

City of Mason, Ohio

Independent Auditors' Report on
Internal Controls and Compliance

Year ended December 31, 2009



Mary Taylor, CPA
Auditor of State

Council Members
City of Mason
6000 Mason-Montgomery Road
Mason, Ohio 45040

We have reviewed the *Independent Auditors' Report* of the City of Mason, Warren County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 20, 2010

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To City Council
City of Mason, Ohio:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated June 11, 2010.

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

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
June 11, 2010

CITY OF MASON, OHIO
Schedule of Prior Year Audit Findings
Year Ended December 31, 2009

Financial Statement Findings

Finding 2008-1 – Audit Adjustments

During the course of our audit, we identified a misstatement in the financial statements that was not identified by the City's internal control. Throughout the year, the City maintains its books and records on a cash basis of accounting and converts its financial statements at year end to generally accepted accounting principles. The audit adjustment was necessary to correct an error in the City's conversion process. A description of the adjustment follows.

Revenue recognition. An audit adjustment was necessary to correct the City's reporting of intergovernmental revenue and deferred revenue on its fund financial statements for the Street Construction, Maintenance and Repair Fund. For certain grants, the City overstated deferred revenue by \$267,325 by not recognizing amounts received in the available period as revenue. The Street Construction, Maintenance and Repair Fund is a major fund and thus, represents an opinion unit in our reporting. The audit adjustment was deemed significant to this specific opinion unit.

We recommend the City implement reporting procedures to ensure all accounts are properly reported in the financial statements.

Status: Corrected in 2009.

Comprehensive Annual Financial Report



City of Mason
Mason, Ohio 45040
Year Ended December 31, 2009

City of Mason, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2009

Prepared by:
Finance Department

Joseph Reigelsperger
Finance Director

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INTRODUCTORY SECTION



June 21, 2010

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, 2009. While there are no legal requirements for the preparation of this report, it represents a commitment by the City of Mason to conform to nationally recognized standards of excellence in financial reporting.

State law requires that each public office file an annual financial report with the Auditor of State. The State Auditor requires all cities to prepare financial reports within one hundred fifty days after the end of the fiscal year. The financial report must also be in conformity with generally accepted accounting principals (GAAP).

The management of the City of Mason, particularly the Director of Finance's Office, assumes full responsibility for both the completeness and reliability of the information contained in this report. The accuracy of the presented data and the completeness and fairness of presentation is assured through a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark, Schaefer, Hackett & Co., Certified Public Accountants, have issue an unqualified ("clean") opinion on the City of Mason's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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



The plaza provides a central location in downtown Mason for events.

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

including emergency services; street construction and maintenance; full engineering, building, and planning services; recreation space and activities; and business recruitment and retention.

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

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

LOCAL ECONOMY

Mason is the fastest growing city in Warren County and Mason's industrial facilities employ an estimated 22,000 persons, equivalent to almost three quarters of the city's nighttime population of about 30,000 as of 2010. Three of the ten largest employers in Warren County are located in Mason. Mason's ten largest employers provide work for more than 6,000 persons and generated more than \$6.4 million in income tax revenue for 2009. Overall, it is estimated that there are more than 700 businesses that operate within Mason's 18 square miles.

Mason continues to attract quality companies that are relocating or expanding. In choosing Mason, companies cite prime location along the interstates, availability of land for development within established business parks, rising property values, the established core of high-tech businesses,

available workforce, and an exceptional level of support and services with a favorable business environment widely promoted in the region. Tax incentives targeting high-tech businesses and light industry are strong inducements as well. Additionally, interest in the marriage between tourism, Warren County's top industry, and business development continues to be a focus for Mason.



Teams from across the country traveled to Mason for the United States Australian Football League 2009 National Tournament in October 2009.

In the last fifteen years, Mason has become home to numerous national companies and has one of the region's largest complements of international businesses. The Greater Cincinnati, Ohio, region ranks twentieth in total exports among U.S. cities. Mason contributes to the region's worldwide impact, being home to a number of the region's more than 1,000 firms engaged in international trade that generate annual export sales of over \$6 billion. More than 300 firms from Japan, Western Europe and Canada have established facilities in the Greater Cincinnati, Ohio, region.

In an effort to further enhance Mason's foreign investment strategy, the city joined CincinnatiUSA Partnership's Regional Economic Development Council (REDC) in 2001. This regional marketing partnership has lent remarkable strength and leverage to Mason's work on both national and international recruitment projects. Mason renewed its commitment to this innovative regional strategy in 2009, with a three-year commitment as one of thirteen members, and only the third city, to come together to make marketing and recruitment decisions for the Greater Cincinnati region.

In 2004, this alliance facilitated extended contact with national and international corporate site selectors and brokers through site location consultant missions in Cincinnati and other major metro areas. During the years 2005 and 2006, the group leveraged partnerships with news organizations in

major metropolitan areas, including Atlanta, Chicago, and New York. As a result, the city and its corporate partners hosted well-regarded pharmaceutical trade publication heads and New York journalists, gaining national exposure and future new investment interests in this industry.

The CincinnatiUSA organization also strengthens a methodology of continued relationship maintenance with valuable contacts in Europe and Asia, giving Mason the opportunity to tell the unique stories of our corporate investors to companies outside the U.S. that are looking to start new U.S. operations. The REDC Partnership in years 2004-2006 is estimated to have shown a value of well over \$350,000 of marketing and recruitment outreach value during the three-year term. With Mason's annual participation of \$25,000, the return on investment for marketing leverage, exposure, and opportunity has been substantial.

In 2007, the city negotiated a contribution renewal through 2009 that combined two organizations: CincinnatiUSA Partnership for Economic Development and CincyTechUSA. This new agreement enabled Mason access to membership on the Board of Governors and partnership with the CincyTech management team. The target business sectors that the CincinnatiUSA and CincyTech partnerships help the city reach include emerging markets, entrepreneurs, information technology, biosciences, and advanced manufacturing. These partnerships help give Mason a high profile among investment prospects and set the city apart from the efforts of competing communities.

The year 2009 marked the city's fifth year of operating with the Mason Port Authority. This economic development tool has already provided advantageous flexibility with financial recruitment options. Since its inception, the Port has helped retain over 208 jobs and allowed the city to attract more than \$7 million in new capital investment with over 130 new jobs to be created. The Mason Port Authority makes regular proposals to major prospects, often in combination with the marketing of the city's industrial property on SR 741, that would not have been opportunities for Mason without this important economic development tool.

Mason's reputation as a serious business environment is confirmed by corporate decisions to

consolidate here and move jobs and investment to the city. New investments reported in 2009 were over \$36 million as 137,000 square feet of new corporate and industrial space were added, bringing over 675 announced new jobs to the community. Due to a diversified environment, Mason's 2009 new investment numbers for industrial and corporate sectors trended downward slightly compared to 2008. The diversified tax base in Mason continues to allow the continued reporting of positive growth and over 11 new projects were completed within the year. The combined new investment revenues for 2007 through 2009 were over \$117 million, with over 467,000 new square feet and over 1,700 new jobs. 2009 kicked off several large developments now underway or complete: the \$5.2 million Lindner Center of HOPE Brain Imaging Center, Noritake's Abrasives Division, the \$1.6 million investment of the AssureRx expansion, P&G's relocation of its Iams Division, AssureRx Bio Sciences Company's lab expansion, the \$25 million TriHealth Community Center project, and the \$10 million Tennis Center expansion.



The expansion of the Lindner Family Tennis Center in Mason will create new opportunities for this venue of an annual ATP World Tour event for men and a women's event for the Sony Ericsson WTA Tour.

In 2009, industrial and office absorption continued the trend, with the private sector focusing heavily on existing real estate for expansion opportunities and mergers and acquisitions. Since Mason is traditionally strong within the build-to-suit sector, the city does not have a large supply of vacant buildings, making some major regional opportunities not available to the city, such as Tata Consultancy and GE Corporate Headquarters. Mason was impacted by the closing or relocation of four employers that resulted in over 500 jobs lost in the

manufacturing sector. In 2009, Central Light and Downlight began the process of closing their Mason facilities, and Global Packaging & Exports closed their Mason facility. Procter & Gamble reported approximately 100 jobs affected with the elimination of distance drug discovery at the Mason campus. Overall, Mason saw the loss of approximately 900 jobs.

As each new investment is announced, job creation and payroll are projected for the next three years. Many of the jobs announced have already been realized by the city and many others will be realized in the next two years. The following projects were the largest new developments announced in the City of Mason for 2009:

Corporate investment (new capital & payroll)

	<u>New Capital</u>	<u>New Payroll</u>
Lindner Center of HOPE	\$5.2 M	\$0 M
Tennis Center Expansion	\$10 M	\$0 M
Spear USA	\$7 M	\$2.1 M
Portion Pac	\$4.9 M	\$859,000
Noritake	\$2.7 M	\$2 M

Growth and development in the City of Mason are expected to continue. Efforts to focus on growth sectors and emerging markets that bring high rates of return to the city are the key focuses of the city’s economic strategy. In 2009, Mason has seen continued renewed interest in land sales and new construction in the industrial, manufacturing, and specialty healthcare and pharmaceutical sectors. Recognizing that the regional market outlook predicts flat activity into the next several years, Mason still expects to see positive commercial activity. The city’s physical location, municipal facilities, developable terrain, services and utilities, and the progressive attitude and actions of city council, administration, and citizens are strong assets.

Focal areas for future growth are city-owned land that continues to offer competitive options for new investors and the I-71 corridor, which has over 600 acres of undeveloped land that has attracted the attention of the development

community. Mason is also well attuned to the benefit of destination construction such as Great Wolf Lodge, new investments with Kings Island, and expansion of high-profile events such as the Tennis Masters Series and related sports events, which are expected to drive more interest in tourism development. The city’s economic development efforts fully recognize a positive relationship between destination tourism and the development of conference, technology, and office development.



On behalf of the city, Mayor Tom Grossmann accepted an award from Ben Huffman, Director of Sports Marketing for the Warren County Convention and Visitors Bureau. The bureau named the City of Mason as one of its 2009 Warren County Tourism Partners for the outstanding support it has provided to the bureau.

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

In 2007, Mason’s voters approved a ballot issue to phase in a full income tax credit for residents who pay a municipal income tax to other cities. In prior years, Mason residents received a credit of 50% of

taxes paid to other municipalities. The charter amendment increased the credit to 65% in 2007, 80% in 2008, 90% in 2009, and 100% (full credit) in 2010 and later years. Most of the loss in revenue from residents is expected to be offset by the consistent increase in collections from businesses and by non-resident withholding.

The City of Mason continues its policy of using only reliable financial resources when budgeting for operating costs. One-time resources and resources at risk of being eliminated are used for one-time expenditures, capital improvements, or debt reduction. State law is phasing out tangible personal property tax that is assessed on business inventory, machines, and equipment. As part of the phase-out, the state is reimbursing local governments for lost revenue for a limited period of time. In consideration, the City of Mason continues to decrease its reliance upon decreasing revenue sources for operating expenses.

MAJOR INITIATIVES For the Year 2009

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

Major events that occurred in 2009 that position the city for future economic growth and improvement include:

Mason Road Widening

The City of Mason has continued its investment into infrastructure. In 2009, work began on widening Mason Road from an existing two-lane roadway to a three-lane roadway with curb and gutter. The roadway will be widened from West Main Street to the western corporation limits. Also included are curb and gutter, sidewalk, bike path, storm sewers, landscaping, and street trees. The project will be completed in 2010.

Infrastructure Improvements

Besides the Mason Road improvement begun in 2009, other infrastructure improvements in 2009 included the completion of the Western Row Road widening, Western Row and Kings Island Intersection improvement, and US 42 Trunk Sewer North (Phase 2B) improvement.



Mason Fire Station 51 is being relocated to the north of the current station in downtown Mason..

Fire Station 51 Relocation

During 2009, work began on relocating Station 51 and fire headquarters from downtown Mason to the north, to the southwest corner of Alliance Drive and Mason-Montgomery Road. Construction began on Fire Station 51 and will be completed in 2010.

Community Center Expansion

In 2009, construction began on the Mason Community Center expansion and an attached office facility to be leased by TriHealth for medical offices. The partnership with TriHealth extends the city's track record of success in developing mutually beneficial relationships that deliver enormous and cost-effective benefits to the residents of Mason. The partnership with TriHealth is anticipated to increase market exposure to the Mason Community Center and thereby help the center regain and increase its market share while continuing its focus on serving area families. This, in turn, will strengthen the financial position of the center into the future. The expanded center is expected to open in the fall of 2010.

Looking Ahead to the Future

Accomplishments to look forward to in 2010 include:

- Constructing the Mason Road Roundabout
- US 42 Truck Sewer North Phase III
- Muddy Creek Bike Path Phase II
- Bethany Road/Parkside Lift Station Elimination
- Sports Park Effluent Irrigation Project

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mason for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. Mason has been awarded the Certificate of Achievement each year beginning in 1997. In order

Sincerely,



Eric Hansen
City Manager

to be awarded a Certificate of Achievement, the city had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

Our most sincere appreciation is extended to all members of the staff whose efforts have made this report possible, including Mary Mueller, Bev Salatin, the staff of Plattenburg & Associates, Inc., and Clark, Schaefer, Hackett & Co. for their dedicated service in the preparation of this comprehensive annual financial report.



Joseph J. Reigelsperger
Finance Director

COUNCIL MEMBERS

Mayor	Don Prince
Vice Mayor	David Nichols
Council Member	Tony Bradburn
Council Member	Richard Cox
Council Member	Michael Gilb
Council Member	Charlene Pelfrey
Council Member	Christine Shimrock

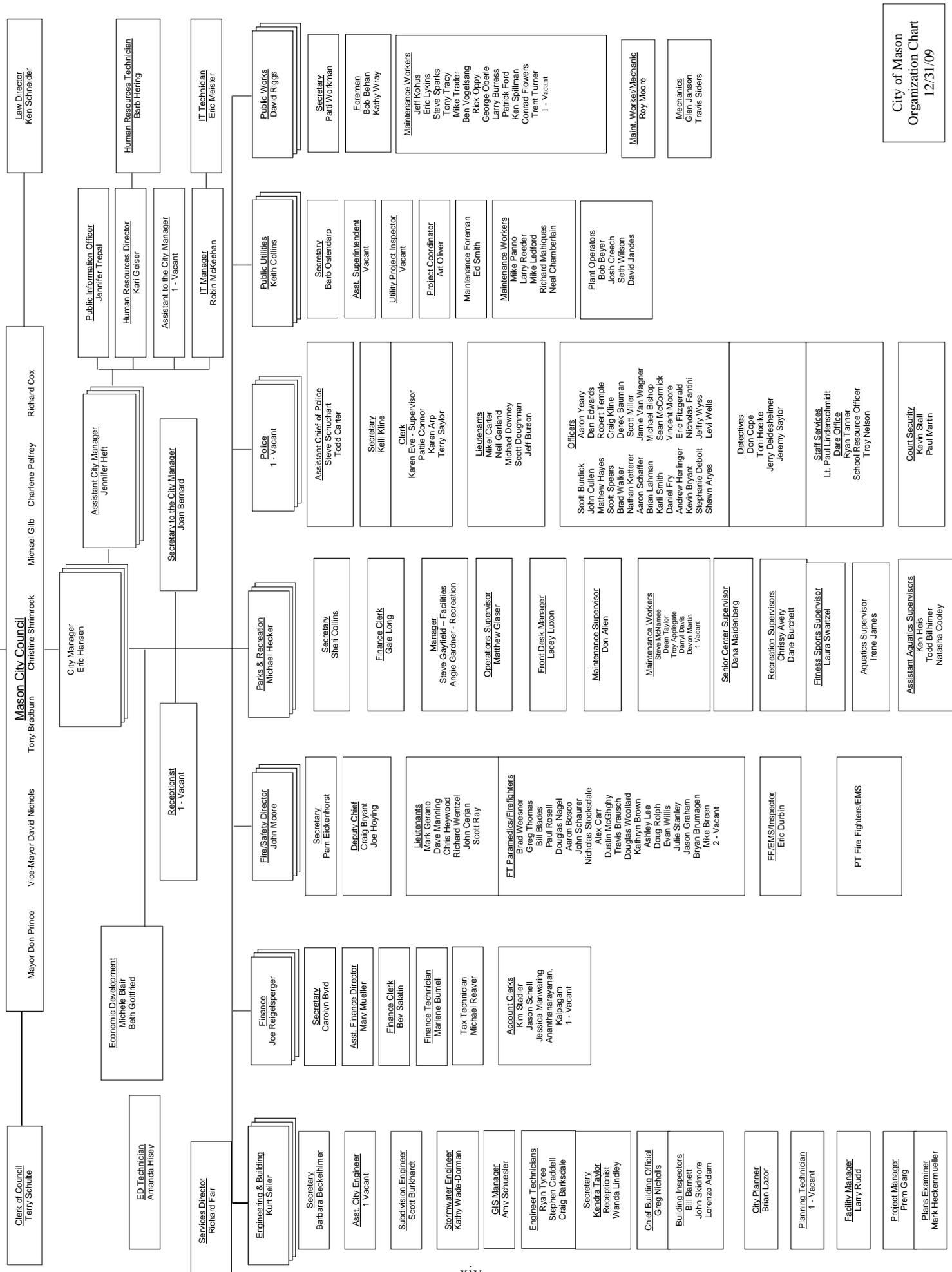
COUNCIL APPOINTED OFFICIALS

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

DEPARTMENT HEADS

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

Residents of Mason



City of Mason
Organization Chart
12/31/09

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, 2008

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.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Enow".

Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To City Council
City of Mason, Ohio:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mason, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 13 and 57 through 64, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 11, 2010

City of Mason
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

As management of the City of Mason, we offer readers of the City of Mason's financial statement this narrative overview and analysis of the financial activities of the City of Mason for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets of the City of Mason exceeded its liabilities at the close of 2009 by \$257,483,565 (net assets). Of this amount, \$39,909,732 is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is 85 percent of the 2009 expenses of \$47,106,190.

- The city's total net assets increased by \$7,058,363. Net assets of the governmental activities (defined below) increased \$869,604, which represents an 87 percent decrease from the 2008 increase in net assets. Net assets of the business-type activities (also defined below) increased \$6,188,759. The decrease in governmental activities was primarily the result of the transfer to construct part of the community center expansion. Likewise, the increase in business-type activities was also primarily due to the community center expansion.
- The total cost of the city's programs decreased \$2,326,934, which is 4.7 percent less than in 2008. The cost of governmental activities decreased \$1,780,558 or 5.3 percent, while the cost of business-type activities decreased \$546,376 or 3.4 percent.
- As of the close of the 2009 fiscal year, the city's governmental funds reported combined ending fund balances of \$34,743,173, a decrease of \$8,265,879 in comparison with the prior year. The General Fund unreserved balance of \$10,650,144 as of December 31, 2009, is 30 percent of the 2009 expenditures and transfers of \$35,915,455. The City of Mason strives to maintain a minimum unreserved fund balance equal to three months of expenditures (25 percent).

Overview of the Financial Statements

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

1) Government-wide financial statements.

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

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

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

City of Mason
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

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

2) Fund financial statements.

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

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

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

The city maintains 30 individual governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for the two major funds: the general fund and the fire and emergency medical services fund. Data for the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. The city maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The city uses enterprise funds to account for its sanitary sewer, stormwater, waste collection, golf course, and community center operations.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as fines collected by Mason Municipal Court. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not*

City of Mason
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available to support the city's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

3) Notes to the financial statements.

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

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The city's assets exceeded liabilities by \$257,483,565 at the close of the most recent fiscal year.

The largest portion of the city's net assets (76 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The city used these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net assets (9 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets (\$39,909,732) may be used to meet the city's on-going obligations to citizens and creditors. It is important to note that the unrestricted net assets of the city's business-type activities (\$14,000,587) may not be used to fund governmental activities.

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

Overall net assets of the city increased \$7,058,363 in 2009. Net assets for governmental activities increased \$869,604, while net assets for business-type activities increased \$6,188,759. The increase in net assets for 2009 (\$7,058,363) was \$1,110,205 less than the increase in net assets for 2008 (\$8,168,568). This decrease is primarily the result of decreased income tax and investment earnings due to the recession and implementing the phase-in income tax credit.

City of Mason
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(Unaudited)

City of Mason
Net Assets
(amounts expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets						
Current and other assets	\$56,286	\$63,819	\$28,943	\$18,726	\$85,229	\$82,545
Capital assets	163,511	157,567	123,306	115,908	286,817	273,475
Total assets	\$219,797	\$221,386	\$152,249	\$134,634	\$372,046	\$356,020
Liabilities						
Long-term liabilities outstanding	42,269	44,361	43,048	32,917	85,317	77,278
Other liabilities	15,504	15,870	13,742	12,447	29,246	28,317
Total liabilities	\$57,773	\$60,231	\$56,790	\$45,364	\$114,563	\$105,595
Net Assets						
Invested in capital assets, net of related debt	117,869	110,110	77,389	72,445	195,258	182,555
Restricted	18,246	20,077	4,070	8,331	22,316	28,408
Unrestricted	25,909	30,968	14,001	8,494	39,910	39,462
Total Net Assets	\$162,024	\$161,155	\$95,460	\$89,270	\$257,484	\$250,425

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City of Mason
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

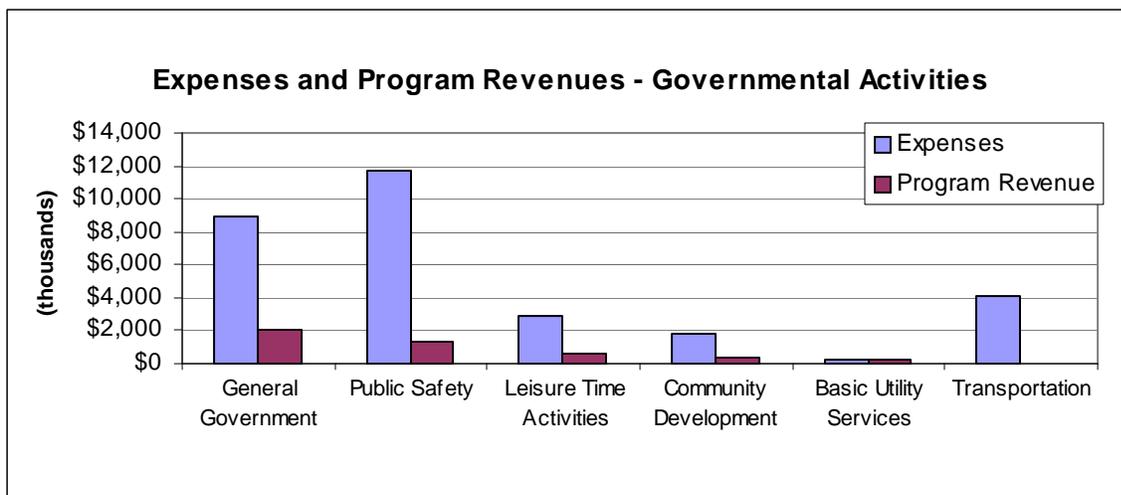
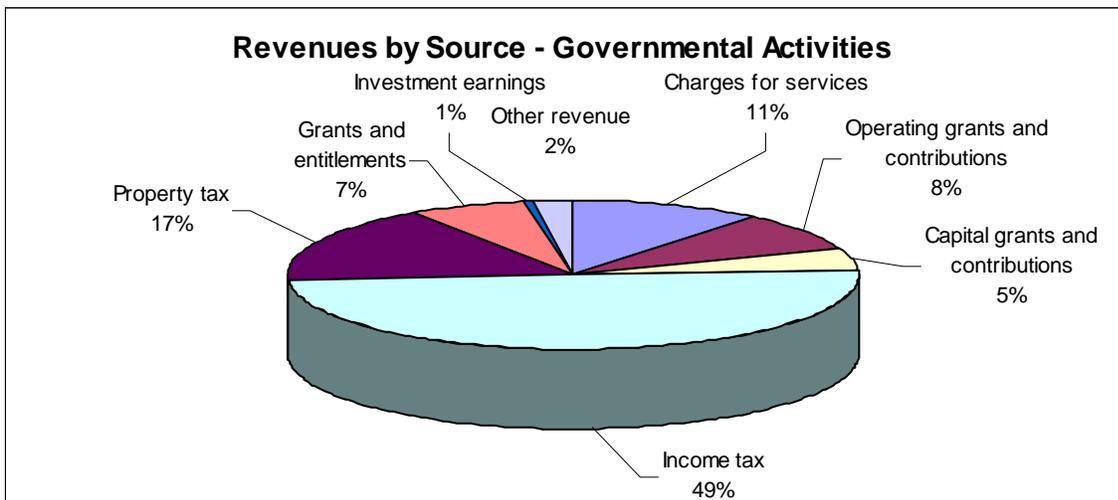
City of Mason
Changes in Net Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program revenues:						
Charges for services	\$4,551	\$4,464	\$11,739	\$12,199	\$16,290	\$16,663
Operating grants and contributions	3,469	2,936			3,469	2,936
Capital grants and contributions	2,061	2,244	643	762	2,704	3,006
General revenues:						
Income tax	20,750	22,266			20,750	22,266
Property tax	6,951	6,187			6,951	6,187
Grants and entitlements	2,787	3,149			2,787	3,149
Investment earnings	209	1,997	84	720	293	2,717
Other revenue	921	666	-	11	921	677
Total Revenues	41,699	43,909	12,466	13,692	54,165	57,601
Expenses:						
General Government	8,970	8,797			8,970	8,797
Public Safety	11,758	12,042			11,758	12,042
Leisure Time Activities	2,861	2,884			2,861	2,884
Community Development	1,831	1,454			1,831	1,454
Basic Utility Services	234	252			234	252
Transportation	4,156	5,928			4,156	5,928
Interest and fiscal charges	1,981	2,214			1,981	2,214
Sewer utility			6,287	6,467	6,287	6,467
Waste Collection			1,437	1,391	1,437	1,391
Stormwater utility			1,012	1,097	1,012	1,097
Community Center			3,333	3,042	3,333	3,042
Golf Course			3,246	3,865	3,246	3,865
Total Expenses	31,791	33,571	15,315	15,862	47,106	49,433
Increase (decrease) in net assets before transfers	9,908	10,338	(2,849)	(2,170)	7,059	8,168
Transfers - internal activities	(9,038)	(3,715)	9,038	3,715		
Increase (decrease) in net assets	870	6,623	6,189	1,545	7,059	8,168
Net Assets beginning of year	161,155	154,532	89,270	87,725	250,425	242,257
Net Assets end of year	162,024	\$161,155	\$95,459	\$89,270	\$257,483	\$250,425

**City of Mason
Management's Discussion and Analysis
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(Unaudited)**

Governmental activities. Governmental activities increased the city's net assets by \$869,604. This was a \$5,753,444 (86.8 percent) decrease from the previous year change in net assets. Key elements of the changes in net assets are as follows:

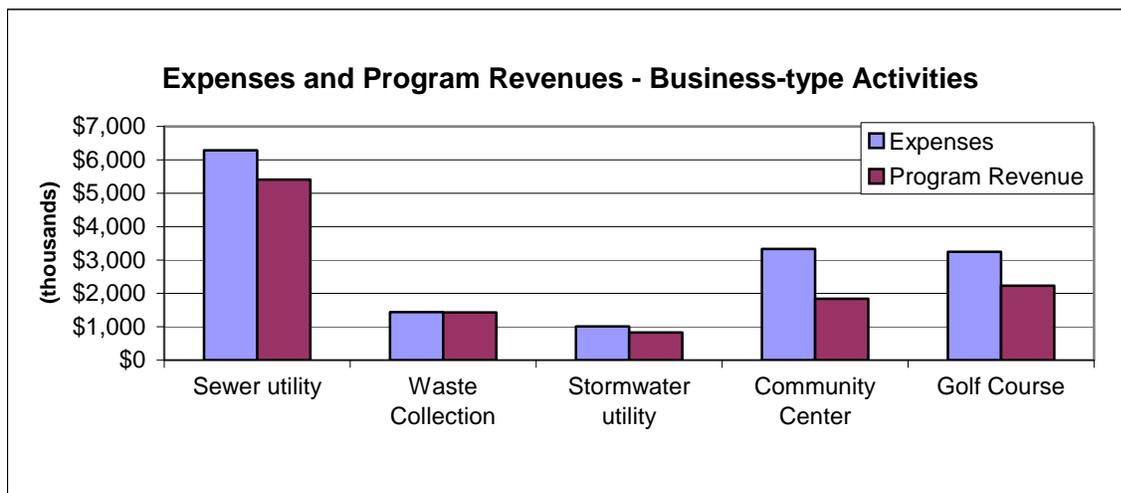
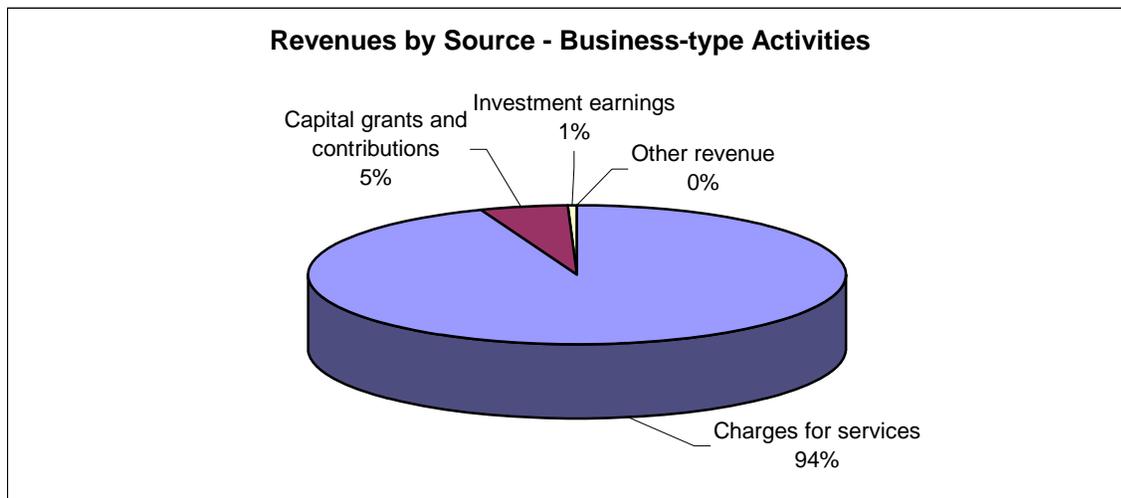
- Transfers from internal activities increased \$5,323,221. This was due to a one-time transfer to the community center expansion fund.
- Income tax decreased \$1,515,866 (6.8 percent) over the previous year due to economic conditions and the phase-in of full credit.
- Property tax revenue increased by \$763,501 (11.0 percent).
- Investment earnings decreased \$1,788,708 (89.5 percent) over the previous year as a result of the decrease in the market.



**City of Mason
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(Unaudited)**

Business-type activities. Business-type activities increased the city's net assets by \$6,188,759. Key elements of the changes in net assets are as follows:

- Although the net assets increased, Capital Grants and Contributions decreased from the previous year by \$119,531 due to the decrease in developments completed this year that were accepted by the city. This amount varies from year to year.
- Operational costs decreased by 3.4 percent.
- Investment earnings decreased \$636,413 (88.3 percent) over the previous year as a result of the decrease in the market.
- Community Center revenue decreased by \$235,192 (11.23 percent) over the previous year due to the reduced construction membership rate.



**City of Mason
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Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Mason's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Mason's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources that are available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City of Mason's governmental funds reported combined ending fund balances of \$34,743,773 a decrease of \$8,265,879 in comparison with the prior year. \$19,022,597 of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period. The most significant change in fund balance was the capital transfer of \$7,372,489 for the community center expansion.

The general fund is the chief operating fund of the city. At December 31, 2009, the unreserved fund balance of the general fund was \$10,650,144, while the total fund balance was \$18,893,285. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved fund balance* and *total fund balance* to *total fund expenditures* (excluding transfers out). *Unreserved fund balance* represents 42 percent of the *total general fund expenditures* (excluding transfers out), while *total fund balance* represents 75 percent of that same amount. The *unreserved fund balance* is roughly equal to five months of *total fund expenditures*, which is higher than the City's target minimum for an *unreserved fund balance* of three months.

The fund balance of the city's general fund decreased by \$5,759,588 during the current fiscal year.

