</b>	<b>\$3,187,259</b>	<b>\$156,130</b>	<b>\$5,596,148</b>	<b>\$10,451,608</b>

See accompanying notes.

CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local tax revenues	\$11,919,441	\$11,920,923	\$1,482	\$2,459,460	\$2,460,439	\$979
Intergovernmental revenues	1,141,500	1,144,810	3,310	1,036,350	1,093,242	56,892
Charges for services	160,000	161,671	1,671	31,579	278,216	246,637
Fines and forfeitures	353,000	353,765	765	126,963	126,964	1
Interest revenue	238,000	238,315	315	97,713	110,764	13,051
Special assessments	0	0	0	0	0	0
Licenses and permits	665,950	668,375	2,425	378,591	390,460	11,869
All other revenue	305,100	306,649	1,549	46,192	50,215	4,023
<b>Total Revenues</b>	<b>14,782,991</b>	<b>14,794,508</b>	<b>11,517</b>	<b>4,176,848</b>	<b>4,510,300</b>	<b>333,452</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Security of persons and property	3,041,980	2,844,824	197,156	4,681,960	4,314,608	367,352
Leisure time activities	2,883,857	2,760,841	123,016	0	0	0
Community development	993,229	867,243	125,986	0	0	0
Basic utility services	227,223	215,042	12,181	0	0	0
Transportation and street repair	4,218,160	4,096,485	121,675	1,505,057	489,240	1,015,817
General government	5,059,117	4,744,310	314,807	305,508	46,010	259,498
<b>Debt service:</b>						
Principal	0	0	0	1,195,000	1,195,004	(4)
Interest and fiscal charges	0	0	0	20,000	17,640	2,360
<b>Total Expenditures</b>	<b>16,423,566</b>	<b>15,528,745</b>	<b>894,821</b>	<b>7,707,525</b>	<b>6,062,502</b>	<b>1,645,023</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,640,575)</b>	<b>(734,237)</b>	<b>906,338</b>	<b>(3,530,677)</b>	<b>(1,552,202)</b>	<b>1,978,475</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from general obligation notes	2,800,000	2,800,000	0	1,430,000	1,430,000	0
Proceeds from general obligation bonds	0	0	0	0	0	0
Operating transfers - in	86,255	110,221	23,966	200	171	(29)
Operating transfers - (out)	(4,102,575)	(4,099,413)	3,162	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,216,320)</b>	<b>(1,189,192)</b>	<b>27,128</b>	<b>1,430,200</b>	<b>1,430,171</b>	<b>(29)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>(2,856,895)</b>	<b>(1,923,429)</b>	<b>933,466</b>	<b>(2,100,477)</b>	<b>(122,031)</b>	<b>1,978,446</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,296,706</b>	<b>3,296,706</b>	<b>0</b>	<b>3,076,808</b>	<b>3,076,808</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$439,811</b>	<b>\$1,373,277</b>	<b>\$933,466</b>	<b>\$976,331</b>	<b>\$2,954,777</b>	<b>\$1,978,446</b>

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$85,283	\$85,283	\$0	\$0	\$0	\$0	\$14,464,184	\$14,466,645	\$2,461
0	0	0	0	0	0	2,177,850	2,238,052	60,202
0	0	0	0	0	0	191,579	439,887	248,308
0	0	0	0	0	0	479,963	480,729	766
0	0	0	243,740	269,560	25,820	579,453	618,639	39,186
215,020	215,020	0	0	0	0	215,020	215,020	0
0	0	0	0	0	0	1,044,541	1,058,835	14,294
0	0	0	6,000	6,913	913	357,292	363,777	6,485
<u>300,303</u>	<u>300,303</u>	<u>0</u>	<u>249,740</u>	<u>276,473</u>	<u>26,733</u>	<u>19,509,882</u>	<u>19,881,584</u>	<u>371,702</u>
0	0	0	0	0	0	7,723,940	7,159,432	564,508
0	0	0	0	0	0	2,883,857	2,760,841	123,016
0	0	0	0	0	0	993,229	867,243	125,986
0	0	0	0	0	0	227,223	215,042	12,181
0	0	0	2,163,472	2,163,169	303	7,886,689	6,748,894	1,137,795
0	0	0	3,323,270	3,323,207	63	8,687,895	8,113,527	574,368
377,450	377,450	0	450,284	450,284	0	2,022,734	2,022,738	(4)
346,428	345,212	1,216	20,307	17,640	2,667	386,735	380,492	6,243
<u>723,878</u>	<u>722,662</u>	<u>1,216</u>	<u>5,957,333</u>	<u>5,954,300</u>	<u>3,033</u>	<u>30,812,302</u>	<u>28,268,209</u>	<u>2,544,093</u>
(423,575)	(422,359)	1,216	(5,707,593)	(5,677,827)	29,766	(11,302,420)	(8,386,625)	2,915,795
0	0	0	300,465	300,465	0	4,530,465	4,530,465	0
0	0	0	568,115	569,601	1,486	568,115	569,601	1,486
400,833	335,000	(65,833)	3,667,550	3,667,640	90	4,154,838	4,113,032	(41,806)
0	0	0	0	0	0	(4,102,575)	(4,099,413)	3,162
<u>400,833</u>	<u>335,000</u>	<u>(65,833)</u>	<u>4,536,130</u>	<u>4,537,706</u>	<u>1,576</u>	<u>5,150,843</u>	<u>5,113,685</u>	<u>(37,158)</u>
(22,742)	(87,359)	(64,617)	(1,171,463)	(1,140,121)	31,342	(6,151,577)	(3,272,940)	2,878,637
242,847	242,847	0	4,813,970	4,813,970	0	11,430,331	11,430,331	0
<u>\$220,105</u>	<u>\$155,488</u>	<u>(\$64,617)</u>	<u>\$3,642,507</u>	<u>\$3,673,849</u>	<u>\$31,342</u>	<u>\$5,278,754</u>	<u>\$8,157,391</u>	<u>\$2,878,637</u>

CITY OF MASON, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1999

	Proprietary Fund Type		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>OPERATING REVENUES:</b>			
Charges for services	\$12,869,512	\$837,893	\$13,707,405
Other	10,500	0	10,500
<b>Total Operating Revenue</b>	<b>12,880,012</b>	<b>837,893</b>	<b>13,717,905</b>
<b>OPERATING EXPENSES:</b>			
Personal services	1,280,228	743,666	2,023,894
Contractual services	2,124,028	0	2,124,028
Depreciation	1,046,239	0	1,046,239
Materials and supplies	249,045	0	249,045
Cost of services	7,826	0	7,826
Other	22,306	0	22,306
<b>Total Operating Expenses</b>	<b>4,729,672</b>	<b>743,666</b>	<b>5,473,338</b>
<b>OPERATING INCOME (LOSS)</b>	<b>8,150,340</b>	<b>94,227</b>	<b>8,244,567</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings	816,694	2,395	819,089
Interest expense	(867,751)	0	(867,751)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(51,057)</b>	<b>2,395</b>	<b>(48,662)</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>8,099,283</b>	<b>96,622</b>	<b>8,195,905</b>
<b>OPERATING TRANSFERS:</b>			
Operating transfers - in	260,403	0	260,403
Operating transfers - (out)	(110,573)	0	(110,573)
<b>Total Operating Transfers</b>	<b>149,830</b>	<b>0</b>	<b>149,830</b>
<b>NET INCOME (LOSS)</b>	<b>8,249,113</b>	<b>96,622</b>	<b>8,345,735</b>
<b>RETAINED EARNINGS BEGINNING OF YEAR</b>	<b>30,780,693</b>	<b>197,319</b>	<b>30,978,012</b>
<b>RETAINED EARNINGS END OF YEAR</b>	<b>\$39,029,806</b>	<b>\$293,941</b>	<b>\$39,323,747</b>

See accompanying notes.



CITY OF MASON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<b>OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$8,150,340	\$94,227	\$8,244,567
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,046,239	0	1,046,239
Changes in assets and liabilities:			
(Increase) decrease in receivables	(1,202,995)	101	(1,202,894)
(Increase) decrease in inventory	(3,225)	0	(3,225)
(Increase) decrease in other assets	6,490	0	6,490
Increase (decrease) in payables	173,853	40,860	214,713
Increase (decrease) in accrued liabilities	885	0	885
Net Cash Provided (Used) by Operating Activities	<u>8,171,587</u>	<u>135,188</u>	<u>8,306,775</u>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers - in	260,403	0	260,403
Operating transfers - (out)	(110,573)	0	(110,573)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>149,830</u>	<u>0</u>	<u>149,830</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid	(700,000)	0	(700,000)
Interest paid	(895,542)	0	(895,542)
Acquisition of fixed assets	(8,018,117)	0	(8,018,117)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,613,659)</u>	<u>0</u>	<u>(9,613,659)</u>
<b>INVESTING ACTIVITIES:</b>			
Investment earnings	<u>747,547</u>	<u>2,395</u>	<u>749,942</u>
Net Cash Provided (Used) by Investing Activities	<u>747,547</u>	<u>2,395</u>	<u>749,942</u>
NET INCREASE (DECREASE) IN CASH	(544,695)	137,583	(407,112)
CASH BEGINNING OF YEAR	<u>15,675,712</u>	<u>256,717</u>	<u>15,932,429</u>
CASH END OF YEAR	<u>15,131,017</u>	<u>394,300</u>	<u>\$15,525,317</u>

See accompanying notes.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

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.

**A. Reporting Entity**

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (the “GASB”) Statement No. 14, *“The Financial Reporting Entity,”* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization’s governing body and either (1) the City’s ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City includes the following services: police protection, parks and recreation, planning, zoning, community development, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system, each of which is reported as an enterprise fund. The City Council and City Manager have direct responsibility for these activities.

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**B. Basis of Presentation – Fund Accounting**

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation – Fund Accounting** (Continued)

***Governmental Funds***

The Governmental Funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except that accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" sources, uses and balances of financial resources). The following are the City's governmental fund types:

General Fund – This fund is used to account for all financial resources except those 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 general laws of Ohio and the Charter.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – These funds are used for the accumulation of resources for the payment of general and special assessment long-term debt principal and interest.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than that financed by the proprietary funds).

***Proprietary Funds***

Proprietary Funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) are segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund – This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or other governments on a cost-reimbursement basis. The City created the Self Insurance Internal Service Fund to pay employee health insurance claims and life insurance premiums.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation – Fund Accounting** (Continued)

*Fiduciary Funds*

Agency Funds – These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units and /or other funds. The City maintains agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups – To make a clear distinction between fixed assets relating to specific funds and those of general government and between long-term liabilities relating to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group – This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group – This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

**C. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, property taxes, certain fees and other local taxes (including hotel/motel tax and estate taxes). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 1999 but which are not intended to finance 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

Annual budgets are adopted for all funds; however, only governmental funds are required to be reported. The primary level of budgetary control is at the function level within each department. Budgetary modifications may only be made by ordinance of the City Council.

**1. Tax Budget**

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year or the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**D. Budgetary Process (Continued)**

**2. Estimated Resources (Continued)**

The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

**3. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

**5. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	(\$2,883,847)	\$837,101	(\$87,278)	\$1,295,662
Adjustments:				
Revenue Accruals, Net	3,586,938	1,417,711	1,792	(405,402)
Expenditure Accruals, Net	(2,626,520)	(2,376,843)	(1,873)	(2,030,381)
Budget Basis	<u>(\$1,923,429)</u>	<u>(\$122,031)</u>	<u>(\$87,359)</u>	<u>(\$1,140,121)</u>

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and short-term certificates of deposit. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent.

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Investments – (Continued)**

investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

**I. Property, Plant and Equipment-General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. The City has elected not to record depreciation in the General Fixed Assets Account Group.



**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fixed Assets and Depreciation (Continued)**

**2. Property, Plant and Equipment – Proprietary Funds**

Property, plant and equipment acquired by the proprietary funds are stated at cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (Years)
Buildings	15 – 50
Improvements Other Than Buildings	25 – 50
Machinery, Equipment, Furniture and Fixtures	3 – 20

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Obligation Bond Retirement Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund Water Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Water Fund Waste Collection Fund Sewer Fund
Police Pension Liability	General Fund
Mortgage Revenue Bonds	Water Fund Sewer Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement is accrued to the extent that it is considered probable that the conditions for compensation will be met in the future.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences** (Continued)

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees expected to become eligible to receive such payments in the future.

For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the water and sewer enterprise funds when earned, and the related liability is reported within the fund.

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund and "Operating Transfers Out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations. There were no residual equity transfers made during 1999.

**M. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

Before 1990 the City did not prepare its financial statements in accordance with generally accepted accounting principles; therefore, the exact amount of contributed capital pertaining to years prior to 1990 cannot be determined. Only amounts since 1990 that could be specifically identified as contributed have been recorded as contributed capital in the accompanying general purpose financial statements.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Intergovernmental Revenue**

Shared revenues and entitlements are recorded as intergovernmental receivables and revenues when they are measurable and available.

**O. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventory, prepaid items, debt service and encumbered amounts that have not been accrued at year end.

**P. Total Columns on Combined Financial Statements – Overview**

Total columns on the “Combined Financial Statements–Overview” are captioned “Memorandum Only” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Q. Restricted Assets**

Certain investments are classified as revenue bond reserve on the balance sheet because these funds are being held by a trustee according to the terms of the revenue bond indenture.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The fund deficit at December 31, 1999 of \$281,480 in the Swimming Pool Construction Note Fund (capital projects fund) arise from the recording of notes payable as fund liabilities. The deficit does not exist under the budgetary/cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

**B. Excess of Appropriation over Estimated Resources**

For the year ended December 31, 1999, appropriations exceeded estimated resources in the Fire and Emergency Medical Service Special Revenue Fund.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents."

Statutes require the classification of funds held by the City into three categories.

Category 1 consists of "active" funds – those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds – those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty day;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository with which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Deposits collateralized by investment pools are classified as Category 3 deposits per GASB Statement No. 3.