Key factors in this change are as follows:

- Revenue decreased from the previous year by \$2,961,145, which is a 9.4% decrease. The decrease in investment earnings and lower tax revenue contributed the most to the decrease in revenue.
- Expenditures decreased from the prior year by \$5,345,725, a 17.5% decrease, due to a one-time principal payment in 2008 of \$6,850,000.

The fire and emergency medical service fund provides public safety services to the City of Mason using a five-mill property tax levy as its major source of revenue. The fund balance decreased by \$334,180. Revenue increased by \$42,576 (0.7 percent). Expenditures increased by \$1,179,198 (19.3 percent) due to capital outlay for the new fire station.

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

Unrestricted net assets for the sewer fund at the end of the year amounted to \$11,260,526, with a total decrease in net assets of \$474,388. Unrestricted net assets for the waste collection fund at the end of the year amounted to \$209,635. Unrestricted net assets for the stormwater utility fund at the end of the year

**City of Mason
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amounted to \$1,287,508, with a total growth in net assets of \$130,182. Unrestricted net assets for the community center fund at the end of the year amounted to \$841,895. Unrestricted net assets for the golf course fund at the end of the year amounted to \$401,023, with a total growth in net assets of \$641,193. Other factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

Budgetary Highlights

General fund. During the year 2009, there was a \$3,745,001 increase in appropriations between the original and final amended budget. The total original appropriations, including those for transfers out, were \$49,363,890, while the final appropriations were \$53,108,891. During the year, City Council will re-appropriate funds or provide supplemental appropriations based on the changes that occurred since the adoption of the original budget. Capital outlay increased by \$3,223,870 primarily to purchase the Oak Park property for the Neyer development agreement. Transfers out increased by \$5,376,131 for the community center expansion capital transfer. Employee medical insurance cost increased by \$450,000. \$4,284,500 was reduced from debt principal to reflect the debt principal paid in 2009. \$905,000 was reduced from the General Fund operating budget as each department reduced cost. Other operational corrections were made during the re-appropriation process. The original revenue budgets are very conservative estimates and are adjusted near the end of the year based on actual revenue.

Capital Asset and Debt Administration

Capital assets. The city's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounted to \$286,817,138 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, streets, and traffic signals. The total increase in the city's investment in capital assets for 2009 over 2008 was 4.9 percent (a 3.0 percent increase for governmental activities and a 6.3 percent increase for business type activities.)

**City of Mason
Capital Assets
(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$62,485	\$59,219	\$10,578	\$10,578	\$73,063	\$69,797
Construction in Progress	4,251	7,603	10,162	2,596	14,413	10,199
Buildings and Improvements	43,077	42,798	35,298	35,298	78,375	78,096
Machinery and Equipment	14,614	13,925	7,193	6,994	21,807	20,919
Infrastructure	67,449	59,040	80,237	77,630	147,686	136,670
Accumulated Depreciation	(28,365)	(25,017)	(20,162)	(17,188)	(48,527)	(42,205)
Total	\$163,511	\$157,568	\$123,306	\$115,908	\$286,817	\$273,476

**City of Mason
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For the Year Ended December 31, 2009
(Unaudited)**

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

- The widening of Mason Road and the Community Center expansion.
- The conclusion of several projects: Western Row Road (\$6.9 million of additions), U.S. 42 Trunk Sewer North Phase 2B Project (\$1.7 million), and Western Row & Kings Island Drive Intersection improvements (\$.7 million).

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

Long-term debt. At December 31, 2009, the city had \$84,114,000 of long-term debt outstanding (bonds and capital leases). Of this amount, \$22,030,000 comprises debt backed by the full faith and credit of the government and \$194,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. Capital leases outstanding (\$30,250,000) at December 31, 2009, are certificates of participation for the municipal center and the community center. \$2,710,000 of the general obligation debt is funded through tax increment financing. The remainder of the city's debt represents bonds secured solely by specified revenue sources.

The city has bond anticipation notes outstanding of \$16,495,000 (\$6,300,000 for governmental and \$10,195,000 for business-type activities).

The city received a rating upgrade from "Aa2" to "Aa1" from Moody's Investors Service for its general obligation bonds. This rating was recalibrated in 2010 to "Aaa".

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds	\$22,030	\$23,355			\$22,030	\$23,355
Special assessment debt with governmental commitment	165	262	29	33	194	295
Capital Leases	18,915	19,640	11,335		30,250	19,640
Revenue Bonds			31,640	32,710	31,640	32,710
Total	\$41,110	\$43,257	\$43,004	\$32,743	\$84,114	\$76,000

The city is within all of its legal debt limitations. The Ohio Revised code provides that the net debt (as defined in the Ohio Revised code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value for taxation. The statutory limitations on debt are measured by the ratio of debt to tax valuation and expressed in terms of a percentage. At December 31, 2009, the city's total net debt of 3.5% of the total assessed value of all property within the city is within the 10.5% and 5.5% debt limitation for voted and unvoted debt, respectively. The aggregate amount of the city's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions of ten mills. This millage is measured against the property values in each overlapping district. At December 31, 2009, the millage amount was 5.8698 mills, of which 5.2687 mills were restricted by the City of Mason for unvoted debt.

**City of Mason
Management's Discussion and Analysis
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Additional information regarding the city's long-term debt can be found in note 10 of the notes to the basic financial statements.

Economic Factors and Next Year's Budgets

The City of Mason is located in Warren County, which currently has an unemployment rate of 9.6 percent. This is lower than the current Ohio rate of 10.7 percent and nearly the same as the national rate of 9.5 percent. The City of Mason continues to promote economic growth in Mason while many neighboring municipalities suffer steeper declines. The city continues to attract desirable commercial enterprises. Intense competition continues to force the city to be aggressive in its economic development objectives of increasing investment, creating employment opportunities, and retaining businesses that have already been established in Mason.

The 2010 budget was prepared in a manner similar to prior years by conservatively estimating revenue while seeking opportunities for cost savings. Based on concerns about the current recession, every effort is made to reduce expenditures with minimal impact to the current level of services. As part of the budget process, a capital improvement plan was completed and evaluated for 2010 and future years. The total appropriations budgeted for 2010 including transfers and capital outlay (\$88,202,241) is 13 percent less than the 2009 original appropriations (\$101,727,653).

Request for Information

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

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City of Mason, Ohio
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$35,641,322	\$17,755,573	\$53,396,895
Restricted Cash and Investments	1,908,193	11,914,422	13,822,615
Receivables:			
Taxes	11,090,579	0	11,090,579
Accounts	482,262	1,415,440	1,897,702
Interest	42,127	24,180	66,307
Intergovernmental	3,639,517	0	3,639,517
Special Assessments	132,656	0	132,656
Internal Balances	2,550,000	(2,550,000)	0
Inventory	417,442	193,432	610,874
Nondepreciable Capital Assets	66,736,386	20,740,068	87,476,454
Depreciable Capital Assets, Net	96,774,984	102,565,700	199,340,684
Deferred Issuance Costs	381,505	190,331	571,836
Total Assets	219,796,973	152,249,146	372,046,119
Liabilities:			
Accounts Payable	522,490	400,525	923,015
Accrued Wages and Benefits	870,654	139,464	1,010,118
Retainage Payable	227,348	693,486	920,834
Accrued Interest Payable	193,299	281,289	474,588
Contracts Payable	676,930	2,032,266	2,709,196
Unearned Revenue	6,300,000	0	6,300,000
Claims Payable	413,064	0	413,064
General Obligation Notes Payable	6,300,000	10,195,000	16,495,000
Long-Term Liabilities:			
Due Within One Year	2,526,944	1,484,577	4,011,521
Due In More Than One Year	39,741,807	41,563,411	81,305,218
Total Liabilities	57,772,536	56,790,018	114,562,554
Net Assets:			
Invested in Capital Assets, Net of Related Debt	117,869,403	77,388,687	195,258,090
Restricted for:			
Debt Service	2,706,642	4,069,854	6,776,496
Capital Projects	762,544	0	762,544
Fire and Emergency Medical Services	7,825,291	0	7,825,291
Street Improvements	5,367,356	0	5,367,356
Other Purposes	1,584,056	0	1,584,056
Unrestricted	25,909,145	14,000,587	39,909,732
Total Net Assets	\$162,024,437	\$95,459,128	\$257,483,565

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2009

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$8,969,554	\$2,088,882	\$0	\$0
Public Safety	11,758,497	1,321,832	1,368,615	0
Leisure Time Activities	2,860,505	564,185	0	347,780
Community Development	1,831,149	306,726	0	27,157
Basic Utility Service	233,714	263,341	0	0
Transportation and Street Repair	4,156,093	6,400	2,100,479	1,685,573
Interest and Fiscal Charges	1,981,386	0	0	0
Total Governmental Activities	31,790,898	4,551,366	3,469,094	2,060,510
Business-Type Activities:				
Sewer	6,287,295	5,413,042	0	336,954
Waste Collection	1,437,256	1,427,989	0	0
Stormwater Utility	1,011,631	832,872	0	299,770
Community Center	3,332,634	1,839,654	0	5,959
Golf Course	3,246,476	2,225,669	0	0
Total Business-Type Activities	15,315,292	11,739,226	0	642,683
Totals	\$47,106,190	\$16,290,592	\$3,469,094	\$2,703,193

General Revenues:
Income Taxes
Property Taxes Levied for:
General Purposes
Special Revenue Purposes
Debt Service Purposes
Capital Projects Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$6,880,672)	\$0	(\$6,880,672)
(9,068,050)	0	(9,068,050)
(1,948,540)	0	(1,948,540)
(1,497,266)	0	(1,497,266)
29,627	0	29,627
(363,641)	0	(363,641)
(1,981,386)	0	(1,981,386)
<u>(21,709,928)</u>	<u>0</u>	<u>(21,709,928)</u>
0	(537,299)	(537,299)
0	(9,267)	(9,267)
0	121,011	121,011
0	(1,487,021)	(1,487,021)
0	(1,020,807)	(1,020,807)
<u>0</u>	<u>(2,933,383)</u>	<u>(2,933,383)</u>
<u>(21,709,928)</u>	<u>(2,933,383)</u>	<u>(24,643,311)</u>
20,749,797	0	20,749,797
1,196,087	0	1,196,087
3,859,491	0	3,859,491
1,385,822	0	1,385,822
509,685	0	509,685
2,787,157	0	2,787,157
208,558	83,653	292,211
921,424	0	921,424
(9,038,489)	9,038,489	0
<u>22,579,532</u>	<u>9,122,142</u>	<u>31,701,674</u>
869,604	6,188,759	7,058,363
<u>161,154,833</u>	<u>89,270,369</u>	<u>250,425,202</u>
<u>\$162,024,437</u>	<u>\$95,459,128</u>	<u>\$257,483,565</u>

City of Mason, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General	Fire and Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$18,620,442	\$7,332,742	\$9,688,138	\$35,641,322
Restricted Cash and Investments	0	0	1,908,193	1,908,193
Receivables:				
Taxes	5,180,173	4,214,576	1,695,830	11,090,579
Accounts	313,626	124,221	44,415	482,262
Interest	9,283	3,884	28,960	42,127
Intergovernmental	1,413,403	909,682	1,316,432	3,639,517
Special Assessments	0	0	132,656	132,656
Interfund	2,550,000	0	0	2,550,000
Inventory	363,190	54,252	0	417,442
Total Assets	28,450,117	12,639,357	14,814,624	55,904,098
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	429,947	65,048	27,495	522,490
Accrued Wages and Benefits	615,941	230,338	24,375	870,654
Retainage Payable	0	78,852	148,496	227,348
Accrued Interest Payable	30,082	0	14,651	44,733
Contracts Payable	25,868	235,531	415,531	676,930
Deferred Revenue	4,041,930	5,144,523	2,919,253	12,105,706
Claims Payable	413,064	0	0	413,064
General Obligation Notes Payable	4,000,000	0	2,300,000	6,300,000
Total Liabilities	9,556,832	5,754,292	5,849,801	21,160,925
Fund Balances:				
Reserved for Encumbrances	7,879,951	2,408,959	5,014,224	15,303,134
Reserved for Inventory	363,190	54,252	0	417,442
Unreserved, Undesignated, Reported in:				
General Fund	10,650,144	0	0	10,650,144
Special Revenue Funds	0	4,421,854	1,050,187	5,472,041
Debt Service Funds	0	0	180,712	180,712
Capital Projects Funds	0	0	2,719,700	2,719,700
Total Fund Balances	18,893,285	6,885,065	8,964,823	34,743,173
Total Liabilities and Fund Balances	\$28,450,117	\$12,639,357	\$14,814,624	\$55,904,098

See accompanying notes to the basic financial statements.

City of Mason, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2009

Total Governmental Fund Balance \$34,743,173

Amounts reported for governmental activities in the
 statement of net assets are different because:

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 163,511,370

Other long-term assets are not available to pay for current-
 period expenditures and therefore are deferred in the funds.

Income Taxes	\$2,427,122	
Delinquent Property Taxes	176,270	
Interest	26,475	
Intergovernmental	3,023,210	
Other	<u>152,629</u>	
		5,805,706

In the statement of net assets interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (148,566)

Some liabilities reported in the statement of net assets do not
 require the use of current financial resources and therefore
 are not reported as liabilities in governmental funds.
 Compensated Absences (1,158,751)

Deferred bond issuance cost associated with long-term liabilities
 are not reported in the funds. 381,505

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds. (41,110,000)

Net Assets of Governmental Activities \$162,024,437

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2009

	General	Fire and Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$22,277,154	\$3,856,133	\$1,890,605	\$28,023,892
Fines, Licenses and Permits	1,348,438	0	645,544	1,993,982
Charges for Services	1,410,691	747,692	0	2,158,383
Investment Earnings	140,488	46,918	57,113	244,519
Intergovernmental	1,995,880	1,125,037	2,577,178	5,698,095
Special Assessments	0	0	69,847	69,847
Other Revenues	1,132,886	18,016	160,164	1,311,066
Total Revenues	28,305,537	5,793,796	5,400,451	39,499,784
Expenditures:				
Current:				
General Government	8,040,328	0	466,759	8,507,087
Public Safety	6,263,465	5,030,003	19,520	11,312,988
Leisure Time Activities	2,362,857	0	0	2,362,857
Community Development	1,393,892	0	419,122	1,813,014
Basic Utility Service	233,714	0	0	233,714
Transportation and Street Repair	2,675,311	0	526,927	3,202,238
Capital Outlay	4,116,051	1,071,180	2,054,676	7,241,907
Debt Service:				
Principal Retirement	0	0	2,147,000	2,147,000
Interest and Fiscal Charges	73,949	0	1,918,146	1,992,095
Total Expenditures	25,159,567	6,101,183	7,552,150	38,812,900
Excess of Revenues Over (Under) Expenditures	3,145,970	(307,387)	(2,151,699)	686,884
Other Financing Sources (Uses):				
Transfers In	1,737,811	0	3,811,244	5,549,055
Transfers (Out)	(10,755,888)	0	(3,831,656)	(14,587,544)
Total Other Financing Sources (Uses)	(9,018,077)	0	(20,412)	(9,038,489)
Net Change in Fund Balance	(5,872,107)	(307,387)	(2,172,111)	(8,351,605)
Fund Balance Beginning of Year	24,652,873	7,219,245	11,136,934	43,009,052
Change in Reserve for Inventory	112,519	(26,793)	0	85,726
Fund Balance End of Year	\$18,893,285	\$6,885,065	\$8,964,823	\$34,743,173

See accompanying notes to the basic financial statements.

City of Mason, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2009

Net Change in Fund Balance - Total Governmental Funds (8,351,605)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$9,291,933	
Depreciation Expense	<u>(3,348,007)</u>	5,943,926

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

Income Taxes	\$344,053	
Delinquent Property Taxes	(267)	
Interest	(35,961)	
Intergovernmental	893,097	
Other	<u>(89,405)</u>	1,111,517

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,147,000

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 10,709

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(\$54,548)	
Amortization of Bond Issuance Cost	(23,121)	
Change in Inventory	<u>85,726</u>	8,057

Change in Net Assets of Governmental Activities \$869,604

See accompanying notes to the basic financial statements.

City of Mason, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Sewer	Waste Collection	Stormwater Utility	Community Center
Current Assets:				
Equity in Pooled Cash and Investments	\$10,722,468	\$85,910	\$1,389,036	\$5,140,480
Restricted Cash and Investments	3,297,366	0	0	8,617,056
Receivables:				
Accounts	947,173	245,088	139,439	3,275
Interest	23,398	46	736	0
Inventory	49,850	0	0	1,758
Total Current Assets	15,040,255	331,044	1,529,211	13,762,569
Noncurrent Assets:				
Nondepreciable Capital Assets	4,790,670	0	656,470	9,628,486
Depreciable Capital Assets, Net	66,338,768	0	33,067,076	0
Deferred Issuance Costs	0	0	0	190,331
Total Noncurrent Assets	71,129,438	0	33,723,546	9,818,817
Total Assets	86,169,693	331,044	35,252,757	23,581,386
Liabilities:				
Accounts Payable	95,115	121,409	18,508	28,280
Accrued Wages and Benefits	52,611	0	8,007	78,846
Compensated Absences	71,381	0	2,358	30,838
Retainage Payable	27,437	0	23,033	643,016
Accrued Interest Payable	121,891	0	1,021	56,645
Contracts Payable	41,628	0	186,170	1,804,468
Interfund Payable	0	0	0	2,550,000
General Obligation Notes Payable	0	0	1,775,000	0
Long-Term Liabilities Due Within One Year	1,105,000	0	0	275,000
Total Current Liabilities	1,515,063	121,409	2,014,097	5,467,093
Long-Term Liabilities:				
Compensated Absences	72,300	0	2,606	9,174
Bonds, Notes & Loans Payable	30,564,000	0	0	0
Capital Lease	0	0	0	10,915,331
Total Noncurrent Liabilities	30,636,300	0	2,606	10,924,505
Total Liabilities	32,151,363	121,409	2,016,703	16,391,598
Net Assets:				
Invested in Capital Assets, Net of Related Debt	39,460,438	0	31,948,546	5,575,405
Restricted for:				
Debt Service	3,297,366	0	0	772,488
Unrestricted	11,260,526	209,635	1,287,508	841,895
Total Net Assets	\$54,018,330	\$209,635	\$33,236,054	\$7,189,788

See accompanying notes to the basic financial statements.

Golf Course	Total Business-Type Activities
\$417,679	\$17,755,573
0	11,914,422
80,465	1,415,440
0	24,180
141,824	193,432
<u>639,968</u>	<u>31,303,047</u>
5,664,442	20,740,068
3,159,856	102,565,700
0	190,331
<u>8,824,298</u>	<u>123,496,099</u>
<u>9,464,266</u>	<u>154,799,146</u>
137,213	400,525
0	139,464
0	104,577
0	693,486
101,732	281,289
0	2,032,266
0	2,550,000
8,420,000	10,195,000
0	1,380,000
<u>8,658,945</u>	<u>17,776,607</u>
0	84,080
0	30,564,000
0	10,915,331
<u>0</u>	<u>41,563,411</u>
<u>8,658,945</u>	<u>59,340,018</u>
404,298	77,388,687
0	4,069,854
401,023	14,000,587
<u>\$805,321</u>	<u>\$95,459,128</u>

City of Mason, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2009

	Sewer	Waste Collection	Stormwater Utility	Community Center
Operating Revenues:				
Charges for Services	\$5,413,042	\$1,427,989	\$832,872	\$1,839,654
Total Operating Revenues	<u>5,413,042</u>	<u>1,427,989</u>	<u>832,872</u>	<u>1,839,654</u>
Operating Expenses:				
Personal Services	1,067,630	4,668	163,245	1,590,151
Contractual Services	1,121,776	1,432,588	81,258	1,528,900
Materials and Supplies	395,927	0	64,601	115,521
Depreciation	2,206,703	0	659,013	0
Total Operating Expenses	<u>4,792,036</u>	<u>1,437,256</u>	<u>968,117</u>	<u>3,234,572</u>
Operating Income (Loss)	<u>621,006</u>	<u>(9,267)</u>	<u>(135,245)</u>	<u>(1,394,918)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	58,911	0	9,171	15,571
Interest (Expense)	(1,495,259)	0	(43,514)	(98,062)
Gain (Loss) on Disposal of Capital Assets	0	0	0	0
Total Non-Operating Revenues (Expenses)	<u>(1,436,348)</u>	<u>0</u>	<u>(34,343)</u>	<u>(82,491)</u>
Income (Loss) Before Contributions and Transfers	(815,342)	(9,267)	(169,588)	(1,477,409)
Capital Grants and Contributions	336,954	0	299,770	5,959
Transfers In	4,000	0	0	7,372,489
Change in Net Assets	(474,388)	(9,267)	130,182	5,901,039
Net Assets Beginning of Year	<u>54,492,718</u>	<u>218,902</u>	<u>33,105,872</u>	<u>1,288,749</u>
Net Assets End of Year	<u>\$54,018,330</u>	<u>\$209,635</u>	<u>\$33,236,054</u>	<u>\$7,189,788</u>

See accompanying notes to the basic financial statements.

Golf Course	Total Business-Type Activities
\$2,225,669	\$11,739,226
<u>2,225,669</u>	<u>11,739,226</u>
1,847,606	4,673,300
630,609	4,795,131
392,940	968,989
162,978	3,028,694
<u>3,034,133</u>	<u>13,466,114</u>
(808,464)	(1,726,888)
0	83,653
(130,143)	(1,766,978)
(82,200)	(82,200)
<u>(212,343)</u>	<u>(1,765,525)</u>
(1,020,807)	(3,492,413)
0	642,683
1,662,000	9,038,489
641,193	6,188,759
164,128	89,270,369
<u>\$805,321</u>	<u>\$95,459,128</u>

City of Mason, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2009

	Sewer	Waste Collection	Stormwater Utility	Community Center
Cash Flows from Operating Activities:				
Cash Received from Customers	\$5,355,156	\$1,387,664	\$817,414	\$1,846,278
Cash Payments to Employees	(1,064,894)	(4,668)	(164,462)	(1,592,034)
Cash Payments to Suppliers	(2,112,208)	(1,427,550)	(132,432)	(736,262)
Net Cash Provided (Used) by Operating Activities	2,178,054	(44,554)	520,520	(482,018)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	0	8,372,489
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	8,372,489
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(325,268)	0	(257,979)	(7,148,693)
Debt Proceeds	0	0	1,778,183	25,000,000
Debt Principal Payments	(1,070,000)	0	(1,900,000)	(14,000,000)
Debt Interest Payments	(1,498,400)	0	(47,368)	(41,417)
Capital Grants Received	152,273	0	0	5,959
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,741,395)	0	(427,164)	3,815,849
Cash Flows from Investing Activities:				
Earnings on Investments	82,156	473	13,557	15,571
Net Cash Provided (Used) by Cash Flows from Investing Activities	82,156	473	13,557	15,571
Net Increase (Decrease) in Cash and Cash Equivalent	(481,185)	(44,081)	106,913	11,721,891
Cash and Cash Equivalents Beginning of Year	14,501,019	129,991	1,282,123	2,035,645
Cash and Cash Equivalents End of Year	14,019,834	85,910	1,389,036	13,757,536
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	621,006	(9,267)	(135,245)	(1,394,918)
Adjustments:				
Depreciation	2,206,703	0	659,013	0
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(57,486)	(40,325)	(15,458)	6,624
(Increase) Decrease in Inventory	803	0	0	386
(Increase) Decrease in Prepays	0	0	0	466,692
Increase (Decrease) in Payables	(595,983)	5,038	13,427	441,081
Increase (Decrease) in Accrued Liabilities	3,011	0	(1,217)	(1,883)
Net Cash Provided (Used) by Operating Activities	\$2,178,054	(\$44,554)	\$520,520	(\$482,018)
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$185,081	\$0	\$299,770	\$0

See accompanying notes to the basic financial statements.

Golf Course	Total Business-Type Activities
\$2,215,788	\$11,622,300
(1,847,606)	(4,673,664)
(1,018,387)	(5,426,839)
(650,205)	1,521,797
1,662,000	10,034,489
1,662,000	10,034,489
(260,000)	(7,991,940)
8,457,216	35,235,399
(8,820,000)	(25,790,000)
(278,032)	(1,865,217)
0	158,232
(900,816)	(253,526)
0	111,757
0	111,757
110,979	11,414,517
306,700	18,255,478
417,679	\$29,669,995
(808,464)	(\$1,726,888)
162,978	3,028,694
(9,881)	(116,526)
7,906	9,095
0	466,692
(2,744)	(139,181)
0	(89)
(\$650,205)	\$1,521,797
\$0	\$484,851

City of Mason, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2009

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$111,576</u>
Total Assets	<u>111,576</u>
Liabilities:	
Due to Others	<u>111,576</u>
Total Liabilities	<u>\$111,576</u>

See accompanying notes to the basic financial statements.

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting

Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For proprietary funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City's accounting policies are described below.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a

comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

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

Following the Ohio Revised Code, the City has specified certain funds to receive an allocation of interest earnings. Interest revenues during 2009 amounted to \$328,172 (on the fund financial statements). The general fund interest revenue was \$140,488.

Inventory

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

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

Capital Assets

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

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

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

Restricted Assets

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The City's Governmental Activities, Sewer fund and Community Center fund have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements. Of the City's \$22,315,743 in restricted net assets, none were restricted by enabling legislation.

Operating Revenues and Expenses

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

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions

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

Interfund Activity

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

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

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

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

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2009, none of the City's bank balance of \$1,800,708 was exposed to custodial risk as it was fully insured by the FDIC.

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

Investments

As of December 31, 2009, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal National Mortgage Association - Discount Notes	\$23,520,828	0.25
US Treasury Bill	17,345,376	0.23
Federal Home Loan Mortgage Corporation - Discount Notes	15,053,725	0.43
Federal Home Loan Bank	8,070,989	0.52
Money Market Funds	<u>2,623,603</u>	0.00
	<u>\$66,614,521</u>	
Portfolio Weighted Average Maturity		0.41

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Money Market Funds, Federal Home Loan Bank, Federal National Mortgage Association – Discount Notes, and in Federal Home Loan Mortgage Corporation – Discount Notes were rated AAA by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. The City's investments in US Treasury Bills are not rated.

Concentration of Credit Risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 26% in US Treasury Bills, 4% of the City's investments in Money Market Funds, 12% in Federal Home Loan Bank, 35% in Federal National Mortgage Association-Discount Notes and 23% in Federal Home Loan Mortgage Corporation – Discount Notes.

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

Note 4 – Receivables

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

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

Special assessments expected to be collected in more than one year amounts to \$67,831 in the Special Assessments Bond Retirement Fund.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments are 25 percent of true value.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

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

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	<u>Amount</u>
Real Property	\$1,001,908,990
Public Utility	14,371,800
Tangible Personal Property	<u>3,048,210</u>
Total Valuation	<u><u>\$1,019,329,000</u></u>

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

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

Income Taxes

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

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

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

Note 5 - Risk Management

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

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

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

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

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

MVRMA self-insured \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million, and from General Reinsurance Corporation for \$8 million excess \$2 million.

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

MVRMA self-insured \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million, and from General Reinsurance Corporation for \$8 million excess \$2 million.

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability

MVRMA self-insured \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million, and from General Reinsurance Corporation for \$8 million excess \$2 million – Annual aggregate \$10 million per member

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

\$1,000,000,000/occurrence

MVRMA SIR: \$200,000/occurrence

Coverage excess SIR provided by PEPPI USA as follows:

Lexington Insurance Company (Primary \$25 million)

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

Property (effective 7/1/09-7/1/10):

\$1,000,000,000/occurrence

MVRMA SIR: \$250,000/occurrence

Coverage excess SIR provided by PEPPI USA as follows:

Lexington Insurance Company (Primary \$25 million)

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

Flood (effective 7/1/08-7/1/10)

\$25 million/occurrence and annual aggregate

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

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

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

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Earthquake (effective 7/1/08-7/1/10)

\$25 million/occurrence and annual aggregate
MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (effective 7/1/08-7/1/10)

\$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided by PEPUP USA as follows:

Lexington Insurance Company (Primary \$25 million)

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

Member Deductible/occurrence - \$2,500

Financial Audit for 2009 has not been completed yet. Figures from audited 2008 Financial Audit are as follows:

Current Assets	\$5,453,694
Total Assets	\$17,116,031
Current Liabilities	\$6,235,474
Long-Term Liabilities	\$0
Net Assets	\$10,880,557

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into the General Fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the General Fund are available to pay claims and administrative costs. The plan is administered by a third party administrator, Custom Design Benefits, which monitors all claim payments.

The claims liability of \$413,064 reported in the General Fund at year end is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amounts were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$382,751	\$3,264,896	(\$3,234,583)	\$413,064
2008	340,000	2,624,809	(2,582,058)	382,751

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

Note 6 – Contingent Liabilities

Litigation

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

Federal and State Grants

For the period January 1, 2009 to December 31, 2009, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 7 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$59,218,660	\$3,266,159	\$0	\$62,484,819
Construction in Progress	7,602,655	4,101,414	7,452,502	4,251,567
Total Capital Assets, not being depreciated	66,821,315	7,367,573	7,452,502	66,736,386
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	42,797,795	279,092	0	43,076,887
Equipment	13,925,442	688,510	0	14,613,952
Infrastructure	59,040,290	8,409,260	0	67,449,550
Totals at Historical Cost	182,584,842	16,744,435	7,452,502	191,876,775
Less Accumulated Depreciation:				
Buildings and Improvements	7,462,255	1,117,321	0	8,579,576
Equipment	8,226,822	1,104,813	0	9,331,635
Infrastructure	9,328,321	1,125,873	0	10,454,194
Total Accumulated Depreciation	\$25,017,398	\$3,348,007	\$0	\$28,365,405
Governmental Activities Capital Assets, Net	\$157,567,444	\$13,396,428	\$7,452,502	\$163,511,370

City of Mason, Ohio
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	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$10,578,475	\$0	\$0	\$10,578,475
Construction in Progress	2,595,687	9,696,040	2,130,134	10,161,593
Total Capital Assets, not being depreciated	13,174,162	9,696,040	2,130,134	20,740,068
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	35,297,827	0	0	35,297,827
Equipment	6,993,537	336,412	137,000	7,192,949
Infrastructure	77,630,255	2,606,339	0	80,236,594
Totals at Historical Cost	<u>133,095,781</u>	<u>12,638,791</u>	<u>2,267,134</u>	<u>143,467,438</u>
Less Accumulated Depreciation:				
Buildings and Improvements	2,765,423	1,137,715	0	3,903,138
Equipment	1,629,437	553,702	54,800	2,128,339
Infrastructure	12,792,916	1,337,277	0	14,130,193
Total Accumulated Depreciation	<u>\$17,187,776</u>	<u>\$3,028,694</u>	<u>\$54,800</u>	<u>\$20,161,670</u>
Business-Type Activities Capital Assets, Net	<u>\$115,908,005</u>	<u>\$9,610,097</u>	<u>\$2,212,334</u>	<u>\$123,305,768</u>

Depreciation expense was charged to governmental functions as follows:

	Depreciation Expense
General Government	\$583,434
Public Safety	485,904
Leisure Time Activities	518,784
Transportation and Street Repair	1,753,764
Community Development	6,121
Total Depreciation Expense	<u>\$3,348,007</u>

Note 8 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

Sick Leave Conversion at Retirement

- a. Upon retirement, a full-time, regular employee who meets the age and length of service requirements of the Public Employees Retirement System or the Police and Fireman's Disability and Pension Fund, whichever is applicable, and who was also in the service of the City of Mason for a period of ten (10) continuous years prior to retirement from the service of the City of Mason may redeem his or her accumulated sick leave providing all other criteria are met in order to receive the benefits (i.e. age for retirement).
- b. Redemption shall be at a rate of three (3) accumulated sick leave days exchanged for one (1) day of pay with a maximum redemption limited to one hundred twenty (120) days.
- c. Redemption for police officers shall be at a rate of three (3) accumulated sick days exchanged for (1) day of pay for the first two hundred (200) sick days. For the next thirty seven and a half (37 ½) sick days the redemption shall be two (2) accumulated sick days exchanged for one (1) day of pay. All remaining sick days the redemption shall be one (1) accumulated sick days exchanged for (1) day of pay. The maximum redemption is limited to two hundred seventy-five (275) sick days. A police officer must have at least fifty (50) sick days to be eligible for converting sick leave at retirement.
- d. Payment will be based on the employee's base rate of pay at the time of retirement.
- e. The conversion of sick leave to cash will be made as a lump sum payment and will eliminate all sick leave credit accrued by the employee.