The GASB has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end, the carrying amount of the City's deposits was \$3,632,403 and the bank balance was \$3,901,151. Federal Depository Insurance covered \$200,000 of the deposits and bank balance. All remaining deposits were classified as Category 3.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH, CASH EQUIVALENT AND INVESTMENTS (Continued)**

**B. Investments**

The City's investments at December 31, 1999 are summarized below:

Categorized Investments	Category 1	Fair Value
United States Federal Securities	\$29,476,973	\$29,476,973
	<u>\$29,476,973</u>	<u>\$29,476,973</u>

**NOTE 4 – TAXES**

**A. 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) are collected in one calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by the County Auditor as 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder is payable by September 20.

Public utility real and tangible personal 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 taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mason. The County Auditor periodically remits to the City its portion of the taxes collected.

The assessed value upon which the 1999 levy was based was \$562,626,397. This amount constitutes \$448,944,160 in real property assessed value, \$17,969,920 in public utility assessed value and \$95,712,317 in tangible personal property assessed value.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 4 – TAXES – (Continued)**

**B. Income Tax**

The City levies a tax of 1.0% of all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of up to 50% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**NOTE 5 – RECEIVABLES**

Receivables at December 31, 1999 consisted of taxes, interest, accounts receivable, loans and special assessments. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not available at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

**NOTE 6 – FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in General Fixed Assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Land and Land Improvements	\$8,411,957	\$-0-	\$-0-	\$8,411,957
Buildings and Building Improvements	1,061,546	105,631	(325)	1,166,852
Furniture, Fixtures and Machinery	5,699,756	514,306	(126,088)	6,087,973
Construction in Progress	54,755	2,277,293	54,755	2,277,293
<b>Totals</b>	<b>\$15,228,018</b>	<b>\$2,897,229</b>	<b>(\$181,168)</b>	<b>\$17,944,075</b>

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 6 – FIXED ASSETS – (Continued)**

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 1999:

Category	Balance 12/31/99
Land	\$16,585,142
Buildings and Improvements	25,571,450
Machinery and Equipment	2,426,948
Construction in Progress	8,749,090
Total	\$53,332,630
Less:	
Accumulated Depreciation	(10,566,606)
Net Fixed Assets:	<u>\$42,766,024</u>

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Public Employees Retirement System (the "PERS of Ohio")**

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$437,562, \$410,154 and \$361,842, respectively, which were equal to the required contributions for each year.



**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)**

The PERS of Ohio provides post employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post employment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$135,628.

Other Post employment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other post employment benefits during 1999 were \$523,559,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,000. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**B. Police and Fireman's Disability and Pension Fund (the PFDPF System of Ohio)**

All City full-time police officers participate in the Police and Fireman's Disability and Pension Fund of Ohio (the “PFDPF System of Ohio”), a cost-sharing multiple-employer defined benefit pension plan. The PFDPF System of Ohio provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Police and Fireman's Disability and Pension Fund of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PFDPF System of Ohio. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the PFDPF System of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$311,335, \$223,587 and \$182,972 respectively for police which was equal to the required contributions for each year. Prior to 1998 fire protection services for the City were provided by the Mason-Deerfield Township Joint Fire District. On September 30, 1998 the City accepted the Township's request to dissolve the District and assumed the responsibility for

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Police and Firemen's Disability and Pension Fund (the PFDPF System of Ohio) (Continued)**

these services. The City's contribution to the PFDPF for firefighters for the year ending December 31, 1999 was \$68,556.

The PFDPF System of Ohio provides post employment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide post employment health care coverage to all eligible individuals from the employer's contributions to the PFDPF System of Ohio.

The portion of the 1999 covered payroll that was used to fund post employment health care benefits was \$80,926 representing 6.50% of covered payroll for police and \$18,567 representing 6.50% of covered payroll for firefighters. Health care funding and accounting were on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998 (latest information available), the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The PFDPF System of Ohio does not provide separate data on the funded status and funding progress of post employment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790.

**NOTE 8 – COMPENSATED ABSENCES**

All full-time City employees earn sick leave at the rate of one day per calendar month of active service. Upon retirement from the City an eligible employee receives one hour of monetary compensation for every three hours of unused sick leave. The monetary compensation is the hourly rate of compensation of the employee at the time of retirement.

All full-time City employees can earn vacation at varying rates based upon length of service. An employee's vacation must be used during the period in which it is earned unless the department head allows the balance to be carried over to the following year, in which case the vacation is taken in the next subsequent year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance, which is not to exceed the carryover for one year.

As of December 31, 1999, the total liability for unpaid compensated absences was \$404,064 for all funds of the City except proprietary funds. For governmental funds, the entire amount was considered long-term since no payments were anticipated requiring the use of current available financial resources. The liability has been reported in the General Long-Term Obligations Account Group. The portion attributable to the proprietary funds has been recorded within the fund and amounted to \$51,900 at year end.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

<u>Year Issued</u>	<u>Maturity Date</u>	<u>Balance December 31, 1998</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 1999</u>
<b>Enterprise Funds Long-Term Debt:</b>				
Special Assessment Bond with Governmental Commitment:				
1994	Dilley Water-Sewer	2011	\$66,000 (\$2,000)	\$64,000
Mortgage Revenue Bonds:				
1991	Water Mortgage Revenue	2016	2,555,000 (80,000)	2,475,000
1993	Water Mortgage Revenue	2017	5,400,000 (170,000)	5,230,000
1994	Sewer Mortgage Revenue	2019	7,550,000 (200,000)	7,350,000
Total Mortgage Revenue Bonds			<u>15,505,000</u> <u>(450,000)</u>	<u>15,055,000</u>
Total Enterprise Long-Term Debt			<u>\$15,571,000</u> <u>(\$452,000)</u>	<u>\$15,119,000</u>
<b>General Obligation Long-Term Debt:</b>				
General Obligation Bonds:				
1983	Civic Building	2003	\$160,000 (\$10,000)	\$150,000
1983	Real Estate - Library Site	2003	50,000 (30,000)	20,000
1998	Road Improvement	2018	4,945,000 (170,000)	4,775,000
1999	Tax Increment Financing	2018	-0- 600,000	600,000
Total General Obligation Bonds			<u>\$5,155,000</u> <u>\$390,000</u>	<u>\$5,545,000</u>
Special Assessment Bonds with Governmental Commitment				
1991	North East Sewer	2011	\$705,000 (\$50,000)	\$655,000
1991	Snider Road	2011	205,000 (20,000)	185,000
1979	Waterline 42 S	1999	2,000 (2,000)	-0-
1982	Waterline Bethany Rd #1	2002	9,000 (2,000)	7,000
1982	Taft Sewer	2002	35,000 (5,000)	30,000
1983	Western Row Widening	2003	65,000 (15,000)	50,000
1983	Waterline Bethany Rd # 2	2003	20,000 (4,000)	16,000
1985	Sewer line Mason-Montgomery Road	2005	8,000 (1,000)	7,000
1985	Waterpark Drive - Beach	2005	245,000 (35,000)	210,000
1988	Lindemann C.G.	2009	17,000 (2,000)	15,000
1990	741 Waterline	2010	290,000 (20,000)	270,000
Total Special Assessment Bonds with Governmental Commitment			<u>1,601,000</u> <u>(156,000)</u>	<u>1,445,000</u>
Installment Loan:				
Mueller Property			<u>173,438</u> <u>(173,438)</u>	<u>-0-</u>
Total General Obligation Long-Term Debt			<u>6,929,438</u> <u>60,562</u>	<u>6,990,000</u>
<b>Other General Long-Term Obligations:</b>				
Compensated Absences			151,133 252,931	404,064
Capital Leases Payable			1,861,896 (290,133)	1,571,763
Total Other General Long-Term Obligations			<u>\$2,013,029</u> <u>(\$37,202)</u>	<u>\$1,975,827</u>
Total General Long-Term Debt and Other Long-Term Obligations			<u>\$8,942,467</u> <u>\$23,360</u>	<u>\$8,965,827</u>

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

The principal amount of the City’s special assessment debt outstanding at December 31, 1999, \$1,509,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$147,564 in the Special Assessment Bond Retirement fund at December 31, 1999 is reserved for the retirement of outstanding special assessment bonds.

A summary of the city’s future long-term debt funding requirements, including principal and interest payments as of December 31, 1999, follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$220,000	\$248,442	\$167,000	\$111,140	\$470,000	\$895,542
2001	220,000	238,355	163,000	98,280	495,000	871,276
2002	230,000	228,275	161,000	85,261	520,000	845,354
2003	230,000	213,780	150,000	72,556	550,000	817,388
2004	200,000	182,413	135,000	59,503	575,000	787,141
2005-2035	4,445,000	2,359,385	733,000	194,596	12,445,000	6,340,071
Totals	\$5,545,000	\$3,470,650	\$1,509,000	\$621,336	\$15,055,000	\$10,556,772

Years	Capital Leases Payable	
	Principal	Interest
2000	\$304,724	\$70,744
2001	308,230	55,459
2002	299,526	40,654
2003	280,161	25,759
2004	-0-	-0-
2005-2035	-0-	-0-
Totals	\$1,571,763	\$209,251

In 1990 the City defeased \$400,000 of Sewer Mortgage Revenue Bonds dated December 1, 1962. In 1990 the City defeased \$335,000 of Water Mortgage Revenue Bonds dated March 1, 1967. The Sewer Mortgage Revenue Bonds matured on December 1, 1999. The principal balance of the Water Mortgage Revenue Bonds at December 31, 1999 is \$90,000.

At the time of the defeasance, funds were deposited with the City’s trustees for the sewer and water issues, the Provident Bank and National City Bank respectively. The principal and interest on the investments in these escrow funds are used solely to pay the principal and interest requirements on the original issue bonds as they come due. As of December 31, 1999, there was \$158,106 of interest and principal on deposit with the Provident Bank and \$165,677 on deposit with National City Bank.

As the money on deposit with the trustee is adequate to service both of the defeased debt issues, the City is not required to service any portion of this debt directly. Accordingly, neither the 1962 Sewer Mortgage Revenue Bonds nor the 1967 Water Revenue Bonds is included in the long-

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Defeased Debt – (Continued)**

term debt schedule or in the enterprise funds balance sheet at December 31, 1999. Similarly, as no obligation is recorded, neither are the funds held on deposit at the Provident Bank and National City Bank which will be used to service that obligation.

**NOTE 10 – CONTRIBUTED CAPITAL**

There were no changes to the contributed capital balances of the City during the year. Contributed capital balances at year end were as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance at December 31, 1999	<u>\$2,327,069</u>	<u>\$2,336,481</u>	<u>\$4,663,550</u>

**NOTE 11 – NOTES PAYABLE**

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding form more than five year must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 11 – NOTES PAYABLE – (Continued)**

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Due Date	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
<b>General Notes Payable:</b>				
1999 Land Acquisition	2000	\$-0-	\$1,600,000	\$1,600,000
1999 Heritage Oak Park Expansion	2000	-0-	1,200,000	1,200,000
Total General Notes Payable		\$-0-	\$2,800,000	\$2,800,000
<b>Special Revenue Notes Payable:</b>				
1998 Fire Equipment	1999	\$499,423	(\$499,423)	\$-0-
1999 Fire Station Expansion	2000	-0-	1,000,000	1,000,000
1999 Fire Truck Acquisition	2000	-0-	430,000	430,000
Total Special Revenue Notes Payable		\$-0-	\$930,577	\$1,430,000
<b>Capital Projects Notes Payable:</b>				
1998 Swimming Pool Construction	1999	450,000	(450,000)	-0-
1999 Swimming Pool Construction	2000	-0-	300,000	300,000
Total Capital Projects Notes Payable		\$450,000	(\$150,000)	\$300,000
<b>Enterprise Notes Payable:</b>				
1998 Real Estate Acquisition Western Row Road	1999	\$100,000	(\$100,000)	\$-0-
1998 Reconstruction	1999	150,000	(150,000)	-0-
Total Enterprise Notes Payable		\$250,000	(\$250,000)	\$-0-
Total Notes Payable		\$1,199,423	\$3,330,577	\$4,530,000

**NOTE 12 – CAPITALIZED LEASES**

The City lease fire department equipment under capital leases. The cost of the equipment obtained under capital leases is included in the General Fixed Assets Account Group and the related liability included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 1999:

Year ending December 31, 1999	Capital Leases
2000	\$375,468
2001	363,689
2002	340,180
2003	305,920
2004	395,800
Minimum Lease Payments	\$1,781,057
Less amount representing interest at the City's incremental borrowing rate of interest	209,294
Present value of minimum lease payments	\$1,571,763

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 13 – CONTINGENCIES**

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

**NOTE 14 – INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The following describes the City's risk management program:

**A. Self Insurance**

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator, Buckeye Employee Benefit Services, Inc., which monitors all claim payments.

The claims liability of \$100,359 reported in the fund at December 31, 1999 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 fund's claims liability amount in 1999 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
1998	\$40,042	\$661,315	(\$641,858)	\$59,499
1999	59,499	743,666	(702,806)	100,359

**B. Other Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 1999, the pool has sixteen members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, general liability, boiler and machinery, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 14 – INSURANCE AND RISK MANAGEMENT (Continued)**

**B. Other Insurance - (Continued)**

non-profit corporation governed by a sixteen 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. Management is provided by an Executive Director, who is assisted by a full-time Claims Manager, Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board.

The sixteen participating cities and their respective pool contribution factors for the loss year ended December 31, 1999 are:

<u>Entity</u>	<u>Percentage</u>
Beavercreek	7.78
Blue Ash	6.52
Indian Hill	3.30
Kettering	17.58
Madeira	2.14
Mason	2.24
Miamisburg	12.43
Montgomery	3.44
Sidney	10.64
Springdale	6.40
Tipp City	2.09
Troy	7.75
Vandalia	5.47
West Carrollton	5.52
Wilmington	4.12
Wyoming	2.58
Total	<u>100.00</u>

The 1999 pool contribution of the City of Mason was \$78,787 representing 2.24% of the total collected from all members for that year's operating costs and projected loss reserves.