Note 9 – Notes Payable

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

	Rate	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities					
General Fund:					
Real Estate Acquisition Note	2.75%	\$4,200,000	\$0	(\$4,200,000)	\$0
Real Estate Acquisition Note	1.50%	0	4,000,000	0	4,000,000
Street Construction, Maintenance and Repair Fund:					
Road Improvement Note	1.50%	0	2,300,000	0	2,300,000
Total Governmental Activities		<u>\$4,200,000</u>	<u>\$6,300,000</u>	<u>(\$4,200,000)</u>	<u>\$6,300,000</u>
Business-Type Activities					
Stormwater Fund:					
Stormwater Utility Improvement Note	2.50%	\$1,900,000	\$0	(\$1,900,000)	\$0
Stormwater Utility Improvement Note	1.50%	\$0	\$1,775,000	\$0	1,775,000
Golf Course Fund:					
Golf Course Acquisition Note	3.00%	8,820,000	0	(8,820,000)	0
Golf Course Acquisition Note	1.50%	0	8,420,000	0	8,420,000
Community Center Fund:					
Community Center BAN		0	14,000,000	(14,000,000)	0
Total Business-Type Activities		<u>\$10,720,000</u>	<u>\$24,195,000</u>	<u>(\$24,720,000)</u>	<u>\$10,195,000</u>

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

Note 10 – Long-Term Debt

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

	Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
<u>General Obligation Bonds</u>						
Road Improvement	4.47%	\$2,965,000	\$0	(\$245,000)	\$2,720,000	\$255,000
Tax Increment Financing	5.30%	600,000	0	0	600,000	55,000
Central Parke TIF	5.25%	940,000	0	(240,000)	700,000	65,000
Enterprise Parke TIF	6.00%	610,000	0	(50,000)	560,000	55,000
Tylersville TIF	1.25%	990,000	0	(140,000)	850,000	35,000
2008 Series - Various Purpose		17,250,000	0	(650,000)	16,600,000	675,000
Total General Obligation Bonds		<u>23,355,000</u>	<u>0</u>	<u>(1,325,000)</u>	<u>22,030,000</u>	<u>1,140,000</u>
<u>Special Assessment Bonds</u>						
Northeast	6.75%	165,000	0	(55,000)	110,000	55,000
Snider Road	6.76%	45,000	0	(15,000)	30,000	15,000
Lindemann C.G	7.78%	2,000	0	(2,000)	0	0
Route 741	7.38%	50,000	0	(25,000)	25,000	25,000
Total Special Assessment Bonds		<u>262,000</u>	<u>0</u>	<u>(97,000)</u>	<u>165,000</u>	<u>95,000</u>
Capital Leases		<u>19,640,000</u>	<u>0</u>	<u>(725,000)</u>	<u>18,915,000</u>	<u>755,000</u>
Total Long-Term Liabilities Bonds		<u>43,257,000</u>	<u>0</u>	<u>(2,147,000)</u>	<u>41,110,000</u>	<u>1,990,000</u>
Compensated Absences		<u>1,104,203</u>	<u>866,169</u>	<u>(811,621)</u>	<u>1,158,751</u>	<u>536,944</u>
Total Governmental Activities		<u>\$44,361,203</u>	<u>\$866,169</u>	<u>(\$2,958,621)</u>	<u>\$42,268,751</u>	<u>\$2,526,944</u>
Business-Type Activities						
<u>Special Assessment Bonds</u>						
Diley Utility	6.00%	\$33,000	\$0	(\$4,000)	\$29,000	\$5,000
<u>Mortgage Revenue Bonds</u>						
Sewer Mortgage Revenue	4.47%	<u>32,710,000</u>	<u>0</u>	<u>(1,070,000)</u>	<u>31,640,000</u>	<u>1,100,000</u>
Capital Lease		0	11,335,000	0	11,335,000	275,000
Discount on Capital Lease		0	(144,669)	0	(144,669)	0
Compensated Absences - Enterprise		<u>174,709</u>	<u>111,165</u>	<u>(97,217)</u>	<u>188,657</u>	<u>104,577</u>
Total Business-Type Activities		<u>\$32,917,709</u>	<u>\$11,301,496</u>	<u>(\$1,171,217)</u>	<u>\$43,047,988</u>	<u>\$1,484,577</u>

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund or a Special Revenue Fund. General obligation bonds will be paid from the General Obligation Bond Retirement Fund, Central Parke TIF Fund, Mason Enterprise Parke TIF Fund and the Tylersville Road TIF Fund. The Special Assessment Bonds are backed by the full faith and credit of the City and are repaid from the resources of the Special Assessment Bond

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Retirement Fund. The City levies an assessment against the effected property owners. The Sewer Mortgage Revenue Bond will be paid from the Sewer Fund. The City was in violation of the debt coverage ratio on the Sewer Mortgage Revenue Bonds.

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

Year	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$1,140,000	\$895,754	\$100,000	\$13,109	\$1,100,000	\$1,460,950
2011	1,180,000	854,602	76,000	6,203	1,145,000	1,416,950
2012	1,215,000	811,948	5,000	1,080	1,195,000	1,371,150
2013	1,265,000	765,919	6,000	780	1,230,000	1,329,325
2014	1,325,000	717,875	7,000	420	1,280,000	1,282,585
2015-2019	6,800,000	2,732,353	0	0	7,325,000	5,495,600
2020-2024	5,455,000	1,449,510	0	0	9,250,000	3,591,470
2025-2029	3,650,000	316,085	0	0	9,115,000	1,158,550
	<u>\$22,030,000</u>	<u>\$8,544,046</u>	<u>\$194,000</u>	<u>\$21,592</u>	<u>\$31,640,000</u>	<u>\$17,106,580</u>

Note 11 – Leases

The City leases the municipal building under a capital lease that extends into future years. The City also issued a capital lease for the Community Center addition.

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

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

Year	Governmental Activities	Business-Type Activities
2010	\$1,671,676	\$771,634
2011	1,669,964	768,826
2012	1,671,210	767,926
2013	1,670,130	771,926
2014	1,671,655	769,640
2015-2019	8,349,276	3,852,570
2020-2024	8,346,500	3,848,712
2025-2029	3,339,750	3,854,172
2030-2034	0	3,852,560
Total minimum lease payments	28,390,161	19,257,966
Less: Amount representing interest	(9,475,161)	(7,922,966)
Present value of minimum lease payments	<u>\$18,915,000</u>	<u>\$11,335,000</u>

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

Buildings and Improvements \$35,735,000

Note 12 – Pension Plans

Ohio Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2009, 2008 and 2007 were \$639,689, \$537,950 and \$621,822, respectively. The full amount has been contributed for 2007 and 2008 and 92% has been contributed for 2009.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2009, 2008 and 2007 were \$764,347, \$735,414, and \$638,635, respectively. The full amount has been contributed for 2007 and 2008 and 83% has been contributed for 2009.

Note 13 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

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

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

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

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

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to the health care plan was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's required contributions for the current year, which were used to fund postemployment benefits, were \$82,753 for the period of January 1 through March 31, 2009 and \$186,307 for the period of April 1 through December 31, 2009, \$268,975 for 2008, \$110,537 for the period of January 1 through June 30, 2007 and \$136,736 for the period of July 1 through December 31, 2007. The full amount (actual) has been contributed for 2007 and 2008 and 92% has been contributed for 2009.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Other Information

At December 31, 2009, the number of active contributing participants in the Traditional and Combined Plans totaled 357,584. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2008, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

Ohio Police and Fire Pension Fund

Plan Description

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

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

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

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

Information from City's Records

The City's required contributions to OP&F were \$134,324 for police and \$105,691 for fire for the year ending December 31, 2009; \$141,894 for police and \$91,546 for fire for the year ending December 31, 2008; and \$79,953 for police and \$54,783 for fire for the year ending December 31, 2007, respectively, was allocated to the healthcare plan. The actual contributions for 2007 and 2008 were 100% and 83% has been contributed for 2009.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2008, the date of the last actuarial valuation available, are 14,567 for Police and 10,750 for Firefighters. OP&F's total health care expense for the year ending December 31, 2008, the date of the last actuarial valuation available, was \$96,472,398, which was net of member contributions of \$56,948,977.

Note 14 – Conduit Debt Obligations

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

The following is the conduit debt outstanding at December 31, 2009:

<u>Issuance</u>	<u>Year Issued</u>	<u>Original Amount</u>	<u>Outstanding December 31, 2009</u>	<u>Year Mature</u>
Cedar Village	1997	\$20,300,000	\$10,275,000	2017
Mt. Healthy Christian Home:				
Healthcare 1997A	1997	4,600,000	3,920,000	2032
Housing 1997B	1997	2,150,000	1,835,000	2032
Mason Christian Village:				
Healthcare Refunding	1998	7,650,000	6,395,000	2032
Healthcare Facilities	2000	4,400,000	3,955,000	2035
Crane Plastics Company	2007	8,000,000	<u>7,420,000</u>	2033
Total Conduit Debt Outstanding			<u><u>\$33,800,000</u></u>	

Note 15 – Construction Commitments

The City had the following outstanding commitments at year end:

Projects	Amount
New Fire Station 51 - Construction	\$2,293,447
Bethany Road Improvements	67,926
US 42 and Tylersville Road Intersection	89,100
Mason Road Widening	3,417,511
Western Row Road I-75 and State Route 741 Interchange Study	10,704
Kings Island Drive Improvement	418,124
US 42 Widening - Tylerville Road to Butler-Warren Road	123,749
Split Phase Signal Timing Elimination	145,796
Mason-Montgomery Road and Bethany Road Roundabout	219,286
Mason Road and Hickory Woods Drive Roundabout	19,388
Mason-Montgomery Road Sewer Crossing (Bethany Road Sewer Improvement)	1,950
First Ave/S Forest Ave Storm Sewer	426,537
Community Center Expansion	8,413,552
Total	\$15,647,070

NOTE 16 – Interfund Transactions

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$2,550,000	\$0	\$1,737,811	\$10,755,888
Sewer Fund	0	0	4,000	0
Golf Course Fund	0	0	1,662,000	0
Community Center Fund	0	2,550,000	7,372,489	0
Other Governmental Funds	0	0	3,811,244	3,831,656
Total All Funds	\$2,550,000	\$2,550,000	\$14,587,544	\$14,587,544

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

Note 17 – Joint Venture

Liberty Township, the City of Mason, and the City of Middletown contracted to create the Liberty Township Joint Economic Development District (JEDD) for the purpose of facilitating

City of Mason, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

economic development to create jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio and in the area of the contracting parties through facilitating economic development along the corridor of Interstate 75, Cincinnati Dayton Road and State Route 129. For more information and a copy of the financial statements, contact the City of Middletown.

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

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

Distribution of Gross Tax:

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

Net Distribution:

83% Liberty Township
2% Middletown
15% Mason

Note 18 – Subsequent Event

In February 2010, the City issued \$3,025,000 in economic development revenue notes for real estate acquisition. The note is due February 2011.

In March 2010, the City issued \$8,000,000 in bond anticipation note to refinance a bond anticipation note for real estate acquisition of the Golf Center at Kings Island. The note is due in March 2011.

REQUIRED SUPPLEMENTARY INFORMATION

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$22,096,499	\$22,096,499	\$21,912,094	(\$184,405)
Fines, Licenses and Permits	1,294,600	1,294,600	1,352,766	58,166
Intergovernmental	1,855,145	2,307,660	2,364,042	56,382
Charges for Services	1,341,468	1,341,468	1,410,955	69,487
Investment Earnings	420,000	420,000	571,934	151,934
Other Revenues	495,150	495,150	986,301	491,151
Total Revenues	27,502,862	27,955,377	28,598,092	642,715
Expenditures:				
Current:				
General Government				
City Manager				
Personal Services	343,288	303,288	295,292	7,996
Operating	107,931	107,931	91,102	16,829
Total City Manager	451,219	411,219	386,394	24,825
Assistant City Manager				
Personal Services	851,869	766,869	719,208	47,661
Operating	129,033	214,033	194,708	19,325
Total Assistant City Manager	980,902	980,902	913,916	66,986
Finance				
Personal Services	454,920	414,920	405,160	9,760
Operating	185,567	135,567	91,393	44,174
Total Finance	640,487	550,487	496,553	53,934
Earnings Tax				
Personal Services	448,519	403,519	373,644	29,875
Operating	326,188	226,188	194,851	31,337
Refunds and Reimbursements	510,000	910,000	909,022	978
Total Earnings Tax	1,284,707	1,539,707	1,477,517	62,190
Law Director				
Personal Services	122,978	122,978	117,465	5,513
Operating	527,231	427,231	314,854	112,377
Total Law Director	650,209	550,209	432,319	117,890

(Continued)

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Council				
Personal Services	188,234	188,234	180,061	8,173
Operating	3,781,536	3,581,536	3,550,119	31,417
Total Council	3,969,770	3,769,770	3,730,180	39,590
Municipal Court				
Personal Services	707,794	683,794	658,248	25,546
Operating	449,481	473,481	431,969	41,512
Total Municipal Court	1,157,275	1,157,275	1,090,217	67,058
Land, Buildings and Grounds				
Personal Services	97,136	97,136	95,170	1,966
Operating	894,942	744,942	620,587	124,355
Total Land, Buildings and Grounds	992,078	842,078	715,757	126,321
Engineering				
Personal Services	789,555	764,555	749,302	15,253
Operating	381,722	281,722	90,283	191,439
Total Engineering	1,171,277	1,046,277	839,585	206,692
Auditor's Deductions				
Personal Services	35,000	77,000	76,320	680
Operating	1,346,423	1,054,423	951,160	103,263
Total Auditor's Deductions	1,381,423	1,131,423	1,027,480	103,943
Employee Medical Insurance				
Personal Services	88,332	538,332	489,665	48,667
Total Employee Medical Insurance	88,332	538,332	489,665	48,667
City Contribution				
Other Expenses	120,000	120,000	0	120,000
Total City Contribution	120,000	120,000	0	120,000
Unclaimed Funds				
Other Expenses	29,600	29,600	42	29,558
Total City Contribution	29,600	29,600	42	29,558
Total General Government	12,917,279	12,667,279	11,599,625	1,067,654

(Continued)

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Public Safety				
Police Department				
Personal Services	5,009,234	5,059,234	4,986,091	73,143
Operating	709,003	659,003	566,279	92,724
Total Police Department	5,718,237	5,718,237	5,552,370	165,867
Street Lighting				
Operating	391,846	437,846	407,170	30,676
Total Street Lighting	391,846	437,846	407,170	30,676
Disaster Services				
Operating	31,850	31,850	27,833	4,017
Total Disaster Services	31,850	31,850	27,833	4,017
Employee Medical Insurance				
Personal Services	469,000	469,000	469,000	0
Total Employee Medical Insurance	469,000	469,000	469,000	0
Total Public Safety	6,610,933	6,656,933	6,456,373	200,560
Leisure Time Activities				
Recreation Programs				
Personal Services	418,386	268,386	246,713	21,673
Operating	751,751	751,751	558,853	192,898
Total Recreation Programs	1,170,137	1,020,137	805,566	214,571
Parks				
Personal Services	1,061,646	911,646	818,100	93,546
Operating	769,682	669,682	472,693	196,989
Total Parks	1,831,328	1,581,328	1,290,793	290,535
Swimming Pool				
Personal Services	228,759	178,759	169,311	9,448
Operating	98,568	98,568	73,455	25,113
Total Swimming Pool	327,327	277,327	242,766	34,561

(Continued)