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.



**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

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**NOTE 14 – INSURANCE AND RISK MANAGEMENT (Continued)**

**B. Other Insurance (Continued)**

The following is a summary of insurance coverages at year end:

General Liability	\$750,000	excess of	per occurrence
	\$250,000		
Public Officials Liability	\$500,000	excess of	per occurrence
	\$500,000		
Property	\$1,000,000		Up to the appraised value on member buildings
Excess Public Officials Liability	\$10,000,000	excess	per occurrence
	of \$1,000,000		
Boiler and Machinery	Blanket		

The deductible per occurrence for most types of claims is \$2,500, except Boiler and Machinery which is \$1,000. The pool's self insured retention (SIR) for property claims is \$2,501 - \$250,000 per occurrence except Boiler and Machinery which is \$1,001 - \$5,000. The pool's SIR for liability claims is \$500,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$500,001 to the limits stated above. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The city was not required to make any supplemental payments as of December 31, 1999, because an actuarial opinion issued as of that date reported actual reserves in excess of \$3,671,956, an amount in excess of the recommended net reserve of \$1,124,822.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 1450 East Davidson Road, Suite 1B, Kettering, Ohio 45429.

Worker's compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Worker's Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The City pays unemployment claims to the State of Ohio as incurred.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 15 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City financed primarily by user charges are water treatment and distribution, wastewater collection and treatment and refuse collection. The key financial information for the year ended December 31, 1999 for these enterprise activities is as follows:

	Water	Sewer	Waste Collection	Total
Operating Revenues	\$5,899,964	\$6,072,820	\$896,728	\$12,869,512
Depreciation	502,430	543,809	-0-	1,046,239
Operating Income (Loss)	3,879,820	4,121,288	149,232	8,150,340
Operating Transfers In	-0-	260,403	-0-	260,403
Operating Transfers Out	50,028	60,545	-0-	110,573
Net Income (Loss)	3,816,370	4,282,204	150,539	8,249,113
Property, Plant and Equipment:				
Additions	6,220,685	4,100,070	-0-	10,320,755
Deletions	1,031,124	1,299,789	-0-	2,330,913
Assets	26,439,329	32,589,181	393,922	59,422,432
Net Working Capital	6,926,547	8,839,476	332,209	16,098,232
Notes and Bonds Payable	7,769,000	7,350,000	-0-	15,119,000
Total Equity	18,309,696	25,054,513	329,147	43,693,356

**NOTE 16 – CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 1999, there were six series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the two series issued after January 1, 1996, was \$21,100,000. The aggregate principal amount payable for the four series issued prior to January 1, 1996, could not be determined; however, their original amounts totaled \$7,900,000.

The City has also issued Revenue Bonds to provide financial assistance to the City's health care facilities. The monies are used primarily for upgrades to these facilities. The City has no obligation for the repayment of this debt. The bonds are not bonded indebtedness of the City and are therefore not reported on the City's balance sheet. At December 31, 1999, there were two series of Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after January 1, 1996, was \$6,750,000. The aggregate principal amount payable for the series issued prior to January 1, 1996, could not be determined; however, its original amount totaled \$8,985,000.

**THE CITY OF MASON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 17 – CONSTRUCTION COMMITMENTS**

The City had the following outstanding commitments at December 31, 1999:

Project	Amount
Brandt Street Connector & Kings Island Drive Traffic Signal	\$61,000
Cedar Village Drive Water Line Extension	10,988
Cincinnati Waterworks Connection	890,386
Cincinnati Waterworks Connection/Tylersville Road Watermain	1,574,270
Design/Landscape Medians (10)	246,774
Fire Department Improvements	951,471
Geological Services	2,545
Heritage Oak Park Expansion	628,832
I-71 Sanitary Sewer & Waterline Extension	1,335,399
Industrial Pretreatment Program	8,510
Innovation Way Extension	2,064
Mason Montgomery Road & Cedar Village Drive	868
Mason Montgomery Road & Western Row Road Traffic Signal	644
Mason Montgomery Road Bridge Replacement	24,262
Mason Montgomery Road Sanitary Sewer	13,237
Mason Montgomery Road Widening	76,373
Mason Montgomery Road Widening and I & O Bridge Replacement	337,961
Mason Montgomery Road Elevated Water Storage Tank	48,540
North Mason Trunk Sanitary Sewer & Lift Station	129,231
Northcrest Storm Sewer	40,741
Roof Replacement	20,695
S.R. 741 & Bethany Road Traffic Signal & Left Turn Lane	1,143
Snider Road & Tylersville Road Improvement	21,833
Snider Road & U.S. 42 Sewer Design	8,815
Snider Road Extension	43,863
Snider Road Improvements	42,429
Stormwater Master Plan	18,459
Street Maintenance Program	66,068
Street Striping Program	8,541
Tylersville Road & Foxfield Drive Traffic Signal	2,234
Tylersville Road Extension & Widening	58,587
U.S. 42 & West Main Street Traffic Signal	69,860
U.S. 42 North Trunk Sewer	23,000
U.S. 42 Trunk Sanitary Sewer Improvements	68,057
Waste Reclamation Plant	447,320
Water Main Extension/Mason Rd./Butler Warren/Tylersville Rd.	43,740
Water Well #6	58,630
<b>Total</b>	<b><u>\$7,387,369</u></b>

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*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES  
INCLUDE THE GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT  
SERVICE FUNDS, CAPITAL PROJECTS FUNDS, ENTERPRISE  
FUNDS, FIDUCIARY FUNDS AND THE GENERAL FIXED ASSETS  
ACCOUNT GROUP.*

## ***SPECIAL REVENUE FUNDS***

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***SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR PROCEEDS OF SPECIFIC REVENUE SOURCES (OTHER THAN MAJOR CAPITAL PROJECTS OR EXPENDABLE TRUSTS) THAT ARE LEGALLY RESTRICTED TO EXPENDITURES FOR SPECIFIED PURPOSES. THE FOLLOWING ARE DESCRIPTIONS OF EACH SPECIAL REVENUE FUND:***

***STREET CONSTRUCTION, MAINTENANCE AND REPAIR***

***THIS FUND IS USED TO ACCOUNT FOR STATE-LEVIED AND CONTROLLED GASOLINE TAX AND MOTOR VEHICLE REGISTRATION FEES DESIGNATED FOR STREET MAINTENANCE AND REPAIR.***

***STATE HIGHWAY IMPROVEMENT***

***THIS FUND IS USED TO ACCOUNT FOR THE PORTION OF THE STATE GASOLINE TAX AND MOTOR VEHICLE REGISTRATION FEES DESIGNATED FOR STREET MAINTENANCE AND REPAIR OF STATE HIGHWAYS WITHIN THE CITY.***

***WARREN COUNTY MOTOR VEHICLE LICENSE TAX***

***THIS FUND IS USED TO ACCOUNT FOR COUNTY-LEVIED MOTOR VEHICLE REGISTRATION FEES DESIGNATED FOR STREET CONSTRUCTION, MAINTENANCE AND REPAIR.***

***STREET IMPROVEMENT***

***REVENUES ARE COLLECTED THROUGH BUILDING PERMIT APPLICATIONS. THESE RESOURCES ARE USED FOR THE CONSTRUCTION OF OR IMPROVEMENTS TO ROADWAYS WITHIN THE AREAS OF THE CITY WHERE THE FEES HAVE BEEN COLLECTED.***

***FEDERAL GRANT***

***THIS FUND IS USED TO ACCOUNT FOR GRANT FUNDS RECEIVED IN CONJUNCTION WITH THE FEDERAL COPS GRANT PROGRAM. THE BALANCE SHEET IS NOT PRESENTED BECAUSE THERE ARE NO ASSETS OR LIABILITIES AT YEAR END.***

***D.A.R.E. GRANT***

***THIS FUND IS USED TO ACCOUNT FOR GRANT FUNDS RECEIVED IN CONJUNCTION WITH THE STATE DARE GRANT PROGRAM.***

***S.T.E.P.. GRANT***

***THIS FUND IS USED TO ACCOUNT FOR GRANT FUNDS RECEIVED IN CONJUNCTION WITH THE STATE STEP GRANT PROGRAM.***

## **SPECIAL REVENUE FUNDS**

(Cont'd)

### **DOWNTOWN DEVELOPMENT/LOAN**

THIS FUND IS USED TO ACCOUNT FOR THE REPAYMENT OF LOANS TO AREA BUSINESSES. REVENUES RECEIVED ARE USED FOR PROMOTION OF THE CITY OF MASON.

### **INDIANA AND OHIO RAILROAD**

THIS FUND IS USED TO ACCOUNT FOR THE REPAYMENT OF DEBT PERTAINING TO THE CONSTRUCTION OF THE I & O RAILROAD.

### **FIRE & EMERGENCY MEDICAL SERVICES FUND**

THIS FUND IS USED TO ACCOUNT FOR THE OPERATIONS OF THE CITY'S FIRE DEPARTMENT. A 5 MILL FIRE LEVY GENERATES RESOURCES FOR THESE OPERATIONS.

### **PARKS AND RECREATION**

A \$100 FEE PER BEDROOM BUILT IN THE CITY OF MASON IS COLLECTED WITH THE BUILDING PERMIT. RESOURCES COLLECTED ARE USED TOWARDS THE EXPANSION OF RECREATIONAL FACILITIES.

### **POLICE K-9**

THIS FUND IS USED TO ACCOUNT FOR DONATIONS RECEIVED TO SUPPORT THE OPERATIONS OF THE CITY OF MASON'S K-9 UNIT.

### **POLICE CRIME PREVENTION**

THIS FUND IS USED TO ACCOUNT FOR DONATIONS RECEIVED FROM THE PREVENTION OF CRIME WITHIN THE CITY. REVENUES COLLECTED HAVE BEEN USED TO SUPPORT THE CITY'S NATIONAL NIGHT OUT PROGRAM.

### **DRUG LAW ENFORCEMENT**

THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES USED TO PURCHASE EQUIPMENT TO EDUCATE AND TREAT PERSONS WITH ALCOHOL RELATED PROBLEMS AND TO ENHANCE LAW ENFORCEMENT ACTIVITIES AS A DETERRENT TO THE OPERATION OF MOTOR VEHICLES WHILE UNDER THE INFLUENCE OF ALCOHOL.

### **LAW ENFORCEMENT AND EDUCATION**

THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES USED TO EDUCATE AND TREAT PERSONS WITH ALCOHOL RELATED PROBLEMS AND TO ENHANCE LAW ENFORCEMENT ACTIVITIES AS A DETERRENT TO THE OPERATION OF MOTOR VEHICLES WHILE UNDER THE INFLUENCE OF ALCOHOL.

**CITY OF MASON, OHIO**

***SPECIAL REVENUE FUNDS***

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***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***

*THIS FUND IS USED TO ACCOUNT FOR A \$6.00 FEE ASSESSED IN CONJUNCTION WITH COURT COSTS. REVENUES COLLECTED ARE USED TO PURCHASE COMPUTER TECHNOLOGY FOR THE MUNICIPAL COURT.*

***MUNICIPAL COURT COMPUTER EDUCATION***

*THIS FUND IS USED TO ACCOUNT FOR THE A \$2.00 FEE ASSESSED IN CONJUNCTION WITH COURT COSTS. REVENUES COLLECTED ARE USED FOR COMPUTER EDUCATION AND TRAINING WITHIN THE MUNICIPAL COURT.*

***MUNICIPAL COURT IMPROVEMENT***

*THIS FUND IS USED TO ACCOUNT FOR THE 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.*



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CITY OF MASON, OHIO  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 December 31, 1999

	Street Construction, Maintenance and Repair	State Highway Improvement	Warren County Motor Vehicle License Tax	Street Improvement
<b>ASSETS:</b>				
<b>Assets:</b>				
Pooled cash and investments	\$1,032,788	\$129,553	\$358,060	\$481,935
Receivables (net of allowance for uncollectibles):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	12,858	1,043	0	0
Inventory	29,946	0	0	0
<b>TOTAL ASSETS</b>	<b>\$1,075,592</b>	<b>\$130,596</b>	<b>\$358,060</b>	<b>\$481,935</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	\$1,345	\$0	\$4,060	\$0
Accrued wages and benefits	1,681	0	0	0
Interest payable	0	0	0	0
Deferred revenue	0	0	0	0
General obligation notes payable	0	0	0	0
<b>Total Liabilities</b>	<b>3,026</b>	<b>0</b>	<b>4,060</b>	<b>0</b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for encumbrances	35,691	4,370	53,937	0
Reserved for inventory	29,946	0	0	0
Unreserved, undesignated	1,006,929	126,226	300,063	481,935
<b>Total Fund Equity</b>	<b>1,072,566</b>	<b>130,596</b>	<b>354,000</b>	<b>481,935</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,075,592</b>	<b>\$130,596</b>	<b>\$358,060</b>	<b>\$481,935</b>

<u>Federal Grant</u>	<u>D.A.R.E. Grant</u>	<u>S.T.E.P. Grant</u>	<u>Downtown Development / Loan</u>	<u>Indiana and Ohio Railroad</u>	<u>Fire and Emergency Medical Service</u>	<u>Parks and Recreation</u>
\$32,076	\$6,409	\$8,144	\$62,050	\$267,014	\$1,693,612	\$210,818
0	0	0	0	0	2,458,889	0
0	0	0	0	0	41,695	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$32,076</u>	<u>\$6,409</u>	<u>\$8,144</u>	<u>\$62,050</u>	<u>\$267,014</u>	<u>\$4,194,196</u>	<u>\$210,818</u>
\$0	\$0	\$0	\$0	\$0	\$151,284	\$0
2,648	0	0	0	0	52,891	0
0	0	0	0	0	15,473	0
0	0	0	0	0	2,458,889	0
0	0	0	0	0	1,430,000	0
<u>2,648</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,108,537</u>	<u>0</u>
0	30	0	1,169	0	1,538,508	0
0	0	0	0	0	0	0
<u>29,428</u>	<u>6,379</u>	<u>8,144</u>	<u>60,881</u>	<u>267,014</u>	<u>(1,452,849)</u>	<u>210,818</u>
<u>29,428</u>	<u>6,409</u>	<u>8,144</u>	<u>62,050</u>	<u>267,014</u>	<u>85,659</u>	<u>210,818</u>
<u>\$32,076</u>	<u>\$6,409</u>	<u>\$8,144</u>	<u>\$62,050</u>	<u>\$267,014</u>	<u>\$4,194,196</u>	<u>\$210,818</u>

Continued

CITY OF MASON, OHIO  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 December 31, 1999

	<u>Police K-9</u>	<u>Police Crime Prevention</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement and Education</u>
<b>ASSETS:</b>				
<b>Assets:</b>				
Pooled cash and investments	\$466	\$6,148	\$42,571	\$7,362
Receivables (net of allowance for uncollectibles):				
Taxes	0	0	0	0
Accounts	0	0	700	105
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
<b>TOTAL ASSETS</b>	<u>\$466</u>	<u>\$6,148</u>	<u>\$43,271</u>	<u>\$7,467</u>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	\$0	\$338	\$0	\$0
Accrued wages and benefits	0	0	0	0
Interest payable	0	0	0	0
Deferred revenue	0	0	0	0
General obligation notes payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>338</u>	<u>0</u>	<u>0</u>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for encumbrances	0	722	0	0
Reserved for inventory	0	0	0	0
Unreserved, undesignated	466	5,088	43,271	7,467
<b>Total Fund Equity</b>	<u>466</u>	<u>5,810</u>	<u>43,271</u>	<u>7,467</u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u>\$466</u>	 <u>\$6,148</u>	 <u>\$43,271</u>	 <u>\$7,467</u>

<u>Indigent Driver</u>	<u>Municipal Court Computer Costs</u>	<u>Municipal Court Computer Education</u>	<u>Municipal Court Improvement</u>	<u>Vehicle Immobilization Fee</u>	<u>Totals</u>
\$66,727	\$181,044	\$60,324	\$101,343	\$4,695	\$4,753,139
0	0	0	0	0	2,458,889
450	3,493	1,138	2,910	0	50,491
0	0	0	0	0	13,901
0	0	0	0	0	29,946
<u>\$67,177</u>	<u>\$184,537</u>	<u>\$61,462</u>	<u>\$104,253</u>	<u>\$4,695</u>	<u>\$7,306,366</u>
\$0	\$498	\$0	\$0	\$0	\$157,525
0	0	0	0	0	57,220
0	0	0	0	0	15,473
0	0	0	0	0	2,458,889
0	0	0	0	0	1,430,000
<u>0</u>	<u>498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,119,107</u>
0	7,017	0	21,209	0	1,662,653
0	0	0	0	0	29,946
<u>67,177</u>	<u>177,022</u>	<u>61,462</u>	<u>83,044</u>	<u>4,695</u>	<u>1,494,660</u>
<u>67,177</u>	<u>184,039</u>	<u>61,462</u>	<u>104,253</u>	<u>4,695</u>	<u>3,187,259</u>
<u>\$67,177</u>	<u>\$184,537</u>	<u>\$61,462</u>	<u>\$104,253</u>	<u>\$4,695</u>	<u>\$7,306,366</u>

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Street Construction, Maintenance and Repair	State Highway Improvement	Warren County Motor Vehicle License Tax	Street Improvement
<b>REVENUES:</b>				
Local tax revenues	\$0	\$0	\$1,953	\$0
Intergovernmental revenues	531,965	39,501	408,739	0
Charges for services	0	0	0	0
Fines and forfeitures	0	0	0	0
Investment earnings	39,794	5,738	0	20,082
Licenses and permits	0	0	0	130,035
All other revenue	171	0	0	0
<b>Total Revenues</b>	<b>571,930</b>	<b>45,239</b>	<b>410,692</b>	<b>150,117</b>
<b>EXPENDITURES:</b>				
Current:				
Security of persons and property	0	0	0	0
Transportation and street repair	104,644	7,708	223,412	0
General government	0	0	0	0
Debt service:				
Interest and fiscal charges	0	0	0	0
<b>Total Expenditures</b>	<b>104,644</b>	<b>7,708</b>	<b>223,412</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>467,286</b>	<b>37,531</b>	<b>187,280</b>	<b>150,117</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - (out)	(171)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(171)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>467,115</b>	<b>37,531</b>	<b>187,280</b>	<b>150,117</b>
Fund Balance at Beginning of Year	601,395	93,065	166,720	331,818
Increase (decrease) in reserve for inventory	4,056	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$1,072,566</b>	<b>\$130,596</b>	<b>\$354,000</b>	<b>\$481,935</b>

Federal Grant	D.A.R.E Grant	S.T.E.P. Grant	Downtown Development / Loan	Indiana and Ohio Railroad	Fire and Emergency Medical Service	Parks and Recreation
\$0	\$0	\$0	\$0	\$0	\$2,430,698	\$0
77,320	21,304	20,079	0	0	0	0
0	0	0	0	0	319,911	0
0	0	0	0	0	0	0
0	0	0	4,546	12,853	24,492	7,078
0	0	0	0	0	0	260,425
0	0	0	10,431	20,122	6,813	0
<u>77,320</u>	<u>21,304</u>	<u>20,079</u>	<u>14,977</u>	<u>32,975</u>	<u>2,781,914</u>	<u>267,503</u>
47,892	0	11,935	0	0	3,062,865	0
0	0	0	12,432	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	15,473	0
<u>47,892</u>	<u>0</u>	<u>11,935</u>	<u>12,432</u>	<u>0</u>	<u>3,078,338</u>	<u>0</u>
29,428	21,304	8,144	2,545	32,975	(296,424)	267,503
0	0	0	0	0	0	(167,640)
0	0	0	0	0	0	(167,640)
29,428	21,304	8,144	2,545	32,975	(296,424)	99,863
0	(14,895)	0	59,505	234,039	382,083	110,955
0	0	0	0	0	0	0
<u>\$29,428</u>	<u>\$6,409</u>	<u>\$8,144</u>	<u>\$62,050</u>	<u>\$267,014</u>	<u>\$85,659</u>	<u>\$210,818</u>

Continued

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Police K-9	Police Crime Prevention	Drug Law Enforcement
<b>REVENUES:</b>			
Local tax revenues	\$0	\$0	\$0
Intergovernmental revenues	0	0	0
Charges for services	0	0	0
Fines and forfeitures	0	0	5,583
Investment earnings	0	0	467
Licenses and permits	0	0	0
All other revenue	0	2,794	135
<b>Total Revenues</b>	<b>0</b>	<b>2,794</b>	<b>6,185</b>
<b>EXPENDITURES:</b>			
Current:			
Security of persons and property	0	1,908	13,517
Transportation and street repair	0	0	0
General government	0	0	0
Debt service:			
Interest and fiscal charges	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>1,908</b>	<b>13,517</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>886</b>	<b>(7,332)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers - (out)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>0</b>	<b>886</b>	<b>(7,332)</b>
Fund Balance at Beginning of Year	466	4,924	50,603
Increase (decrease) in reserve for inventory	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$466</b>	<b>\$5,810</b>	<b>\$43,271</b>



Law Enforcement and Education	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement	Vehicle Immobilization Fee	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$2,432,651
0	0	0	0	0	0	1,098,908
0	0	0	0	0	0	319,911
2,890	11,403	48,658	15,387	40,300	410	124,631
0	175	443	0	65	0	115,733
0	0	0	0	0	0	390,460
0	0	0	0	0	0	40,466
<u>2,890</u>	<u>11,578</u>	<u>49,101</u>	<u>15,387</u>	<u>40,365</u>	<u>410</u>	<u>4,522,760</u>
1,412	0	0	0	0	0	3,139,529
0	0	0	0	0	0	348,196
0	0	12,572	375	1,703	0	14,650
0	0	0	0	0	0	15,473
<u>1,412</u>	<u>0</u>	<u>12,572</u>	<u>375</u>	<u>1,703</u>	<u>0</u>	<u>3,517,848</u>
<u>1,478</u>	<u>11,578</u>	<u>36,529</u>	<u>15,012</u>	<u>38,662</u>	<u>410</u>	<u>1,004,912</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(167,811)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(167,811)</u>
1,478	11,578	36,529	15,012	38,662	410	837,101
5,989	55,599	147,510	46,450	65,591	4,285	2,346,102
0	0	0	0	0	0	4,056
<u>\$7,467</u>	<u>\$67,177</u>	<u>\$184,039</u>	<u>\$61,462</u>	<u>\$104,253</u>	<u>\$4,695</u>	<u>\$3,187,259</u>

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Street Construction, Maintenance and Repair			State Highway Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenues	510,455	533,190	22,735	38,045	39,600	1,555
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Interest revenue	39,000	39,780	780	5,000	5,540	540
Licenses and permits	0	0	0	0	0	0
All other revenues	170	171	1	0	0	0
<b>Total Revenues</b>	<b>549,625</b>	<b>573,141</b>	<b>23,516</b>	<b>43,045</b>	<b>45,140</b>	<b>2,095</b>
<b>EXPENDITURES:</b>						
Current:						
Security of persons and property	0	0	0	0	0	0
Transportation and street repair	531,197	143,427	387,770	82,621	12,236	70,385
General government	0	0	0	0	0	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>531,197</b>	<b>143,427</b>	<b>387,770</b>	<b>82,621</b>	<b>12,236</b>	<b>70,385</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>18,428</b>	<b>429,714</b>	<b>411,286</b>	<b>(39,576)</b>	<b>32,904</b>	<b>72,480</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating transfers - in	200	171	(29)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>200</b>	<b>171</b>	<b>(29)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>18,628</b>	<b>429,885</b>	<b>411,257</b>	<b>(39,576)</b>	<b>32,904</b>	<b>72,480</b>
<b>Fund Balance at Beginning of Year</b>	<b>571,476</b>	<b>571,476</b>	<b>0</b>	<b>92,941</b>	<b>92,941</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$590,104</b>	<b>\$1,001,361</b>	<b>\$411,257</b>	<b>\$53,365</b>	<b>\$125,845</b>	<b>\$72,480</b>

Warren County Motor Vehicle License Tax			Street Improvemnt			Federal Grant		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
408,739	408,739	0	0	0	0	44,718	77,320	32,602
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	19,000	19,445	445	0	0	0
0	0	0	125,886	130,035	4,149	0	0	0
0	0	0	0	0	0	0	0	0
408,739	408,739	0	144,886	149,480	4,594	44,718	77,320	32,602
0	0	0	0	0	0	47,000	45,244	1,756
320,607	319,976	631	300,000	0	300,000	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
320,607	319,976	631	300,000	0	300,000	47,000	45,244	1,756
88,132	88,763	631	(155,114)	149,480	304,594	(2,282)	32,076	34,358
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
88,132	88,763	631	(155,114)	149,480	304,594	(2,282)	32,076	34,358
211,300	211,300	0	334,913	334,913	0	0	0	0
\$299,432	\$300,063	\$631	\$179,799	\$484,393	\$304,594	(\$2,282)	\$32,076	\$34,358

Continued

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	D.A.R.E. Grant			S.T.E.P. Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenues	14,314	14,314	0	20,079	20,079	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Interest revenue	0	0	0	0	0	0
Licenses and permits	0	0	0	0	0	0
All other revenues	0	0	0	0	0	0
<b>Total Revenues</b>	<b>14,314</b>	<b>14,314</b>	<b>0</b>	<b>20,079</b>	<b>20,079</b>	<b>0</b>
<b>EXPENDITURES:</b>						
Current:						
Security of persons and property	10,000	8,959	1,041	12,000	11,935	65
Transportation and street repair	0	0	0	0	0	0
General government	0	0	0	0	0	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>10,000</b>	<b>8,959</b>	<b>1,041</b>	<b>12,000</b>	<b>11,935</b>	<b>65</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,314</b>	<b>5,355</b>	<b>1,041</b>	<b>8,079</b>	<b>8,144</b>	<b>65</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating transfers - in	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>4,314</b>	<b>5,355</b>	<b>1,041</b>	<b>8,079</b>	<b>8,144</b>	<b>65</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,024</b>	<b>1,024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$5,338</b>	<b>\$6,379</b>	<b>\$1,041</b>	<b>\$8,079</b>	<b>\$8,144</b>	<b>\$65</b>

Downtown Development/Loan			Indiana and Ohio Railroad			Fire and Emergency Medical Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$2,459,460	\$2,460,439	\$979
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	31,579	278,216	246,637
0	0	0	0	0	0	0	0	0
4,000	4,862	862	1,713	12,032	10,319	23,000	23,059	59
0	0	0	0	0	0	0	0	0
16,305	20,205	3,900	20,000	20,122	122	6,923	6,923	0
20,305	25,067	4,762	21,713	32,154	10,441	2,520,962	2,768,637	247,675
0	0	0	0	0	0	4,556,280	4,230,911	325,369
46,632	13,601	33,031	224,000	0	224,000	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,045,000	1,045,004	(4)
0	0	0	0	0	0	0	0	0
46,632	13,601	33,031	224,000	0	224,000	5,601,280	5,275,915	325,365
(26,327)	11,466	37,793	(202,287)	32,154	234,441	(3,080,318)	(2,507,278)	573,040
0	0	0	0	0	0	1,430,000	1,430,000	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,430,000	1,430,000	0
(26,327)	11,466	37,793	(202,287)	32,154	234,441	(1,650,318)	(1,077,278)	573,040
49,731	49,731	0	236,222	236,222	0	1,089,736	1,089,736	0
\$23,404	\$61,197	\$37,793	\$33,935	\$268,376	\$234,441	(\$560,582)	\$12,458	\$573,040