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Employee Medical Insurance				
Personal Services	154,000	154,000	154,000	0
Total Employee Medical Insurance	154,000	154,000	154,000	0
Total Leisure Time Activities	3,482,792	3,032,792	2,493,125	539,667
Community Development				
Community Planning - Zoning				
Personal Services	154,282	104,282	96,470	7,812
Operating	134,451	104,451	89,273	15,178
Total Community Planning - Zoning	288,733	208,733	185,743	22,990
Building Inspections				
Personal Services	559,950	559,950	511,393	48,557
Operating	53,186	53,186	30,243	22,943
Total Building Inspections	613,136	613,136	541,636	71,500
Economic Development				
Personal Services	278,624	278,624	274,820	3,804
Material and Supplies	297,467	297,467	196,594	100,873
Total Economic Development	576,091	576,091	471,414	104,677
Environmental				
Operating	2,400	552,400	545,531	6,869
Total Environmental	2,400	552,400	545,531	6,869
Employee Medical Insurance				
Personal Services	28,000	28,000	28,000	0
Total Employee Medical Insurance	28,000	28,000	28,000	0
Total Community Development	1,508,360	1,978,360	1,772,324	206,036
Basic Utility Service				
Employee Medical Insurance				
Personal Services	233,336	233,336	233,336	0
Total Employee Medical Insurance	233,336	233,336	233,336	0
Total Basic Utility Service	233,336	233,336	233,336	0

(Continued)

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Transportation and Street Repair				
Street Construction				
Operating	245,243	220,243	194,893	25,350
Total Street Construction	245,243	220,243	194,893	25,350
Street Maintenance and Repair				
Personal Services	1,575,771	1,471,271	1,320,408	150,863
Operating	1,725,483	1,579,483	1,127,374	452,109
Total Street Maintenance and Repair	3,301,254	3,050,754	2,447,782	602,972
Garage				
Personal Services	250,710	255,210	248,868	6,342
Operating	159,026	159,026	87,947	71,079
Total Garage	409,736	414,236	336,815	77,421
Total Transportation and Street Repair	3,956,233	3,685,233	2,979,490	705,743
Capital Outlay	3,533,057	6,756,927	6,462,316	294,611
Debt Service:				
Principal Retirement	8,484,500	4,200,000	4,200,000	0
Interest and Fiscal Charges	231,000	115,500	115,179	321
Total Debt Service	8,715,500	4,315,500	4,315,179	321
Total Expenditures	40,957,490	39,326,360	36,311,768	3,014,592
Excess of Revenues Over (Under) Expenditures	(13,454,628)	(11,370,983)	(7,713,676)	3,657,307
Other Financing Sources (Uses):				
Issuance of Debt	4,000,000	4,000,000	4,013,720	13,720
Transfers In	1,300,000	1,737,811	1,737,811	0
Transfers (Out)	(8,406,400)	(13,782,531)	(13,755,888)	26,643
Total Other Financing Sources (Uses)	(3,106,400)	(8,044,720)	(8,004,357)	40,363
Net Change in Fund Balance	(16,561,028)	(19,415,703)	(15,718,033)	3,697,670
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,881,285	25,881,285	25,881,285	0
Fund Balance End of Year	\$9,320,257	\$6,465,582	\$10,163,252	\$3,697,670

See accompanying notes to the required supplementary information.

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Fire and Emergency Medical Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,775,700	\$3,775,700	\$3,856,133	\$80,433
Intergovernmental	1,144,300	1,144,300	1,125,037	(19,263)
Charges for Services	500,000	500,000	819,389	319,389
Investment Earnings	25,000	25,000	163,943	138,943
Other Revenues	0	0	18,102	18,102
Total Revenues	5,445,000	5,445,000	5,982,604	537,604
Expenditures:				
Current:				
Public Safety	5,773,689	5,773,689	4,977,225	796,464
Capital Outlay	6,342,027	6,342,027	3,520,306	2,821,721
Total Expenditures	12,115,716	12,115,716	8,497,531	3,618,185
Net Change in Fund Balance	(6,670,716)	(6,670,716)	(2,514,927)	4,155,789
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,119,117	7,119,117	7,119,117	0
Fund Balance End of Year	\$448,401	\$448,401	\$4,604,190	\$4,155,789

See accompanying notes to the required supplementary information.

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2009

Note 1 – Budgetary Process

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

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

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

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and Fire and Emergency Medical Services Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

City of Mason, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2009

4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Fire and Emergency Medical Service Fund.

Net Change in Fund Balance

	General	Fire and Emergency Medical Service
GAAP Basis	(\$5,872,107)	(\$307,387)
Revenue Accruals	292,555	188,808
Expenditure Accruals	(2,842,329)	313,190
Issuance of Debt	4,013,720	0
Transfers Out	(3,000,000)	0
Encumbrances	(8,309,872)	(2,709,538)
Budget Basis	<u>(\$15,718,033)</u>	<u>(\$2,514,927)</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



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

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

State Highway Improvement – To account for the remaining 7.5% of the City’s share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on state highways construction and improvements.

Street Improvement – To account for monies received for street capital improvement and maintenance.

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

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

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

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

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

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

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

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

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

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

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

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

City of Mason, Ohio
Listing of Funds – Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

Tax Increment Financing – This fund is used to account for the financial resources and expenditures related to the development of 42 North Commerce Parke.

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

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

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

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

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

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

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$8,665,481	\$180,800	\$841,857	\$9,688,138
Restricted Cash and Investments	0	0	1,908,193	1,908,193
Receivables:				
Taxes	0	1,695,830	0	1,695,830
Accounts	44,415	0	0	44,415
Interest	4,241	0	24,719	28,960
Intergovernmental	1,193,152	123,280	0	1,316,432
Special Assessments	0	132,656	0	132,656
Total Assets	9,907,289	2,132,566	2,774,769	14,814,624
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	6,407	88	21,000	27,495
Accrued Wages and Benefits	24,375	0	0	24,375
Retainage Payable	148,496	0	0	148,496
Accrued Interest Payable	14,651	0	0	14,651
Contracts Payable	415,531	0	0	415,531
Deferred Revenue	942,768	1,951,766	24,719	2,919,253
General Obligation Notes Payable	2,300,000	0	0	2,300,000
Total Liabilities	3,852,228	1,951,854	45,719	5,849,801
Fund Balances:				
Reserved for Encumbrances	5,004,874	0	9,350	5,014,224
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,050,187	0	0	1,050,187
Debt Service Funds	0	180,712	0	180,712
Capital Projects Funds	0	0	2,719,700	2,719,700
Total Fund Balances	6,055,061	180,712	2,729,050	8,964,823
Total Liabilities and Fund Balances	\$9,907,289	\$2,132,566	\$2,774,769	\$14,814,624

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Street Construction, Maintenance and Repair	State Highway Improvement	Street Improvement	Street Subdivision
Assets:				
Equity in Pooled Cash and Investments	\$7,099,885	\$171,391	\$0	\$440,370
Receivables:				
Accounts	0	0	0	0
Interest	3,760	91	0	234
Intergovernmental	1,140,532	52,620	0	0
Total Assets	8,244,177	224,102	0	440,604
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Retainage Payable	148,496	0	0	0
Accrued Interest Payable	14,651	0	0	0
Contracts Payable	413,674	0	0	0
Deferred Revenue	907,689	35,039	0	24
General Obligation Notes Payable	2,300,000	0	0	0
Total Liabilities	3,784,510	35,039	0	24
Fund Balances:				
Reserved for Encumbrances	4,586,297	39,100	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	(126,630)	149,963	0	440,580
Total Fund Balances	4,459,667	189,063	0	440,580
Total Liabilities and Fund Balances	\$8,244,177	\$224,102	\$0	\$440,604

Federal Grant	Police Officer Training	CIC/Veterans Memorial	Parks and Recreation	Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education
\$0	\$10,248	\$187,000	\$225,789	\$686	\$33,209	\$3,712
0	0	0	0	0	100	125
0	0	0	120	0	0	0
0	0	0	0	0	0	0
0	10,248	187,000	225,909	686	33,309	3,837
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
1,857	0	0	0	0	0	0
0	0	0	12	0	0	0
0	0	0	0	0	0	0
1,857	0	0	12	0	0	0
306,023	0	0	61,557	0	0	0
(307,880)	10,248	187,000	164,340	686	33,309	3,837
(1,857)	10,248	187,000	225,897	686	33,309	3,837
\$0	\$10,248	\$187,000	\$225,909	\$686	\$33,309	\$3,837

Continued

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement
Assets:				
Equity in Pooled Cash and Investments	\$149,259	\$50,908	\$23,221	\$128,243
Receivables:				
Accounts	484	4,607	1,394	19,552
Interest	0	0	0	0
Intergovernmental	0	0	0	0
Total Assets	<u>149,743</u>	<u>55,515</u>	<u>24,615</u>	<u>147,795</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	2,491	27	0	1,266
Accrued Wages and Benefits	0	0	0	7,779
Retainage Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Contracts Payable	0	0	0	0
Deferred Revenue	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	<u>2,491</u>	<u>27</u>	<u>0</u>	<u>9,045</u>
Fund Balances:				
Reserved for Encumbrances	3,379	1,875	0	3,656
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>143,873</u>	<u>53,613</u>	<u>24,615</u>	<u>135,094</u>
Total Fund Balances	<u>147,252</u>	<u>55,488</u>	<u>24,615</u>	<u>138,750</u>
Total Liabilities and Fund Balances	<u>\$149,743</u>	<u>\$55,515</u>	<u>\$24,615</u>	<u>\$147,795</u>

Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$13,665	\$58,190	\$2,665	\$67,040	\$8,665,481
1,160	16,693	300	0	44,415
0	0	0	36	4,241
0	0	0	0	1,193,152
14,825	74,883	2,965	67,076	9,907,289
0	1,220	0	1,403	6,407
0	8,428	0	8,168	24,375
0	0	0	0	148,496
0	0	0	0	14,651
0	0	0	0	415,531
0	0	0	4	942,768
0	0	0	0	2,300,000
0	9,648	0	9,575	3,852,228
0	0	0	2,987	5,004,874
14,825	65,235	2,965	54,514	1,050,187
14,825	65,235	2,965	57,501	6,055,061
\$14,825	\$74,883	\$2,965	\$67,076	\$9,907,289

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City of Mason, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$179,303	\$1,497	\$180,800
Receivables:			
Taxes	1,695,830	0	1,695,830
Intergovernmental	123,280	0	123,280
Special Assessments	0	132,656	132,656
Total Assets	<u>1,998,413</u>	<u>134,153</u>	<u>2,132,566</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	88	88
Deferred Revenue	1,819,110	132,656	1,951,766
Total Liabilities	<u>1,819,110</u>	<u>132,744</u>	<u>1,951,854</u>
Fund Balances:			
Unreserved, Undesignated, Reported in: Debt Service Funds	<u>179,303</u>	<u>1,409</u>	<u>180,712</u>
Total Fund Balances	<u>179,303</u>	<u>1,409</u>	<u>180,712</u>
Total Liabilities and Fund Balances	<u>\$1,998,413</u>	<u>\$134,153</u>	<u>\$2,132,566</u>

City of Mason, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	Tax Increment Financing	Central Parke TIF	Mason Enterprise Parke TIF	Tylersville Road TIF
Assets:				
Equity in Pooled Cash and Investments	\$293,826	\$201,527	\$78,355	\$166,253
Restricted Cash and Investments	116	1,001	293	1
Receivables:				
Interest	0	0	0	0
Total Assets	<u>293,942</u>	<u>202,528</u>	<u>78,648</u>	<u>166,254</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	10,500	0	10,500
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>10,500</u>	<u>0</u>	<u>10,500</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	9,350
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>293,942</u>	<u>192,028</u>	<u>78,648</u>	<u>146,404</u>
Total Fund Balances	<u>293,942</u>	<u>192,028</u>	<u>78,648</u>	<u>155,754</u>
Total Liabilities and Fund Balances	<u>\$293,942</u>	<u>\$202,528</u>	<u>\$78,648</u>	<u>\$166,254</u>

Downtown Investment	Socialville- Fosters Road Improvement	Government Center Reserve	Total Nonmajor Capital Projects Funds
\$0	\$0	\$101,896	\$841,857
0	0	1,906,782	1,908,193
0	0	24,719	24,719
0	0	2,033,397	2,774,769
0	0	0	21,000
0	0	24,719	24,719
0	0	24,719	45,719
0	0	0	9,350
0	0	2,008,678	2,719,700
0	0	2,008,678	2,729,050
\$0	\$0	\$2,033,397	\$2,774,769

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City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,380,920	\$509,685	\$1,890,605
Fines, Licenses and Permits	645,544	0	0	645,544
Investment Earnings	66,345	0	(9,232)	57,113
Intergovernmental	2,213,136	357,386	6,656	2,577,178
Special Assessments	0	69,847	0	69,847
Other Revenues	61,641	0	98,523	160,164
Total Revenues	2,986,666	1,808,153	605,632	5,400,451
Expenditures:				
Current:				
General Government	466,759	0	0	466,759
Public Safety	19,520	0	0	19,520
Community Development	171,286	0	247,836	419,122
Transportation and Street Repair	519,790	0	7,137	526,927
Capital Outlay	2,054,676	0	0	2,054,676
Debt Service:				
Principal Retirement	0	992,000	1,155,000	2,147,000
Interest and Fiscal Charges	14,651	826,617	1,076,878	1,918,146
Total Expenditures	3,246,682	1,818,617	2,486,851	7,552,150
Excess of Revenues Over (Under) Expenditures	(260,016)	(10,464)	(1,881,219)	(2,151,699)
Other Financing Sources (Uses):				
Transfers In	2,089,844	50,000	1,671,400	3,811,244
Transfers (Out)	(1,359,492)	(4,000)	(2,468,164)	(3,831,656)
Total Other Financing Sources (Uses)	730,352	46,000	(796,764)	(20,412)
Net Change in Fund Balance	470,336	35,536	(2,677,983)	(2,172,111)
Fund Balance Beginning of Year	5,584,725	145,176	5,407,033	11,136,934
Fund Balance End of Year	\$6,055,061	\$180,712	\$2,729,050	\$8,964,823

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2009

	Street Construction, Maintenance and Repair	State Highway Improvement	Street Improvement	Street Subdivision
Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$0	\$6,400
Investment Earnings	73,877	(415)	0	(7,766)
Intergovernmental	1,881,062	104,380	0	0
Other Revenues	11,339	0	0	0
Total Revenues	1,966,278	103,965	0	(1,366)
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	519,789	0	1	0
Capital Outlay	1,940,828	113,848	0	0
Debt Service:				
Interest and Fiscal Charges	14,651	0	0	0
Total Expenditures	2,475,268	113,848	1	0
Excess of Revenues Over (Under) Expenditures	(508,990)	(9,883)	(1)	(1,366)
Other Financing Sources (Uses):				
Transfers In	2,089,844	0	0	0
Transfers (Out)	0	0	(613,850)	(529,444)
Total Other Financing Sources (Uses)	2,089,844	0	(613,850)	(529,444)
Net Change in Fund Balance	1,580,854	(9,883)	(613,851)	(530,810)
Fund Balance Beginning of Year	2,878,813	198,946	613,851	971,390
Fund Balance End of Year	\$4,459,667	\$189,063	\$0	\$440,580

Federal Grant	Police Officer Training	CIC/Veterans Memorial	Parks and Recreation	Police Crime Prevention	Drug Law Enforcement	Law Enforcement and Education
\$0	\$0	\$0	\$15,100	\$0	\$22,180	\$1,670
0	0	0	1,529	0	0	0
226,874	820	0	0	0	0	0
0	0	0	50,302	0	0	0
226,874	820	0	66,931	0	22,180	1,670
0	0	0	0	0	0	0
12,533	1,412	0	0	0	1,465	4,110
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,533	1,412	0	0	0	1,465	4,110
214,341	(592)	0	66,931	0	20,715	(2,440)
0	0	0	0	0	0	0
(216,198)	0	0	0	0	0	0
(216,198)	0	0	0	0	0	0
(1,857)	(592)	0	66,931	0	20,715	(2,440)
0	10,840	187,000	158,966	686	12,594	6,277
(\$1,857)	\$10,248	\$187,000	\$225,897	\$686	\$33,309	\$3,837

Continued

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2009

	Indigent Driver	Municipal Court Computer Costs	Municipal Court Computer Education	Municipal Court Improvement
Revenues:				
Fines, Licenses and Permits	\$15,765	\$57,386	\$17,939	\$246,385
Investment Earnings	0	0	0	0
Intergovernmental	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	15,765	57,386	17,939	246,385
Expenditures:				
Current:				
General Government	16,801	33,041	11,047	203,154
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	16,801	33,041	11,047	203,154
Excess of Revenues Over (Under) Expenditures	(1,036)	24,345	6,892	43,231
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(1,036)	24,345	6,892	43,231
Fund Balance Beginning of Year	148,288	31,143	17,723	95,519
Fund Balance End of Year	\$147,252	\$55,488	\$24,615	\$138,750