Continued

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Parks and Recreation			Police K-9		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenues	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Interest revenue	6,000	6,046	46	0	0	0
Licenses and permits	252,705	260,425	7,720	0	0	0
All other revenues	0	0	0	0	0	0
<b>Total Revenues</b>	<b>258,705</b>	<b>266,471</b>	<b>7,766</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES:</b>						
Current:						
Security of persons and property	0	0	0	467	0	467
Transportation and street repair	0	0	0	0	0	0
General government	0	0	0	0	0	0
Debt Service:						
Principal	150,000	150,000	0	0	0	0
Interest	20,000	17,640	2,360	0	0	0
<b>Total Expenditures</b>	<b>170,000</b>	<b>167,640</b>	<b>2,360</b>	<b>467</b>	<b>0</b>	<b>467</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,705	98,831	10,126	(467)	0	467
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating transfers - in	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	88,705	98,831	10,126	(467)	0	467
Fund Balance at Beginning of Year	111,990	111,990	0	467	467	0
<b>Fund Balance at End of Year</b>	<b>\$200,695</b>	<b>\$210,821</b>	<b>\$10,126</b>	<b>\$0</b>	<b>\$467</b>	<b>\$467</b>

Police Crime Prevention			Drug Law Enforcement			Law Enforcemnt and Education		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$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	6,645	6,645	0	3,103	3,103	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,794	2,794	0	0	0	0	0	0	0
<u>2,794</u>	<u>2,794</u>	<u>0</u>	<u>6,645</u>	<u>6,645</u>	<u>0</u>	<u>3,103</u>	<u>3,103</u>	<u>0</u>
4,713	2,630	2,083	50,000	13,517	36,483	1,500	1,412	88
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>4,713</u>	<u>2,630</u>	<u>2,083</u>	<u>50,000</u>	<u>13,517</u>	<u>36,483</u>	<u>1,500</u>	<u>1,412</u>	<u>88</u>
(1,919)	164	2,083	(43,355)	(6,872)	36,483	1,603	1,691	88
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
(1,919)	164	2,083	(43,355)	(6,872)	36,483	1,603	1,691	88
4,924	4,924	0	50,510	50,510	0	5,671	5,671	0
<u>\$3,005</u>	<u>\$5,088</u>	<u>\$2,083</u>	<u>\$7,155</u>	<u>\$43,638</u>	<u>\$36,483</u>	<u>\$7,274</u>	<u>\$7,362</u>	<u>\$88</u>

Continued

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Indigent Driver			Municipal Court Computer Costs		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Local taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenues	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	11,375	11,375	0	48,990	48,991	1
Interest revenue	0	0	0	0	0	0
Licenses and permits	0	0	0	0	0	0
All other revenues	0	0	0	0	0	0
<b>Total Revenues</b>	<b>11,375</b>	<b>11,375</b>	<b>0</b>	<b>48,990</b>	<b>48,991</b>	<b>1</b>
<b>EXPENDITURES:</b>						
Current:						
Security of persons and property	0	0	0	0	0	0
Transportation and street repair	0	0	0	0	0	0
General government	54,500	0	54,500	144,008	22,336	121,672
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>54,500</b>	<b>0</b>	<b>54,500</b>	<b>144,008</b>	<b>22,336</b>	<b>121,672</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(43,125)</b>	<b>11,375</b>	<b>54,500</b>	<b>(95,018)</b>	<b>26,655</b>	<b>121,673</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating transfers - in	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(43,125)</b>	<b>11,375</b>	<b>54,500</b>	<b>(95,018)</b>	<b>26,655</b>	<b>121,673</b>
<b>Fund Balance at Beginning of Year</b>	<b>55,692</b>	<b>55,692</b>	<b>0</b>	<b>147,796</b>	<b>147,796</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$12,567</b>	<b>\$67,067</b>	<b>\$54,500</b>	<b>\$52,778</b>	<b>\$174,451</b>	<b>\$121,673</b>



Municipal Court Computer Education			Municipal Court Improvemnt			Vehicle Immobilization Fee		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$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
15,780	15,780	0	40,555	40,555	0	515	515	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
15,780	15,780	0	40,555	40,555	0	515	515	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
44,000	375	43,625	59,000	23,299	35,701	4,000	0	4,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
44,000	375	43,625	59,000	23,299	35,701	4,000	0	4,000
(28,220)	15,405	43,625	(18,445)	17,256	35,701	(3,485)	515	4,000
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
(28,220)	15,405	43,625	(18,445)	17,256	35,701	(3,485)	515	4,000
45,227	45,227	0	63,008	63,008	0	4,180	4,180	0
\$17,007	\$60,632	\$43,625	\$44,563	\$80,264	\$35,701	\$695	\$4,695	\$4,000

Continued

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 1999

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Local taxes	\$2,459,460	\$2,460,439	\$979
Intergovernmental revenues	1,036,350	1,093,242	56,892
Charges for services	31,579	278,216	246,637
Fines and forfeitures	126,963	126,964	1
Interest revenue	97,713	110,764	13,051
Licenses and permits	378,591	390,460	11,869
All other revenues	46,192	50,215	4,023
<b>Total Revenues</b>	<b>4,176,848</b>	<b>4,510,300</b>	<b>333,452</b>
<b>EXPENDITURES:</b>			
Current:			
Security of persons and property	4,681,960	4,314,608	367,352
Transportation and street repair	1,505,057	489,240	1,015,817
General government	305,508	46,010	259,498
Debt Service:			
Principal	1,195,000	1,195,004	(4)
Interest	20,000	17,640	2,360
<b>Total Expenditures</b>	<b>7,707,525</b>	<b>6,062,502</b>	<b>1,645,023</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(3,530,677)</b>	<b>(1,552,202)</b>	<b>1,978,475</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from General Obligation Notes	1,430,000	1,430,000	0
Operating transfers - in	200	171	(29)
<b>Total Other Financing Sources (Uses)</b>	<b>1,430,200</b>	<b>1,430,171</b>	<b>(29)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<b>(2,100,477)</b>	<b>(122,031)</b>	<b>1,978,446</b>
Fund Balance at Beginning of Year	<b>3,076,808</b>	<b>3,076,808</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$976,331</b>	<b>\$2,954,777</b>	<b>\$1,978,446</b>

## *DEBT SERVICE FUNDS*

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*DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR RETIREMENT OF THE CITY'S GENERAL OBLIGATION AND SPECIAL ASSESSMENT BONDS.*

### *GENERAL OBLIGATION BOND RETIREMENT*

*TO ACCOUNT FOR PAYMENTS OF PRINCIPAL AND INTEREST ON THE CITY'S GENERAL OBLIGATION BONDS WHICH ARE RECORDED IN THE GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP. REVENUES FOR THIS PURPOSE INCLUDE AD VALOREM PROPERTY TAXES AND INVESTMENT INCOME.*

### *SPECIAL ASSESSMENT BOND RETIREMENT*

*TO ACCOUNT FOR PAYMENTS OF PRINCIPAL AND INTEREST ON THE CITY'S SPECIAL ASSESSMENT BONDS WHICH ARE RECORDED IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP. REVENUES FOR THIS PURPOSE INCLUDE SPECIAL ASSESSMENT COLLECTIONS AND INVESTMENT INCOME.*

CITY OF MASON, OHIO  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 December 31, 1999

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
ASSETS:			
Assets:			
Pooled cash and investments	\$8,566	\$148,054	\$156,620
Receivables (net of allowance for uncollectables):			
Taxes	85,264	0	85,264
Special assessments	0	2,389,017	2,389,017
<b>TOTAL ASSETS</b>	<b><u>\$93,830</u></b>	<b><u>\$2,537,071</u></b>	<b><u>\$2,630,901</u></b>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$0	\$490	\$490
Deferred revenue	85,264	2,389,017	2,474,281
<b>Total Liabilities</b>	<b><u>85,264</u></b>	<b><u>2,389,507</u></b>	<b><u>2,474,771</u></b>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	0	1,887	1,887
Unreserved, undesignated	8,566	145,677	154,243
<b>Total Fund Equity</b>	<b><u>8,566</u></b>	<b><u>147,564</u></b>	<b><u>156,130</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$93,830</u></b>	<b><u>\$2,537,071</u></b>	<b><u>\$2,630,901</u></b>

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 For the Year Ended December 31, 1999

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
<b>REVENUES:</b>			
Local tax revenues	\$84,246	\$0	\$84,246
Special assessments	0	214,265	214,265
<b>Total Revenues</b>	<b>84,246</b>	<b>214,265</b>	<b>298,511</b>
<b>EXPENDITURES:</b>			
Current:			
General government	0	490	490
Debt service:			
Principal	233,438	158,000	391,438
Interest and fiscal charges	203,208	125,653	328,861
<b>Total Expenditures</b>	<b>436,646</b>	<b>284,143</b>	<b>720,789</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(352,400)</b>	<b>(69,878)</b>	<b>(422,278)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers - in	335,000	0	335,000
<b>Total Other Financing Sources (Uses)</b>	<b>335,000</b>	<b>0</b>	<b>335,000</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	<b>(17,400)</b>	<b>(69,878)</b>	<b>(87,278)</b>
<b>Fund Balance at Beginning of Year</b>	<b>25,966</b>	<b>217,442</b>	<b>243,408</b>
<b>Fund Balance at End of Year</b>	<b>\$8,566</b>	<b>\$147,564</b>	<b>\$156,130</b>

CITY OF MASON, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 DEBT SERVICE FUNDS  
 For the Year Ended December 31, 1999

	General Obligation Bond Retirement			Special Assessment Bond Retirement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local taxes	\$85,283	\$85,283	\$0	\$0	\$0	\$0
Special assessments	0	0	0	215,020	215,020	0
Total Revenues	85,283	85,283	0	215,020	215,020	0
EXPENDITURES:						
Debt service:						
Principal	219,450	219,450	0	158,000	158,000	0
Interest	218,408	217,196	1,212	128,020	128,016	4
Total Expenditures	437,858	436,646	1,212	286,020	286,016	4
Excess (Deficiency) of Revenues Over (Under) Expenditures	(352,575)	(351,363)	1,212	(71,000)	(70,996)	4
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	400,833	335,000	(65,833)	0	0	0
Total Other Financing Sources (Uses)	400,833	335,000	(65,833)	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	48,258	(16,363)	(64,621)	(71,000)	(70,996)	4
Fund Balance at Beginning of Year	24,929	24,929	0	217,918	217,918	0
Fund Balance at End of Year	\$73,187	\$8,566	(\$64,621)	\$146,918	\$146,922	\$4

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$85,283	\$85,283	\$0
215,020	215,020	0
300,303	300,303	0
377,450	377,450	0
346,428	345,212	1,216
723,878	722,662	1,216
(423,575)	(422,359)	1,216
400,833	335,000	(65,833)
400,833	335,000	(65,833)
(22,742)	(87,359)	(64,617)
242,847	242,847	0
\$220,105	\$155,488	(\$64,617)

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## *CAPITAL PROJECT FUNDS*

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*CAPITAL PROJECT FUNDS ARE USED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES (OTHER THAN THAT FINANCED BY THE PROPRIETARY FUNDS).*

***TAX INCREMENT FINANCING***

*THIS FUND IS USED TO ACCOUNT FOR THE FINANCIAL RESOURCES AND EXPENDITURES RELATED TO THE DEVELOPMENT OF 42 NORTH COMMERCE PARK.*

***SWIMMING POOL CONSTRUCTION***

*THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES USED FOR THE CONSTRUCTION OF THE LOU EVES MUNICIPAL POOL.*

***MASON MONTGOMERY ROAD IMPROVEMENT***

*THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES USED FOR IMPROVEMENTS TO MASON MONTGOMERY ROAD.*

***I & O BRIDGE/MASON - MONTGOMERY ROAD WIDENING***

*THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES USED FOR IMPROVEMENTS TO THE I & O BRIDGE AND THE WIDENING OF MASON MONTGOMERY ROAD.*

***GOVERNMENT CENTER***

*THIS FUND IS USED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE CONSTRUCTION OF A GOVERNMENT CENTER.*

CITY OF MASON, OHIO  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 December 31, 1999

	<u>Tax Increment Financing</u>	<u>Swimming Pool Construction</u>	<u>Mason- Montgomery Road Improvement</u>
<b>ASSETS:</b>			
Assets:			
Pooled cash and investments	<u>\$593,072</u>	<u>\$25,968</u>	<u>\$287,540</u>
<b>TOTAL ASSETS</b>	<u><b>\$593,072</b></u>	<u><b>\$25,968</b></u>	<u><b>\$287,540</b></u>
<b>LIABILITIES AND FUND EQUITY:</b>			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Interest payable	0	7,448	0
General obligations notes payable	<u>0</u>	<u>300,000</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>307,448</u>	<u>0</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	5,910	0	216,519
Unreserved, undesignated	<u>587,162</u>	<u>(281,480)</u>	<u>71,021</u>
Total Fund Equity	<u>593,072</u>	<u>(281,480)</u>	<u>287,540</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$593,072</b></u>	<u><b>\$25,968</b></u>	<u><b>\$287,540</b></u>

<u>I &amp; O Bridge/ Mason- Montgomery Road Widening</u>	<u>Government Center</u>	<u>Totals</u>
<u>\$912,331</u>	<u>\$5,024,415</u>	<u>\$6,843,326</u>
<u>\$912,331</u>	<u>\$5,024,415</u>	<u>\$6,843,326</u>
\$158,426	\$781,304	\$939,730
0	0	7,448
0	0	300,000
<u>158,426</u>	<u>781,304</u>	<u>1,247,178</u>
303,366	1,738,721	2,264,516
<u>450,539</u>	<u>2,504,390</u>	<u>3,331,632</u>
<u>753,905</u>	<u>4,243,111</u>	<u>5,596,148</u>
<u>\$912,331</u>	<u>\$5,024,415</u>	<u>\$6,843,326</u>

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 For the Year Ended December 31, 1999

	<u>Tax Increment Financing</u>	<u>Swimming Pool Construction</u>
<b>REVENUES:</b>		
Intergovernmental revenues	\$0	\$0
Investment earnings	28,783	1,682
All other revenue	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<u>28,783</u>	<u>1,682</u>
<b>EXPENDITURES:</b>		
Current:		
Transportation and street repair	233,039	0
General government	0	0
Capital outlay	0	0
Debt service:		
Interest and fiscal charges	<u>0</u>	<u>11,858</u>
<b>Total Expenditures</b>	<u>233,039</u>	<u>11,858</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(204,256)</u>	<u>(10,176)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds of notes and bonds	600,000	0
Operating transfers - in	<u>0</u>	<u>167,640</u>
<b>Total Other Financing Sources (Uses)</b>	<u>600,000</u>	<u>167,640</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Financing Uses</b>	395,744	157,464
<b>Fund Balance at Beginning of Year</b>	<u>197,328</u>	<u>(438,944)</u>
<b>Fund Balance at End of Year</b>	<u>\$593,072</u>	<u>(\$281,480)</u>

<u>Mason- Montgomery Road Improvement</u>	<u>I &amp; O Bridge/ Mason- Montgomery Road Widening</u>	<u>Government Center</u>	<u>Totals</u>
\$0	\$669,199	\$0	\$669,199
14,679	99,487	134,890	279,521
0	3,221	0	3,221
<u>14,679</u>	<u>771,907</u>	<u>134,890</u>	<u>951,941</u>
554	1,266,357	0	1,499,950
0	0	803,182	803,182
0	827,625	781,304	1,608,929
0	0	0	11,858
<u>554</u>	<u>2,093,982</u>	<u>1,584,486</u>	<u>3,923,919</u>
<u>14,125</u>	<u>(1,322,075)</u>	<u>(1,449,596)</u>	<u>(2,971,978)</u>
0	0	0	600,000
0	0	3,500,000	3,667,640
<u>0</u>	<u>0</u>	<u>3,500,000</u>	<u>4,267,640</u>
14,125	(1,322,075)	2,050,404	1,295,662
<u>273,415</u>	<u>2,075,980</u>	<u>2,192,707</u>	<u>4,300,486</u>
<u>\$287,540</u>	<u>\$753,905</u>	<u>\$4,243,111</u>	<u>\$5,596,148</u>

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 CAPITAL PROJECTS FUNDS  
 For the Year Ended December 31, 1999

	Tax Increment Financing			Swimming Pool Construction		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Interest revenue	\$29,000	\$29,967	\$967	\$1,200	\$1,217	\$17
All other revenues	0	0	0	0	0	0
<b>Total Revenues</b>	<b>29,000</b>	<b>29,967</b>	<b>967</b>	<b>1,200</b>	<b>1,217</b>	<b>17</b>
<b>EXPENDITURES:</b>						
Current:						
General Government	0	0	0	0	0	0
Transportation	208,266	208,266	0	0	0	0
Debt service:						
Principal	284	284	0	450,000	450,000	0
Interest and fiscal charges	0	0	0	20,000	17,640	2,360
<b>Total Expenditures</b>	<b>208,550</b>	<b>208,550</b>	<b>0</b>	<b>470,000</b>	<b>467,640</b>	<b>2,360</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(179,550)</b>	<b>(178,583)</b>	<b>967</b>	<b>(468,800)</b>	<b>(466,423)</b>	<b>2,377</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from general obligation notes	0	0	0	300,465	300,465	0
Proceeds from general obligation bonds	568,115	569,601	1,486	0	0	0
Operating transfers - in	0	0	0	167,550	167,640	90
<b>Total Other Financing Sources (Uses)</b>	<b>568,115</b>	<b>569,601</b>	<b>1,486</b>	<b>468,015</b>	<b>468,105</b>	<b>90</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>388,565</b>	<b>391,018</b>	<b>2,453</b>	<b>(785)</b>	<b>1,682</b>	<b>2,467</b>
Fund Balance at Beginning of Year	199,169	199,169	0	24,286	24,286	0
<b>Fund Balance at End of Year</b>	<b>\$587,734</b>	<b>\$590,187</b>	<b>\$2,453</b>	<b>\$23,501</b>	<b>\$25,968</b>	<b>\$2,467</b>

Mason-Montgomery Road Improvement			I & O Bridge/Mason-Montgomery Road Widening			Government Center		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$12,405	\$13,595	\$1,190	\$81,132	\$84,685	\$3,553	\$120,003	\$140,096	\$20,093
0	0	0	3,000	3,221	221	3,000	3,692	692
12,405	13,595	1,190	84,132	87,906	3,774	123,003	143,788	20,785
0	0	0	0	0	0	3,323,270	3,323,207	63
217,324	217,073	251	1,737,882	1,737,830	52	0	0	0
0	0	0	0	0	0	0	0	0
307	0	307	0	0	0	0	0	0
217,631	217,073	558	1,737,882	1,737,830	52	0	0	0
(205,226)	(203,478)	1,748	(1,653,750)	(1,649,924)	3,826	(3,200,267)	(3,179,419)	20,848
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	3,500,000	3,500,000	0
0	0	0	0	0	0	3,500,000	3,500,000	0
(205,226)	(203,478)	1,748	(1,653,750)	(1,649,924)	3,826	299,733	320,581	20,848
275,965	275,965	0	2,105,116	2,105,116	0	2,209,434	2,209,434	0
\$70,739	\$72,487	\$1,748	\$451,366	\$455,192	\$3,826	\$2,509,167	\$2,530,015	\$20,848

Continued

CITY OF MASON, OHIO  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 CAPITAL PROJECTS FUNDS  
 For the Year Ended December 31, 1999

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Interest revenue	\$243,740	\$269,560	\$25,820
All other revenues	6,000	6,913	913
<b>Total Revenues</b>	<b>249,740</b>	<b>276,473</b>	<b>26,733</b>
<b>EXPENDITURES:</b>			
Current:			
General Government	3,323,270	3,323,207	63
Transportation	2,163,472	2,163,169	303
Debt service:			
Principal	450,284	450,284	0
Interest and fiscal charges	20,307	17,640	2,667
<b>Total Expenditures</b>	<b>5,957,333</b>	<b>5,954,300</b>	<b>3,033</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,707,593)</b>	<b>(5,677,827)</b>	<b>29,766</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from general obligation notes	300,465	300,465	0
Proceeds from general obligation bonds	568,115	569,601	1,486
Operating transfers - in	3,667,550	3,667,640	90
<b>Total Other Financing Sources (Uses)</b>	<b>4,536,130</b>	<b>4,537,706</b>	<b>1,576</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(1,171,463)</b>	<b>(1,140,121)</b>	<b>31,342</b>
<b>Fund Balance at Beginning of Year</b>	<b>4,813,970</b>	<b>4,813,970</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$3,642,507</b>	<b>\$3,673,849</b>	<b>\$31,342</b>



## ***PROPRIETARY FUNDS***

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***THE PROPRIETARY FUNDS ARE USED TO ACCOUNT FOR THOSE CITY ACTIVITIES WHICH ARE SIMILAR TO THOSE OFTEN FOUND IN THE PRIVATE SECTOR. THESE INCLUDE ENTERPRISE AND INTERNAL SERVICE FUNDS. THE FOLLOWING ARE DESCRIPTIONS OF EACH PROPRIETARY FUND.***

## ***ENTERPRISE FUNDS***

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***THESE FUNDS ACCOUNT FOR THE ACQUISITION, OPERATION AND MAINTENANCE OF CITY FACILITIES WHICH ARE FINANCED PRIMARILY BY USER CHARGES.***

### ***WATER***

***THE CITY PUBLIC UTILITIES DEPARTMENT IS RESPONSIBLE FOR PROVIDING WATER TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS IN THE CITY OF MASON. REVENUES GENERATED THROUGH USER CHARGES ARE USED FOR OPERATION, MAINTENANCE AND CAPITAL IMPROVEMENTS OF THE WATER DISTRIBUTION SYSTEM.***

### ***SEWER***

***THE CITY PUBLIC UTILITIES DEPARTMENT IS RESPONSIBLE FOR PROVIDING SANITARY SEWER TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS IN THE CITY OF MASON. SEWER CHARGES ARE BASED ON WATER USAGE AND SERVE AS THE MAJOR REVENUE SOURCE FOR FINANCING THE OPERATIONS AND MAINTENANCE OF THE SEWER SYSTEM.***

### ***WASTE COLLECTION***

***THE CITY CONTRACTS WITH A PRIVATE ORGANIZATION TO PROVIDE WASTE REMOVAL TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS IN THE CITY OF MASON. CHARGES ARE BASED ON FEES IMPOSED BY THE CONTRACTOR.***

CITY OF MASON, OHIO  
 COMBINING BALANCE SHEET  
 ENTERPRISE FUNDS  
 December 31, 1999

	<u>Water</u>	<u>Sewer</u>	<u>Waste Collection</u>	<u>Totals</u>
<b>ASSETS:</b>				
<b>Assets:</b>				
Pooled cash and investments	\$6,573,828	\$8,325,033	\$232,156	\$15,131,017
Receivables (net of allowance for uncollectables):				
Accounts	620,658	648,888	161,766	1,431,312
Inventory	70,332	23,747	0	94,079
Fixed assets (net, where applicable of accumulated depreciation)	19,174,511	23,591,513	0	42,766,024
<b>TOTAL ASSETS</b>	<u>\$26,439,329</u>	<u>\$32,589,181</u>	<u>\$393,922</u>	<u>\$59,422,432</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$323,988	\$137,001	\$60,538	\$521,527
Accrued wages and benefits	14,283	21,191	1,175	36,649
Compensated absences	22,362	26,476	3,062	51,900
Revenue bonds payable	7,705,000	7,350,000	0	15,055,000
Special assessment debt with government commitment	64,000	0	0	64,000
<b>Total Liabilities</b>	<u>8,129,633</u>	<u>7,534,668</u>	<u>64,775</u>	<u>15,729,076</u>
<b>Fund Equity:</b>				
Contributed capital	2,327,069	2,336,481	0	4,663,550
Retained earnings - unreserved	15,982,627	22,718,032	329,147	39,029,806
<b>Total Fund Equity</b>	<u>18,309,696</u>	<u>25,054,513</u>	<u>329,147</u>	<u>43,693,356</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$26,439,329</u>	<u>\$32,589,181</u>	<u>\$393,922</u>	<u>\$59,422,432</u>

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ENTERPRISE FUNDS  
 For the Year Ended December 31, 1999

	Water	Sewer	Waste Collection	Totals
<b>OPERATING REVENUES:</b>				
Charges for services	\$5,899,964	\$6,072,820	\$896,728	\$12,869,512
Other	500	10,000	0	10,500
<b>Total Operating Revenue</b>	<b>5,900,464</b>	<b>6,082,820</b>	<b>896,728</b>	<b>12,880,012</b>
<b>OPERATING EXPENSES:</b>				
Personal Services	565,856	674,416	39,956	1,280,228
Contractual Services	817,002	607,312	699,714	2,124,028
Depreciation	502,430	543,809	0	1,046,239
Materials and Supplies	116,850	132,195	0	249,045
Cost of services	0	0	7,826	7,826
Other	18,506	3,800	0	22,306
<b>Total Operating Expenses</b>	<b>2,020,644</b>	<b>1,961,532</b>	<b>747,496</b>	<b>4,729,672</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,879,820</b>	<b>4,121,288</b>	<b>149,232</b>	<b>8,150,340</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	451,132	364,255	1,307	816,694
Interest expense	(464,554)	(403,197)	0	(867,751)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(13,422)</b>	<b>(38,942)</b>	<b>1,307</b>	<b>(51,057)</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>3,866,398</b>	<b>4,082,346</b>	<b>150,539</b>	<b>8,099,283</b>
<b>OPERATING TRANSFERS:</b>				
Operating transfers - in	0	260,403	0	260,403
Operating transfers - (out)	(50,028)	(60,545)	0	(110,573)
<b>Total Operating Transfers</b>	<b>(50,028)</b>	<b>199,858</b>	<b>0</b>	<b>149,830</b>
<b>NET INCOME (LOSS)</b>	<b>3,816,370</b>	<b>4,282,204</b>	<b>150,539</b>	<b>8,249,113</b>
<b>RETAINED EARNINGS BEGINNING OF YEAR</b>	<b>12,166,257</b>	<b>18,435,828</b>	<b>178,608</b>	<b>30,780,693</b>
<b>RETAINED EARNINGS END OF YEAR</b>	<b>\$15,982,627</b>	<b>\$22,718,032</b>	<b>\$329,147</b>	<b>\$39,029,806</b>

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 For the Year Ended December 31, 1999

	Water	Sewer	Waste Collection	Totals
<b>OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$3,879,820	\$4,121,288	\$149,232	\$8,150,340
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	502,430	543,809	0	1,046,239
Changes in assets and liabilities:				
(Increase) decrease in receivables	(507,296)	(533,933)	(161,766)	(1,202,995)
(Increase) decrease in inventory	(61,159)	17,679	40,255	(3,225)
(Increase) decrease in other assets	1,298	4,956	236	6,490
Increase (decrease) in payables	93,140	18,561	62,152	173,853
Increase (decrease) in accrued liabilities	(13,106)	13,357	634	885
Net Cash Provided (Used) by Operating Activities	<u>3,895,127</u>	<u>4,185,717</u>	<u>90,743</u>	<u>8,171,587</u>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers - in	0	260,403	0	260,403
Operating transfers - (out)	(50,028)	(60,545)	0	(110,573)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(50,028)</u>	<u>199,858</u>	<u>0</u>	<u>149,830</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal paid	(250,000)	(450,000)	0	(700,000)
Interest paid	(472,143)	(423,399)	0	(895,542)
Acquisition of fixed assets	(5,195,227)	(2,822,890)	0	(8,018,117)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,917,370)</u>	<u>(3,696,289)</u>	<u>0</u>	<u>(9,613,659)</u>
<b>INVESTING ACTIVITIES:</b>				
Investment earnings	407,771	338,469	1,307	747,547
Net Cash Provided (Used) by Investing Activities	<u>407,771</u>	<u>338,469</u>	<u>1,307</u>	<u>747,547</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,664,500)</b>	<b>1,027,755</b>	<b>92,050</b>	<b>(544,695)</b>
<b>CASH BEGINNING OF YEAR</b>	<b>8,238,328</b>	<b>7,297,278</b>	<b>140,106</b>	<b>15,675,712</b>
<b>CASH END OF YEAR</b>	<b><u>\$6,573,828</u></b>	<b><u>\$8,325,033</u></b>	<b><u>\$232,156</u></b>	<b><u>\$15,131,017</u></b>