Vehicle Immobilization Fee	Municipal Court Probation Services	Municipal Court Indigent Driver IDAM	Subdivision Inspection	Total Nonmajor Special Revenue Funds
\$3,450	\$233,663	\$2,965	\$22,641	\$645,544
0	0	0	(880)	66,345
0	0	0	0	2,213,136
0	0	0	0	61,641
<u>3,450</u>	<u>233,663</u>	<u>2,965</u>	<u>21,761</u>	<u>2,986,666</u>
0	202,716	0	0	466,759
0	0	0	0	19,520
0	0	0	171,286	171,286
0	0	0	0	519,790
0	0	0	0	2,054,676
0	0	0	0	14,651
0	202,716	0	171,286	3,246,682
<u>3,450</u>	<u>30,947</u>	<u>2,965</u>	<u>(149,525)</u>	<u>(260,016)</u>
0	0	0	0	2,089,844
0	0	0	0	(1,359,492)
0	0	0	0	730,352
3,450	30,947	2,965	(149,525)	470,336
11,375	34,288	0	207,026	5,584,725
<u>\$14,825</u>	<u>\$65,235</u>	<u>\$2,965</u>	<u>\$57,501</u>	<u>\$6,055,061</u>

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City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$1,380,920	\$0	\$1,380,920
Intergovernmental	357,386	0	357,386
Special Assessments	0	69,847	69,847
Total Revenues	<u>1,738,306</u>	<u>69,847</u>	<u>1,808,153</u>
Expenditures:			
Debt Service:			
Principal Retirement	895,000	97,000	992,000
Interest and Fiscal Charges	804,709	21,908	826,617
Total Expenditures	<u>1,699,709</u>	<u>118,908</u>	<u>1,818,617</u>
Excess of Revenues Over (Under) Expenditures	<u>38,597</u>	<u>(49,061)</u>	<u>(10,464)</u>
Other Financing Sources (Uses):			
Transfers In	0	50,000	50,000
Transfers (Out)	0	(4,000)	(4,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>46,000</u>	<u>46,000</u>
Net Change in Fund Balance	38,597	(3,061)	35,536
Fund Balance Beginning of Year	<u>140,706</u>	<u>4,470</u>	<u>145,176</u>
Fund Balance End of Year	<u>\$179,303</u>	<u>\$1,409</u>	<u>\$180,712</u>

City of Mason, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2009

	Tax Increment Financing	Central Parke TIF	Mason Enterprise Parke TIF	Tylersville Road TIF
Revenues:				
Taxes	\$73,484	\$193,551	\$89,630	\$153,020
Investment Earnings	0	32	0	20
Intergovernmental	0	0	0	0
Other Revenues	0	0	98,523	0
Total Revenues	73,484	193,583	188,153	153,040
Expenditures:				
Current:				
Community Development	0	88,892	24,469	124,403
Transportation and Street Repair	7,137	0	0	0
Debt Service:				
Principal Retirement	0	240,000	50,000	140,000
Interest and Fiscal Charges	31,800	27,813	36,600	34,265
Total Expenditures	38,937	356,705	111,069	298,668
Excess of Revenues Over (Under) Expenditures	34,547	(163,122)	77,084	(145,628)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	34,547	(163,122)	77,084	(145,628)
Fund Balance Beginning of Year	259,395	355,150	1,564	301,382
Fund Balance End of Year	\$293,942	\$192,028	\$78,648	\$155,754

Downtown Investment	Socialville- Fosters Road Improvement	Government Center Reserve	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$509,685
0	0	(9,284)	(9,232)
6,656	0	0	6,656
0	0	0	98,523
6,656	0	(9,284)	605,632
10,072	0	0	247,836
0	0	0	7,137
0	0	725,000	1,155,000
0	0	946,400	1,076,878
10,072	0	1,671,400	2,486,851
(3,416)	0	(1,680,684)	(1,881,219)
0	0	1,671,400	1,671,400
(1,521,614)	(946,550)	0	(2,468,164)
(1,521,614)	(946,550)	1,671,400	(796,764)
(1,525,030)	(946,550)	(9,284)	(2,677,983)
1,525,030	946,550	2,017,962	5,407,033
\$0	\$0	\$2,008,678	\$2,729,050

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,639,483	\$2,138,779	499,296
Investment Earnings	120,123	125,563	5,440
Other Revenues	11,339	11,339	0
Total Revenues	1,770,945	2,275,681	504,736
Expenditures:			
Current:			
Transportation and Street Repair	281,032	747,831	(466,799)
Capital Outlay	9,333,763	7,613,779	1,719,984
Total Expenditures	9,614,795	8,361,610	1,253,185
Excess of Revenues Over (Under) Expenditures:	(7,843,850)	(6,085,929)	1,757,921
Other Financing Sources (Uses):			
Issuance of Debt	2,300,000	2,300,000	0
Transfers In	2,089,844	2,089,844	0
Total Other Financing Sources (Uses)	4,389,844	4,389,844	0
Net Change in Fund Balance	(3,454,006)	(1,696,085)	1,757,921
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,777,584	3,777,584	0
Fund Balance End of Year	\$323,578	\$2,081,499	\$1,757,921

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$100,000	\$103,839	\$3,839
Investment Earnings	2,000	2,510	510
Total Revenues	102,000	106,349	4,349
Expenditures:			
Capital Outlay	159,100	152,948	6,152
Total Expenditures	159,100	152,948	6,152
Net Change in Fund Balance	(57,100)	(46,599)	10,501
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	178,445	178,445	0
Fund Balance End of Year	\$121,345	\$131,846	\$10,501

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Transportation and Street Repair	1	1	0
Total Expenditures	1	1	0
Excess of Revenues Over (Under) Expenditures:	(1)	(1)	0
Other Financing Sources (Uses):			
Transfers (Out)	(613,850)	(613,850)	0
Total Other Financing Sources (Uses)	(613,850)	(613,850)	0
Net Change in Fund Balance	(613,851)	(613,851)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	613,851	613,851	0
Fund Balance End of Year	\$0	\$0	\$0

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Street Subdivision Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$6,200	\$6,400	\$200
Investment Earnings	9,555	9,555	0
Total Revenues	15,755	15,955	200
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	15,755	15,955	200
Other Financing Sources (Uses):			
Transfers (Out)	(950,000)	(529,444)	420,556
Total Other Financing Sources (Uses)	(950,000)	(529,444)	420,556
Net Change in Fund Balance	(934,245)	(513,489)	420,756
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	952,717	952,717	0
Fund Balance End of Year	\$18,472	\$439,228	\$420,756

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Federal Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$226,874	\$226,874	\$0
Total Revenues	226,874	226,874	0
Expenditures:			
Current:			
Public Safety	10,676	10,676	0
Transportation and Street Repair	307,880	307,880	0
Total Expenditures	318,556	318,556	0
Excess of Revenues Over (Under) Expenditures	(91,682)	(91,682)	0
Other Financing Sources (Uses):			
Transfers (Out)	(216,198)	(216,198)	0
Total Other Financing Sources (Uses)	(216,198)	(216,198)	0
Net Change in Fund Balance	(307,880)	(307,880)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	(\$307,880)	(\$307,880)	\$0

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Police Officer Training Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,500	\$820	(\$1,680)
Total Revenues	2,500	820	(1,680)
Expenditures:			
Current:			
Public Safety	10,840	1,412	9,428
Total Expenditures	10,840	1,412	9,428
Net Change in Fund Balance	(8,340)	(592)	7,748
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,840	10,840	0
Fund Balance End of Year	\$2,500	\$10,248	\$7,748

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	CIC/ Veterans Memorial Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	187,000	187,000	0
Fund Balance End of Year	<u>\$187,000</u>	<u>\$187,000</u>	<u>\$0</u>

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Parks and Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$15,100	\$15,100
Investment Earnings	0	5,112	5,112
Total Revenues	0	20,212	20,212
Expenditures:			
Capital Outlay	217,812	74,812	143,000
Total Expenditures	217,812	74,812	143,000
Net Change in Fund Balance	(217,812)	(54,600)	163,212
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	218,246	218,246	0
Fund Balance End of Year	\$434	\$163,646	\$163,212

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

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

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,500	\$22,833	\$21,333
Total Revenues	1,500	22,833	21,333
Expenditures:			
Current:			
Public Safety	8,000	1,465	6,535
Total Expenditures	8,000	1,465	6,535
Net Change in Fund Balance	(6,500)	21,368	27,868
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,841	11,841	0
Fund Balance End of Year	\$5,341	\$33,209	\$27,868

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$1,650	\$1,150
Total Revenues	500	1,650	1,150
Expenditures:			
Current:			
Public Safety	5,000	4,110	890
Total Expenditures	5,000	4,110	890
Net Change in Fund Balance	(4,500)	(2,460)	2,040
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,172	6,172	0
Fund Balance End of Year	\$1,672	\$3,712	\$2,040

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Indigent Driver Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$10,000	\$15,897	\$5,897
Total Revenues	10,000	15,897	5,897
Expenditures:			
Current:			
General Government	155,000	30,000	125,000
Total Expenditures	155,000	30,000	125,000
Net Change in Fund Balance	(145,000)	(14,103)	130,897
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	157,492	157,492	0
Fund Balance End of Year	\$12,492	\$143,389	\$130,897

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Court Computer Costs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$50,000	\$57,370	\$7,370
Other Revenues	0	546	546
Total Revenues	50,000	57,916	7,916
Expenditures:			
Current:			
General Government	66,291	36,075	30,216
Capital Outlay	8,338	350	7,988
Total Expenditures	74,629	36,425	38,204
Net Change in Fund Balance	(24,629)	21,491	46,120
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	27,515	27,515	0
Fund Balance End of Year	\$2,886	\$49,006	\$46,120

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Court Computer Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$15,000	\$17,957	\$2,957
Total Revenues	15,000	17,957	2,957
Expenditures:			
Current:			
General Government	15,000	11,047	3,953
Capital Outlay	7,278	0	7,278
Total Expenditures	22,278	11,047	11,231
Net Change in Fund Balance	(7,278)	6,910	14,188
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,311	16,311	0
Fund Balance End of Year	\$9,033	\$23,221	\$14,188

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$220,000	\$245,892	\$25,892
Total Revenues	220,000	245,892	25,892
Expenditures:			
Current:			
General Government	263,819	212,797	51,022
Total Expenditures	263,819	212,797	51,022
Net Change in Fund Balance	(43,819)	33,095	76,914
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	90,227	90,227	0
Fund Balance End of Year	\$46,408	\$123,322	\$76,914

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Vehicle Immobilization Fee Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,745	\$2,495	\$750
Total Revenues	1,745	2,495	750
Expenditures:			
Current:			
General Government	11,000	0	11,000
Total Expenditures	11,000	0	11,000
Net Change in Fund Balance	(9,255)	2,495	11,750
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,170	11,170	0
Fund Balance End of Year	\$1,915	\$13,665	\$11,750

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Court Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$195,000	\$237,416	\$42,416
Total Revenues	195,000	237,416	42,416
Expenditures:			
Current:			
General Government	217,950	205,927	12,023
Total Expenditures	217,950	205,927	12,023
Net Change in Fund Balance	(22,950)	31,489	54,439
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,701	26,701	0
Fund Balance End of Year	\$3,751	\$58,190	\$54,439

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Court Indigent Driver IDAM Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$0	\$2,665	\$2,665
Total Revenues	0	2,665	2,665
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	2,665	2,665
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$2,665	\$2,665

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Subdivision Inspection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$22,641	\$22,641	\$0
Investment Earnings	3,025	3,076	51
Total Revenues	25,666	25,717	51
Expenditures:			
Current:			
Community Development	229,277	175,593	53,684
Total Expenditures	229,277	175,593	53,684
Net Change in Fund Balance	(203,611)	(149,876)	53,735
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	212,352	212,352	0
Fund Balance End of Year	\$8,741	\$62,476	\$53,735

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,363,000	\$1,380,920	\$17,920
Intergovernmental	344,000	357,386	13,386
Total Revenues	1,707,000	1,738,306	31,306
Expenditures:			
Debt Service:			
Principal Retirement	895,000	895,000	0
Interest and Fiscal Charges	806,710	804,709	2,001
Total Expenditures	1,701,710	1,699,709	2,001
Net Change in Fund Balance	5,290	38,597	33,307
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	140,706	140,706	0
Fund Balance End of Year	\$145,996	\$179,303	\$33,307

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$69,847	\$69,847	\$0
Total Revenues	69,847	69,847	0
Expenditures:			
Debt Service:			
Principal Retirement	97,000	97,000	0
Interest and Fiscal Charges	23,189	22,271	918
Total Expenditures	120,189	119,271	918
Excess of Revenues Over (Under) Expenditures	(50,342)	(49,424)	918
Other Financing Sources (Uses):			
Transfers In	50,000	50,000	0
Transfers (Out)	(4,000)	(4,000)	0
Total Other Financing Sources (Uses)	46,000	46,000	0
Net Change in Fund Balance	(4,342)	(3,424)	918
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,833	4,833	0
Fund Balance End of Year	\$491	\$1,409	\$918

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Tax Increment Financing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$63,200	\$73,484	\$10,284
Total Revenues	63,200	73,484	10,284
Expenditures:			
Current:			
Transportation and Street Repair	7,138	7,138	0
Debt Service:			
Interest and Fiscal Charges	31,800	31,800	0
Total Expenditures	38,938	38,938	0
Excess of Revenues Over (Under) Expenditures	24,262	34,546	10,284
Other Financing Sources (Uses):			
Transfers In	31,800	31,800	0
Transfers (Out)	(31,800)	(31,800)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	24,262	34,546	10,284
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	259,395	259,395	0
Fund Balance End of Year	\$283,657	\$293,941	\$10,284

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Central Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$190,000	\$193,551	\$3,551
Investment Earnings	0	53	53
Total Revenues	<u>190,000</u>	<u>193,604</u>	<u>3,604</u>
Expenditures:			
Current:			
Community Development	100,000	99,392	608
Debt Service:			
Principal Retirement	240,000	240,000	0
Interest and Fiscal Charges	28,500	23,183	5,317
Total Expenditures	<u>368,500</u>	<u>362,575</u>	<u>5,925</u>
Excess of Revenues Over (Under) Expenditures:	<u>(178,500)</u>	<u>(168,971)</u>	<u>9,529</u>
Other Financing Sources (Uses):			
Transfers In	107,000	222,303	115,303
Transfers (Out)	(223,000)	(222,303)	697
Total Other Financing Sources (Uses)	<u>(116,000)</u>	<u>0</u>	<u>116,000</u>
Net Change in Fund Balance	(294,500)	(168,971)	125,529
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>360,999</u>	<u>360,999</u>	<u>0</u>
Fund Balance End of Year	<u>\$66,499</u>	<u>\$192,028</u>	<u>\$125,529</u>

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Mason Enterprise Parke TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$104,000	\$89,630	(\$14,370)
Investment Earnings	10,000	98,523	88,523
Total Revenues	<u>114,000</u>	<u>188,153</u>	<u>74,153</u>
Expenditures:			
Current:			
Community Development	26,000	24,470	1,530
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	37,600	36,600	1,000
Total Expenditures	<u>113,600</u>	<u>111,070</u>	<u>2,530</u>
Excess of Revenues Over (Under) Expenditures	<u>400</u>	<u>77,083</u>	<u>76,683</u>
Other Financing Sources (Uses):			
Transfers In	87,000	86,600	(400)
Transfers (Out)	(86,600)	(86,600)	0
Total Other Financing Sources (Uses)	<u>400</u>	<u>0</u>	<u>(400)</u>
Net Change in Fund Balance	800	77,083	76,283
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,564</u>	<u>1,564</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,364</u></u>	<u><u>\$78,647</u></u>	<u><u>\$76,283</u></u>

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Tylersville Road TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$137,432	\$153,020	\$15,588
Investment Earnings	0	36	36
Total Revenues	<u>137,432</u>	<u>153,056</u>	<u>15,624</u>
Expenditures:			
Current:			
Community Development	145,000	144,253	747
Debt Service:			
Principal Retirement	140,000	140,000	0
Interest and Fiscal Charges	47,512	27,443	20,069
Total Expenditures	<u>332,512</u>	<u>311,696</u>	<u>20,816</u>
Excess of Revenues Over (Under) Expenditures:	<u>(195,080)</u>	<u>(158,640)</u>	<u>36,440</u>
Other Financing Sources (Uses):			
Transfers In	135,488	121,125	(14,363)
Transfers (Out)	(135,488)	(121,125)	14,363
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(195,080)	(158,640)	36,440
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>305,044</u>	<u>305,044</u>	<u>0</u>
Fund Balance End of Year	<u>\$109,964</u>	<u>\$146,404</u>	<u>\$36,440</u>

City of Mason, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Downtown Investment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$27,157	\$27,157	\$0
Total Revenues	27,157	27,157	0
Expenditures:			
Current:			
Community Development	130,525	125,709	4,816
Total Expenditures	130,525	125,709	4,816
Excess of Revenues Over (Under) Expenditures:	(103,368)	(98,552)	4,816
Other Financing Sources (Uses):			
Transfers (Out)	(1,521,614)	(1,521,614)	0
Total Other Financing Sources (Uses)	(1,521,614)	(1,521,614)	0
Net Change in Fund Balance	(1,624,982)	(1,620,166)	4,816
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,620,166	1,620,166	0
Fund Balance End of Year	(\$4,816)	\$0	\$4,816

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Socialville- Fosters Road Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers (Out)	(946,550)	(946,550)	0
Total Other Financing Sources (Uses)	(946,550)	(946,550)	0
Net Change in Fund Balance	(946,550)	(946,550)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	946,550	946,550	0
Fund Balance End of Year	\$0	\$0	\$0

City of Mason, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Government Center Reserve Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$19,993	\$19,993
Total Revenues	0	19,993	19,993
Expenditures:			
Debt Service:			
Principal Retirement	725,000	725,000	0
Interest and Fiscal Charges	946,400	946,400	0
Total Expenditures	1,671,400	1,671,400	0
Excess of Revenues Over (Under) Expenditures	(1,671,400)	(1,651,407)	19,993
Other Financing Sources (Uses):			
Transfers In	1,671,400	1,676,725	5,325
Transfers (Out)	(5,600)	(5,325)	275
Total Other Financing Sources (Uses)	1,665,800	1,671,400	5,600
Net Change in Fund Balance	(5,600)	19,993	25,593
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,016,586	2,016,586	0
Fund Balance End of Year	\$2,010,986	\$2,036,579	\$25,593

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

Municipal Court Fund – To account for amounts held on behalf of other governments and bonds deposited with the court pending final disposition of various causes.