## *FIDUCIARY FUNDS*

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*FIDUCIARY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE CITY IN A TRUSTEE CAPACITY OR AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTAL UNITS, AND OTHER FUNDS. THESE INCLUDE THE CITY'S AGENCY FUNDS. THE FOLLOWING ARE DESCRIPTIONS OF EACH FIDUCIARY.*

### *AGENCY FUNDS*

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*AGENCY FUNDS ARE CUSTODIAL IN NATURE (ASSETS EQUAL LIABILITIES) AND DO NOT PURPORT TO PRESENT THE FINANCIAL POSITION OR RESULTS OF OPERATIONS OF THE RELATED ENTITIES.*

#### *SUBDIVISION INSPECTION*

*THIS FUND IS USED TO ACCOUNT FOR THE REVENUES RECEIVED AND EXPENSES INCURRED FOR INSPECTION SERVICES RENDERED IN THE CITY OF MASON.*

#### *MUNICIPAL COURT*

*TO ACCOUNT FOR BONDS AND OTHER MONEYS DEPOSITED WITH THE COURT PENDING FINAL DISPOSITION OF VARIOUS CASES*

#### *JOINT FIRE DISTRICT*

*ON SEPTEMBER 30, 1998 THE MASON-DEERFIELD JOINT FIRE DISTRICT WAS DISSOLVED. AS THE SURVIVING ENTITY, THE CITY OF MASON ASSUMED THE RESPONSIBILITY FOR ALL FINAL AFFAIRS OF THE DISTRICT. THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE ASSETS AND LIABILITIES OF THE DISTRICT.*

CITY OF MASON, OHIO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended December 31, 1999

Subdivision Inspection	Balance 12/31/98	Additions	Deductions	Balance 12/31/99
<b>ASSETS:</b>				
Pooled Cash and Investments	\$201,103	\$387,745	(\$183,145)	\$405,703
Accounts receivable	38,458	37,473	(38,458)	37,473
<b>Total Assets</b>	<b>\$239,561</b>	<b>\$425,218</b>	<b>(\$221,603)</b>	<b>\$443,176</b>
<b>LIABILITIES:</b>				
Accounts payable	\$0	\$7,057	\$0	\$7,057
Due to others	239,561	425,218	(228,660)	436,119
<b>Total Liabilities</b>	<b>\$239,561</b>	<b>\$432,275</b>	<b>(\$228,660)</b>	<b>\$443,176</b>
<b>Municipal Court</b>				
<b>ASSETS:</b>				
Pooled Cash and Investments	\$29,836	\$1,019,305	(\$1,023,148)	\$25,993
Accounts receivable	0	145	0	145
<b>Total Assets</b>	<b>\$29,836</b>	<b>\$1,019,450</b>	<b>(\$1,023,148)</b>	<b>\$26,138</b>
<b>LIABILITIES:</b>				
Due to others	\$29,836	\$1,019,450	(\$1,023,148)	\$26,138
<b>Total Liabilities</b>	<b>\$29,836</b>	<b>\$1,019,450</b>	<b>(\$1,023,148)</b>	<b>\$26,138</b>
<b>Joint Fire District</b>				
<b>ASSETS:</b>				
Pooled Cash and Investments	\$302,487	\$27,605	(\$97,680)	\$232,412
<b>Total Assets</b>	<b>\$302,487</b>	<b>\$27,605</b>	<b>(\$97,680)</b>	<b>\$232,412</b>
<b>LIABILITIES:</b>				
Due to others	302,487	27,605	(97,680)	232,412
<b>Total Liabilities</b>	<b>\$302,487</b>	<b>\$27,605</b>	<b>(\$97,680)</b>	<b>\$232,412</b>
<b>Totals</b>				
<b>ASSETS:</b>				
Pooled Cash and Investments	\$230,939	\$1,407,050	(\$1,206,293)	\$431,696
Restricted pooled cash and investments	302,487	27,605	(97,680)	232,412
Accounts receivable	38,458	37,618	(38,458)	37,618
<b>Total Assets</b>	<b>\$571,884</b>	<b>\$1,472,273</b>	<b>(\$1,342,431)</b>	<b>\$701,726</b>
<b>LIABILITIES:</b>				
Accounts payable	\$0	\$7,057	\$0	\$7,057
Due to others	571,884	1,465,216	(1,342,431)	694,669
<b>Total Liabilities</b>	<b>\$571,884</b>	<b>\$1,472,273</b>	<b>(\$1,342,431)</b>	<b>\$701,726</b>

*CITY OF MASON, OHIO*

***GENERAL FIXED ASSETS ACCOUNT GROUP***

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*THE GENERAL FIXED ASSETS ACCOUNT GROUP IS USED TO PRESENT FIXED ASSETS OF THE CITY THAT ARE UTILIZED IN ITS GENERAL OPERATIONS, EXCLUSIVE OF THOSE ACCOUNTED FOR IN THE PROPRIETARY FUNDS.*

**CITY OF MASON, OHIO**

Schedule of General Fixed Assets by Source  
December 31, 1999

General Fixed Assets:	
Land	\$8,423,261
Buildings and Improvements	1,155,549
Machinery & Equipment	6,087,972
Construction in Progress	<u>2,277,293</u>
Total	<u>\$17,944,075</u>
Investment in General Fixed Assets From:	
General Fund	\$8,421,523
Special Revenue Funds	4,826,170
Capital Project Funds	<u>4,696,382</u>
Total	<u>\$17,944,075</u>



# CITY OF MASON, OHIO

## Schedule of General Fixed Assets By Category

December 31, 1999

	<u>Total</u>	<u>Land &amp; Land Improvements</u>	<u>Buildings &amp; Building Improvements</u>	<u>Furniture, Fixtures &amp; Equipment</u>
<b>General Government:</b>				
City Manager	\$3,572,832	\$3,335,365	\$172,587	\$64,880
Assistant City Manager	36,676			36,676
Finance Director	69,060			69,060
Earnings Tax	20,786			20,786
City Council	39,875			39,875
Municipal Court	70,116			70,116
City Engineer	156,540			156,540
<b>Security of Persons and Property:</b>				
Police	670,140			670,140
Fire	2,346,831	257,962	308,900	1,779,969
<b>Transportation</b>				
Street Maintenance & Repair	2,538,867	42,000	193,147	2,303,719
Garage	424,203	89,828	88,297	246,078
<b>Leisure Time Activities:</b>				
Recreation	10,122			10,122
Parks	4,150,604	3,355,452	357,145	438,007
Swimming Pool	1,493,466	1,331,350	46,776	115,340
<b>Community Development:</b>				
Community Planning & Zoning	450			450
Building Inspections	66,215			66,215
<b>Total General Fixed Assets Allocated by Functions</b>	<u>15,666,782</u>	<u>8,411,957</u>	<u>1,166,852</u>	<u>6,087,973</u>
<b>Construction in Progress</b>	<u>2,277,293</u>			
<b>Total General Fixed Assets:</b>	<u>\$17,944,075</u>			

# CITY OF MASON, OHIO

## Schedule of Changes in General Fixed Assets By Function and Activity

For the Year Ended December 31, 1999

	General Fixed Assets January 1, 1999	Additions	Deletions	General Fixed Assets December 31, 1999
<b>General Government:</b>				
City Manager	\$3,471,857	\$107,267	[\$6,292]	\$3,572,832
Assistant City Manager	42,454		(5,778)	36,676
Finance Director	70,058		(998)	69,060
Earnings Tax	21,557	1,887	(2,658)	20,786
City Council	41,518		(1,643)	39,875
Municipal Court	76,921	475	(7,280)	70,116
City Engineer	144,204	20,795	(8,459)	156,540
<b>Security of Persons and Property:</b>				
Police	566,830	105,963	(2,648)	670,140
Fire	2,307,448	1,140,739	(5,731)	3,442,456
<b>Transportation</b>				
Street Maintenance & Repair	2,326,145	323,523	(110,801)	2,538,867
Garage	438,061	7,943	(21,804)	424,203
<b>Leisure Time Activities:</b>				
Recreation	10,122			10,122
Parks	4,151,427	1,184,337	(3,492)	5,332,272
Swimming Pool	1,489,167	4,300		1,493,466
<b>Community Development:</b>				
Community Planning & Zoning	450			450
Building Inspections	69,799		(3,584)	66,215
<b>Total General Fixed Assets Allocated by Functions</b>	<b>\$15,228,018</b>	<b>\$2,897,229</b>	<b>[\$181,168]</b>	<b>\$17,944,075</b>

# Statistical Section

## *STATISTICAL TABLES*

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*THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**CITY OF MASON, OHIO**

**Table 1  
General Fund Expenditures By Function  
Last Ten Fiscal Years**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Source:</b>										
Security of Persons and Property	\$ 530,477	\$ 601,659	\$ 1,013,156	\$ 1,186,990	\$ 1,392,659	\$ 1,529,704	\$ 1,592,010	\$ 1,796,134	\$ 2,052,836	\$ 2,504,029
Leisure Time Activities	161,789	193,765	230,344	310,273	403,848	911,000	883,075	695,042	774,456	1,975,052
Community Development	79,289	151,365	104,557	118,272	207,773	330,507	329,247	413,079	487,525	621,413
Basic Utility Services	24,563	9,648	17,372	36,983	58,897	101,203	105,189	348,506	103,774	179,570
Transportation and Street Repair	297,345	316,138	507,921	647,965	1,144,665	1,350,953	1,386,744	1,954,576	1,753,028	3,094,327
General Government	389,325	578,783	1,420,943	1,520,014	1,607,551	2,078,906	2,420,667	2,455,116	2,712,168	4,506,728
Other Expenditures		3,924		6,927		150			36,472	
Capital Outlay	106,711	209,748	496,676	761,623	401,885					
Debt Service		158,089		1,134						21,091
<b>Total Disbursements</b>	<b>\$ 1,589,499</b>	<b>\$ 2,223,119</b>	<b>\$ 3,790,969</b>	<b>\$ 4,590,181</b>	<b>\$ 5,217,428</b>	<b>\$ 6,302,273</b>	<b>\$ 6,716,932</b>	<b>\$ 7,662,453</b>	<b>\$ 7,920,259</b>	<b>\$ 12,902,210</b>

Source: City of Mason, Ohio, Department of Finance

**CITY OF MASON, OHIO**

**Table 2  
General Fund Revenues By Source  
Last Ten Fiscal Years**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Source:</b>										
Local Tax Revenues	\$ 3,213,257	\$ 3,150,555	\$ 3,848,650	\$ 3,645,917	\$ 4,329,519	\$ 4,598,385	\$ 5,729,286	\$ 7,736,926	\$ 10,777,058	\$ 11,142,479
Intergovernmental Revenues				539,608	567,721	601,580	799,877	684,941	702,610	1,144,190
Charges for Services	12,111	18,359	11,921	15,140	23,471	55,986	98,422	101,296	113,396	159,601
Fines and Forfeitures	214,998	190,693	166,939	200,410	205,153	250,220	265,564	359,938	333,280	332,346
Interest Revenue	211,815	145,725	130,948	100,029	125,444	127,491	180,744	194,796	241,673	237,624
Licenses and Permits	156,832	139,030	220,481	319,128	281,229	380,346	522,837	625,368	551,783	668,375
All Other Revenues	95,282	66,179	57,843	211,518	208,356	230,986	249,271	362,844	462,430	318,407
<b>Total Revenues</b>	<b>\$ 3,904,295</b>	<b>\$ 3,710,541</b>	<b>\$ 4,436,782</b>	<b>\$ 5,031,750</b>	<b>\$ 5,740,893</b>	<b>\$ 6,244,994</b>	<b>\$ 7,846,001</b>	<b>\$ 10,066,109</b>	<b>\$ 13,182,230</b>	<b>\$ 14,003,022</b>

Source: City of Mason, Ohio, Department of Finance

(1) Includes Property Tax, Municipal Income Tax and Other Local Taxes.

**CITY OF MASON, OHIO**

Table 3  
**Property Tax Levies and Collections**  
**Real, Public Utility and Tangible Personal Property**  
**Last Ten Fiscal Years**

Tax Year: Fiscal Year:	1989/1990 1990	1990/1991 1991	1991/1992 1992	1992/1993 1993	1993/1994 1994	1994/1995 1995	1995/1996 1996	1996/1997 1997	1997/1998 1998	1998/1999 1999
Current Tax Levy	\$323,693	\$300,179	\$356,700	\$374,406	\$393,264	\$477,662	\$527,719	\$604,903	\$949,077	\$3,569,426
Current Tax Collections	319,497	294,143	351,057	369,089	388,182	471,018	521,435	598,675	933,999	3,495,198
Percent of Levy Collected	98.70%	97.99%	98.42%	98.58%	98.71%	98.61%	98.81%	98.97%	98.41%	97.92%
Delinquent Tax Collections	9,088	4,308	6,219	7,336	22,237	7,420	7,658	9,974	11,261	57,416
Total Tax Collections	332,781	304,487	357,277	376,425	410,418	478,438	529,093	608,649	945,260	3,552,614
Ratio of Total Tax Collections to Current Taxes Levied	102.81%	101.44%	100.16%	100.54%	104.36%	100.16%	100.26%	100.62%	99.60%	99.53%

Source: Warren County Auditor's Office

**CITY OF MASON, OHIO**

**Table 4**  
**Assessed and Estimated Actual Value of Taxable Property**  
 Last Ten Fiscal Years

Tax Year	Real Property		Public Utility		Tangible Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1990	117,764,790	336,470,830	8,777,610	9,974,560	35,452,472	136,355,660	161,994,372	482,801,050	298.03%
1991	139,827,960	399,508,460	9,658,270	10,975,310	39,482,599	157,930,400	188,968,829	568,414,170	300.80%
1992	144,596,530	413,132,940	12,489,230	14,192,310	43,608,492	174,433,970	200,694,252	601,759,220	299.84%
1993	155,440,520	444,115,770	13,050,020	14,829,570	45,943,497	183,773,990	214,434,037	642,719,330	299.73%
1994	193,789,870	553,685,340	13,930,580	15,830,200	48,803,736	195,214,940	256,524,186	764,730,480	298.11%
1995	217,285,530	620,815,800	13,607,270	15,462,810	49,251,189	197,004,760	280,143,989	833,283,370	297.45%
1996	246,729,100	704,940,280	13,691,170	15,558,150	54,287,005	217,148,020	314,707,275	937,646,450	297.94%
1997	324,890,600	928,258,857	14,210,190	16,147,943	64,048,349	256,189,396	403,149,139	1,200,596,196	297.80%
1998	387,938,790	1,108,396,542	15,757,910	18,538,717	76,841,043	307,364,172	480,537,743	1,434,299,431	298.48%
1999	448,944,160	1,282,697,600	17,969,920	20,420,363	95,712,317	382,849,268	562,626,397	1,685,967,231	299.66%

Source: Warren County Auditor's Office



**CITY OF MASON, OHIO**

**Table 5  
Property Tax Rates -  
Direct and Overlapping Governments  
Last Ten Fiscal Years (1)**

<b>Tax Year</b>	<b>City Of Mason</b>	<b>Mason City School District</b>	<b>Warren County</b>	<b>Deerfield Township*</b>	<b>Voc. School</b>	<b>Joint School</b>	<b>Special District</b>	<b>Total</b>
1990	1.90%	48.20%	7.10%	4.65%	2.70%	2.70%	1.00%	65.55%
1991	1.90%	48.40%	7.10%	4.65%	2.70%	2.70%	1.00%	65.75%
1992	1.90%	51.07%	7.10%	4.65%	2.70%	2.70%	1.00%	68.42%
1993	1.90%	51.00%	7.10%	3.65%	2.70%	2.70%	1.00%	67.35%
1994	1.89%	50.78%	6.57%	3.61%	2.70%	2.70%	1.50%	67.05%
1995	1.89%	53.26%	6.57%	2.36%	2.70%	2.70%	2.75%	69.53%
1996	1.89%	62.36%	5.00%	0.86%	2.70%	2.70%	5.45%	78.26%
1997	2.32%	61.95%	5.00%		2.70%	2.70%	5.45%	77.42%
1998	7.32%	61.95%	4.75%		2.70%	2.70%	1.50%	78.22%
1999	7.32%	61.95%	4.00%		2.70%	2.70%	1.50%	77.47%

Source: Warren County Auditor's Office

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

\* During 1997 the City of Mason withdrew from Deerfield Township.

*CITY OF MASON, OHIO*

Table 6  
**Special Assessment Billings and Collections  
Last Ten Fiscal Years**

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<b>Tax Year</b>	<b>Current Assessments Billings</b>	<b>Current Assessments Collected</b>	<b>Ratio of Collection To Amount Billed</b>
1989	176,611	175,796	99.54%
1990	217,481	191,759	88.17%
1991	278,726	236,301	84.78%
1992	329,359	321,874	97.73%
1993	317,925	303,815	95.56%
1994	278,647	275,380	98.83%
1995	274,487	256,455	93.43%
1996	272,394	260,503	95.63%
1997	234,472	195,326	83.30%
1998	258,506	218,038	84.35%

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Source: Warren County Auditor's Office

**CITY OF MASON, OHIO**

**Table 7  
Ratio of Net General Bonded Debt  
To Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

Fiscal Year	Population	Assessed Value (1)	General Bonded Debt (2)	Less Debt Service Fund (3)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	11,452	161,994,872	585,000	60,424	524,576	0.32%	46
1991	11,871	188,968,829	545,000	61,897	483,103	0.26%	41
1992	12,079	200,694,252	505,000	47,404	457,596	0.25%	42
1993	12,287	214,434,037	460,000	17,990	442,010	0.21%	37
1994	12,495	256,524,186	420,000	19,193	400,807	0.16%	34
1995	13,244	280,143,989	380,000	27,158	352,842	0.14%	29
1996	14,366	314,707,275	335,000	20,207	314,793	0.11%	23
1997	15,863	403,149,139	255,000	30,406	224,594	0.06%	16
1998	17,500	480,537,743	205,000	25,966	179,034	0.04%	12
1999	19,500	562,626,397	215,000	8,566	206,434	0.04%	11

(1) Source: Assessed Value from Table 4

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

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

**CITY OF MASON, OHIO**

**Table 8  
Computation Of Legal Debt Margin  
For The Fiscal Year Ended December 31, 1999**

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	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$562,626,397	\$562,626,397
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	59,075,772	30,944,452
Applicable City Debt Outstanding (2)	5,655,000	5,655,000
Less: Applicable Debt Service Fund Amounts	<u>8,566</u>	<u>8,566</u>
Net Indebtedness Subject to Limitation	<u>\$5,663,566</u>	<u>\$5,663,566</u>

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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.
- (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**

**Table 9  
Computation of Direct and Overlapping Debt  
For The Fiscal Year Ended December 31, 1999**

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	<b>Net General Obligations Bonded Debt Outstanding</b>	<b>Percentage Applicable to City</b>	<b>Amount Applicable to City</b>
City Of Mason	\$5,663,566	100%	\$5,663,566
Warren County	13,346,738	18.62%	<u>2,485,163</u>
		<b>Total:</b>	<u><u>\$8,148,729</u></u>

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Source: Warren County Auditor's Office.

Table 10  
 Schedule of Revenue Bond Coverage  
 Last Ten Fiscal Years

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Water Fund Bond Coverage:</b>										
Operating Revenue	\$911,837	\$1,322,126	\$1,392,164	\$1,854,392	\$2,541,594	\$3,251,371	\$3,500,136	\$4,136,011	\$4,854,934	\$5,943,825
Operating Expenses	621,195	434,500	695,234	1,281,233	953,195	2,169,386	1,685,451	1,703,233	2,148,108	3,241,099
Net Available for Debt Service	290,642	887,626	696,930	573,159	1,588,399	1,081,985	1,814,685	2,432,778	2,706,826	2,702,726
<b>Debt Service Requirements:</b>										
<b>Revenue Bonds:</b>										
Principal		0	55,000	190,000	200,000	210,000	215,000	225,000	235,000	250,000
Interest		123,539	196,788	510,560	532,930	524,950	515,793	505,895	494,938	472,143
Total		123,539	251,788	700,560	732,930	734,950	730,793	730,895	729,938	722,143
Coverage		7.18	2.77	0.82	2.17	1.47	2.48	3.33	3.71	3.74
<b>Sewer Fund Bond Coverage:</b>										
Operating Revenue	\$1,099,830	\$1,213,097	\$1,013,109	\$1,756,957	\$3,096,646	\$3,627,214	\$3,857,651	\$4,438,971	\$5,324,578	\$6,108,606
Operating Expenses	701,430	1,270,998	1,056,494	1,128,228	1,730,152	1,295,536	1,243,237	1,566,903	1,742,470	729,460
Net Available for Debt Service	398,400	(57,901)	(43,385)	628,729	1,366,494	2,331,678	2,614,414	2,872,068	3,582,108	5,379,146
<b>Debt Service Requirements:</b>										
<b>Revenue Bonds:</b>										
Principal					170,000	175,000	175,000	185,000	190,000	200,000
Interest					582,450	459,160	451,810	451,810	443,670	423,399
Total					752,450	634,160	636,810	636,810	633,670	623,399
Coverage					3.10%	4.12%	4.12%	4.51%	5.65%	8.63%

**CITY OF MASON, OHIO**

**Table 11  
Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Permits Issued (1)</b>	<b>Building Permits Total Estimated Value of Buildings (1)</b>	<b>Real Property Assessed Value (2)</b>	<b>Banking Activity Bank Debits (3)</b>
1989	95	28,350,493	111,595,150	305,297
1990	157	36,773,815	117,764,790	309,303
1991	112	17,604,940	139,827,960	342,162
1992	206	24,861,185	144,596,530	367,097
1993	356	57,635,020	155,440,520	401,519
1994	301	49,015,494	193,789,870	410,298
1995	294	62,415,454	217,285,530	447,918
1996	447	74,115,054	246,729,100	465,584
1997	525	89,685,240	324,890,600	523,595
1998	513	111,291,583	387,938,790	521,795
1999	537	108,371,590	448,944,160	533,873

(1) Source: City of Mason, Ohio, Building Inspection Department

(2) Source: Assessed Value from Table 4

(3) Source: Federal Reserve Bank Of Cleveland

**CITY OF MASON, OHIO**

**Table 12  
Ratio of Annual Debt Service Expenditures  
For General Obligation Bonded Debt (1)  
To Total General Governmental Expenditures  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest(2)</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Debt Service To General Governmental Expenditures</b>
1990	40,000	52,650	92,650	389,325	23.80%
1991	40,000	49,050	89,050	578,783	15.39%
1992	45,000	45,450	90,450	1,420,943	6.37%
1993	40,000	41,400	81,400	1,520,014	5.36%
1994	40,000	37,800	77,800	1,607,551	4.84%
1995	45,000	34,200	79,200	2,078,906	3.81%
1996	40,000	30,150	70,150	2,420,667	2.90%
1997	40,000	26,550	66,550	2,455,116	2.71%
1998	45,000	22,950	67,950	2,712,168	2.51%
1999	210,000	225,513	435,513	4,506,728	9.66%

Source: City of Mason, OH, 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*

Table 13  
Principal Taxpayers  
December 31, 1999

Taxpayer	Assessed Valuation For Fiscal Year 1999	Percentage Of Total Assessed Valuation
Kings Island	\$18,324,800	3.26%
Mitsubishi Electrical Manufacturing	17,676,990	3.14%
Procter & Gamble Company	12,641,520	2.25%
Cincinnati Gas & Electric	11,276,340	2.00%
United Telephone Company	4,228,700	0.75%
Mason Christian Village	4,177,650	0.74%
Deerfield Manufacturing	3,946,990	0.70%
Michelin North America	3,528,370	0.63%
Buckeye Steel Casings	3,160,990	0.56%
Great American Insurance Company	2,973,720	0.53%
All Others	480,690,327	85.44%
<b>Total Assessed Valuation</b>	<b>\$562,626,397</b>	<b>100%</b>

Source: Warren County Auditor's Office

**CITY OF MASON, OHIO**

**Table 14  
Synopsis Of Insurance  
December 31, 1999**

Coverage	Carrier	Policy Number	Policy Period	Liability Limits Aggregate	Deductible	Annual Premium
General Liability	USF & G	30025412001	01/01/99-12/31/00	\$500,000 excess of \$250,000	\$2,500	
Property Liability	NPX/Reliance	BEA0134B71	01/01/99-12/31/00	\$10,000,000 excess of \$1,000,000		
	Chubb	3534-33-17	01/01/99-12/31/00	Excess of \$1,000,000 up to appraised values on members buildings		
<b>Liability:</b>						
Public Officials Liability	USF & G	30025412001	01/01/99-12/31/00	\$500,000 excess of \$500,000	\$2,500	
Excess Public Officials Liability	NPX/Reliance	BEA0134B71	01/01/99-12/31/00	\$10,000,000 excess of \$1,000,000	\$2,500	
<b>Total Premium</b>						<b>\$93,618</b>

Source: City of Mason, Ohio, Department of Assistant City Manager

*CITY OF MASON, OHIO*

Table 15  
Demographic Statistics  
December 31, 1999

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Population for the Last Ten Years	1990	11,452
	1991	11,871
	1992	12,079
	1993	12,287
	1994	12,495
	1995	13,244
	1996	14,366
	1997	15,863
	1998	17,501
	1999	19,500

---

School Enrollment for the Last Ten Years	1990	2,572
	1991	2,653
	1992	2,731
	1993	2,866
	1994	3,091
	1995	3,420
	1996	3,845
	1997	4,371
	1998	5,364
	1999	6,100

---

Unemployment Rate for the Last Ten Years*	1990	4.60%
	1991	4.90%
	1992	6.10%
	1993	6.00%
	1994	4.90%
	1995	3.80%
	1996	3.70%
	1997	3.20%
	1998	2.60%
	1999	3.00%

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Source: City of Mason, Ohio, Community Development Department

\* Information is only available for Warren County

**CITY OF MASON, OHIO**

**Table 16  
Miscellaneous Statistics  
December 31, 1999**

<b>Date of Incorporation</b>		1971
<b>Form of Government</b>		Council/Manager
<b>Number of Employees</b>		
Full Time		115
Part Time		146
<b>Area in Square Miles</b>		18
<b>Number of Streets</b>		373
<b>Number of Lane Miles</b>		225
<b>Cultural &amp; Recreation:</b>		
	Parks	6
	Park acreage	239
	Swimming Pool	1
<b>Police Protection:</b>		
	Number of Stations	1
	Number of Police Personnel	
	Full time	30
	Number of Patrol Units	21
<b>Fire &amp; Emergency Medical:</b>		
	Number of Stations	2
	Number of Fire Personnel	
	Full time	8
	Part time	84
	Number of Emergency Vehicles	18
<b>Education:</b>		
	Number of Elementary Schools	4
	Number of Elementary School Instructors	200
	Number of Secondary Schools	2
	Number of Secondary School Instructors	154

Source: City of Mason, Ohio, Economic Development Department



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**CITY OF MASON**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 10, 2000**