Mason Port Authority Fund – To enhance future development opportunities in the City, to support the economic development strategies of the City and to promote participation in activities that will have a positive impact on the general economic wealth of Mason.

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

City of Mason, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2009

	Municipal Court			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$67,078	\$2,405,876	\$2,413,628	\$59,326
Total Assets	<u>67,078</u>	<u>2,405,876</u>	<u>2,413,628</u>	<u>59,326</u>
Liabilities:				
Due to Others	67,078	2,405,876	2,413,628	59,326
Total Liabilities	<u>\$67,078</u>	<u>\$2,405,876</u>	<u>\$2,413,628</u>	<u>\$59,326</u>

	Mason Port Authority			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$25,500	\$50,000	\$63,250	\$12,250
Total Assets	<u>25,500</u>	<u>50,000</u>	<u>63,250</u>	<u>12,250</u>
Liabilities:				
Due to Others	25,500	50,000	63,250	12,250
Total Liabilities	<u>\$25,500</u>	<u>\$50,000</u>	<u>\$63,250</u>	<u>\$12,250</u>

	Community Improvement Corporation			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$8,000	\$32,000	\$0	\$40,000
Receivables:				
Accounts	3,000	0	3,000	0
Total Assets	<u>11,000</u>	<u>32,000</u>	<u>3,000</u>	<u>40,000</u>
Liabilities:				
Due to Others	11,000	32,000	3,000	40,000
Total Liabilities	<u>\$11,000</u>	<u>\$32,000</u>	<u>\$3,000</u>	<u>\$40,000</u>

(Continued)

City of Mason, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2009

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$100,578	\$2,487,876	\$2,476,878	\$111,576
Receivables:				
Accounts	3,000	0	3,000	0
Total Assets	<u>103,578</u>	<u>2,487,876</u>	<u>2,479,878</u>	<u>111,576</u>
Liabilities:				
Due to Others	<u>103,578</u>	<u>2,487,876</u>	<u>2,479,878</u>	<u>111,576</u>
Total Liabilities	<u>\$103,578</u>	<u>\$2,487,876</u>	<u>\$2,479,878</u>	<u>\$111,576</u>

STATISTICAL SECTION



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

Contents

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

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

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

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

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

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$19,155,677	\$36,025,545	\$82,482,220	\$83,295,651	\$89,318,991	\$96,275,726	\$104,293,216	\$110,110,444	\$117,869,403
Restricted	12,774,373	17,235,858	15,052,307	13,470,109	14,336,740	14,692,178	16,202,333	20,076,208	18,245,889
Unrestricted	15,853,479	6,649,481	8,843,433	24,522,571	28,401,484	34,803,772	34,036,236	30,968,181	25,909,145
Total Governmental Activities Net Assets	\$47,783,529	\$59,910,884	\$106,377,960	\$121,288,331	\$132,057,215	\$145,771,676	\$154,531,785	\$161,154,833	\$162,024,437
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	\$69,687,504	\$44,347,689	\$74,722,678	\$64,318,163	\$73,165,544	\$66,801,441	\$69,332,672	\$72,445,005	\$77,388,687
Restricted	0	0	0	23,251,862	11,290,444	10,055,068	10,283,063	8,331,342	4,069,854
Unrestricted	16,824,466	13,521,952	3,110,125	(3,139,725)	6,610,919	7,280,452	8,109,114	8,494,022	14,000,587
Total Business-Type Activities Net Assets	\$86,511,970	\$57,869,641	\$77,832,803	\$84,430,300	\$91,066,907	\$84,136,961	\$87,724,849	\$89,270,369	\$95,459,128
Primary Government									
Invested in Capital Assets, Net of Related Debt	\$88,843,181	\$80,373,234	\$157,204,898	\$147,613,814	\$162,484,535	\$163,077,167	\$173,625,888	\$182,555,449	\$195,258,090
Restricted	12,774,373	17,235,858	15,052,307	36,721,971	25,627,184	24,747,246	26,485,396	28,407,550	22,315,743
Unrestricted	32,677,945	20,171,433	11,953,558	21,382,846	35,012,403	42,084,224	42,145,350	39,462,203	39,909,732
Total Governmental Activities Net Assets	\$134,295,499	\$117,780,525	\$184,210,763	\$205,718,631	\$223,124,122	\$229,908,637	\$242,256,634	\$250,425,202	\$257,483,565

Source: City of Mason, Ohio, Department of Finance

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

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses									
Governmental Activities:									
General Government	\$4,651,491	\$6,529,294	\$7,489,906	\$9,585,638	\$10,055,191	\$8,304,944	\$8,820,685	\$8,797,340	\$8,969,554
Public Safety	4,033,646	5,881,818	6,357,600	7,677,404	7,647,086	10,239,722	12,057,909	12,041,878	11,758,497
Leisure Time Activities	1,533,017	1,817,847	2,229,243	2,025,140	1,927,193	2,345,289	2,643,993	2,884,015	2,860,505
Community Development	471,327	863,009	1,666,254	1,055,133	1,219,316	1,682,201	1,669,502	1,453,739	1,831,149
Basic Utility Service	231,186	50,941	1,124	0	0	513,694	252,588	251,649	233,714
Transportation and Street Repair	1,668,159	1,926,062	2,456,994	2,763,009	3,433,612	4,163,181	6,495,013	5,928,246	4,156,093
Interest and Fiscal Charges	1,277,293	1,780,444	1,564,957	1,516,711	1,685,015	1,821,938	2,259,101	2,214,589	1,981,386
Total Governmental Activities Expenses	13,866,119	18,849,415	21,766,078	24,623,035	25,967,413	29,070,969	34,198,791	33,571,456	31,790,898
Business-type activities									
Water	4,215,342	1,290,013	117,370	320,815	0	0	0	0	0
Sewer	2,838,752	2,856,787	2,884,956	3,588,785	3,838,763	5,511,880	6,308,598	6,467,230	6,287,295
Waste Collection	864,591	882,229	926,630	995,282	1,067,929	1,129,056	1,269,478	1,390,404	1,437,256
Stormwater Utility	418,590	744,887	1,251,621	1,256,452	1,051,464	1,067,755	1,073,116	1,097,373	1,011,631
Community Center	0	0	1,453,474	1,973,163	3,112,769	2,439,545	3,039,852	3,041,733	3,332,634
Golf Course	0	0	0	0	0	0	3,145,633	3,864,928	3,246,476
Total business-type activities expenses	8,337,275	5,773,916	6,634,051	8,134,497	9,070,925	10,148,236	14,836,677	15,861,668	15,315,292
Total primary government expenses	\$22,203,394	\$24,623,331	\$28,400,129	\$32,757,532	\$35,038,338	\$39,219,205	\$49,035,468	\$49,433,124	\$47,106,190
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$1,053,973	\$879,532	\$1,343,668	\$1,515,220	\$1,211,763	\$1,491,615	\$1,319,112	\$2,047,656	\$2,088,882
Public Safety	266,973	358,177	297,445	887,039	1,551,532	1,747,817	1,704,048	1,048,709	1,321,832
Leisure Time Activities	373,155	434,532	223,460	320,394	407,548	514,992	585,664	561,063	564,185
Community Development	592,164	491,491	435,081	398,360	489,196	391,088	442,307	513,136	306,726
Basic Utility Service	236,108	199,229	256,831	285,781	0	228,738	276,203	286,189	263,341
Transportation and Street Repair	78,577	113,154	104,038	0	0	13,969	9,865	7,600	6,400
Interest and Fiscal Charges	3,022	0	0	0	6,022	963	0	0	0
Operating Grants and Contributions	1,507,655	551,231	1,286,339	1,469,711	1,847,807	2,352,269	2,567,109	2,935,939	3,469,094
Capital Grants and Contributions	4,758,764	6,458,499	3,001,393	7,720,265	3,175,748	2,914,592	3,080,139	2,243,632	2,060,510
Total Governmental Activities Program Revenues	8,870,391	9,485,845	6,948,255	12,596,770	8,689,616	9,656,043	9,984,447	9,643,924	10,080,970
Business-Type Activities									
Charges for Services:									
Water	5,033,091	477,771	0	0	0	0	0	0	0
Sewer	5,490,698	5,532,399	5,858,754	5,381,425	5,288,919	5,342,578	5,529,145	5,486,608	5,413,042

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

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Charges for Services: (continued)									
Waste Collection	877,648	786,572	880,859	982,973	1,028,451	1,075,574	1,257,739	1,392,019	1,427,989
Stormwater Utility	309,138	678,199	749,570	784,892	788,602	793,059	808,253	836,751	832,872
Community Center	0	0	1,955,985	2,301,675	2,537,560	2,749,431	2,518,080	2,074,846	1,839,654
Golf Course	0	0	0	0	0	0	2,385,062	2,408,790	2,225,669
Operating Grants and Contributions	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions	3,066,340	5,863,365	6,539,646	4,505,577	3,807,321	3,167,731	3,516,835	762,214	642,683
Total Business-Type Activities Program Revenues	14,778,916	13,340,308	15,986,817	13,958,546	13,452,858	13,130,379	16,017,121	12,963,236	12,383,918
Total Primary Government Program Revenues	\$23,649,307	\$22,826,153	\$22,935,072	\$26,555,316	\$22,142,474	\$22,786,422	\$26,001,568	\$22,607,160	\$22,464,888
Net (Expense)/Revenue									
Governmental Activities	(\$4,995,728)	(\$9,363,570)	(\$14,817,823)	(\$12,026,265)	(\$17,277,797)	(\$19,414,926)	(\$24,214,344)	(\$23,927,532)	(\$21,709,928)
Business-Type Activities	6,441,641	7,566,392	9,352,766	5,824,049	4,381,933	2,982,143	1,180,444	(2,898,432)	(2,931,374)
Total Primary Government Net Expense	\$1,445,913	(\$1,797,178)	(\$5,465,057)	(\$6,202,216)	(\$12,895,864)	(\$16,432,783)	(\$23,033,900)	(\$26,825,964)	(\$24,641,302)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Income Taxes	\$13,244,640	\$14,236,939	\$14,750,306	\$17,629,586	\$19,803,888	\$21,324,631	\$20,514,861	\$22,265,663	\$20,749,797
Property Taxes Levied for:									
General Purposes	1,244,776	1,209,868	1,344,408	1,727,974	1,861,088	2,068,561	2,116,689	1,294,885	1,196,087
Special Revenue Purposes	3,250,009	3,265,998	3,619,235	4,318,008	4,125,581	4,121,987	4,161,619	3,966,207	3,859,491
Debt Service Purposes	487,903	471,560	555,903	401,942	181,859	85,178	378,098	380,224	1,385,822
Capital Project Purposes	69,931	171,456	188,314	220,283	217,918	275,675	440,642	546,268	509,685
Unrestricted Grants and Entitlements	2,686,346	1,482,935	1,930,644	2,075,585	1,915,791	3,208,505	3,103,589	3,149,438	2,787,157
Unrestricted Contributions	0	0	0	25,000	0	0	0	0	0
Investment Earnings	1,554,128	683,584	273,376	178,414	910,574	1,928,561	2,725,268	1,997,266	208,558
Other Revenues	299,756	532,121	473,513	639,483	375,644	558,488	820,723	665,897	921,424
Transfers-Internal Activities	(328,000)	(563,536)	(574,596)	(279,639)	(1,345,662)	326,510	(1,287,036)	(3,715,268)	(9,038,489)
Total Governmental Activities	22,509,489	21,490,925	22,561,103	26,936,636	28,046,681	33,898,096	32,974,453	30,550,580	22,579,532
Business-Type Activities									
Investment Earnings	1,032,080	424,833	187,552	435,371	898,940	980,492	1,121,249	720,066	83,653
Other Revenues	0	0	0	60,442	12,077	16,542	1,166	10,626	0
Transfers-Internal Activities	328,000	563,536	574,596	279,639	1,345,662	(326,510)	1,287,036	3,715,268	9,038,489
Special Item	0	(37,195,088)	0	0	0	(10,580,607)	0	0	0
Total Business-Type Activities	1,360,080	(36,206,719)	762,148	775,452	2,256,679	(9,910,083)	2,409,451	4,445,960	9,122,142
Total Primary Government	\$23,869,569	(\$14,715,794)	\$23,323,251	\$27,712,088	\$30,303,360	\$23,988,013	\$35,383,904	\$34,996,540	\$31,701,674

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

	Fiscal Year								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Changes in Net Assets									
Governmental Activities	\$17,513,761	\$12,127,355	\$7,743,280	\$14,910,371	\$10,768,884	\$14,483,170	\$8,760,109	\$6,623,048	\$869,604
Business-Type Activities	7,801,721	(28,640,327)	10,114,914	6,599,501	6,638,612	(6,927,940)	3,589,895	1,547,528	6,190,768
Total Primary Government	\$25,315,482	(\$16,512,972)	\$17,858,194	\$21,509,872	\$17,407,496	\$7,555,230	\$12,350,004	\$8,170,576	\$7,060,372

Source: City of Mason, Ohio, Department of Finance

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

Fiscal Year	Income Tax	Property taxes levied for:					Total Property Taxes	Total
		General	Special Revenue	Debt Service	Capital Protect			
2001	\$13,244,640	\$1,244,776	\$3,250,009	\$487,903	\$69,931	\$5,052,619	\$18,297,259	
2002	14,236,939	1,209,868	3,265,998	471,560	171,456	5,118,882	19,355,821	
2003	14,750,306	1,344,408	3,619,235	555,903	188,314	5,707,860	20,458,166	
2004	17,629,586	1,727,974	4,318,008	401,942	220,283	6,668,207	24,297,793	
2005	19,803,888	1,861,088	4,125,581	181,859	217,918	6,386,446	26,190,334	
2006	21,324,631	2,068,561	4,121,987	85,178	275,675	6,551,401	27,876,032	
2007	20,514,861	2,116,689	4,161,619	378,098	440,642	7,097,048	27,611,909	
2008	22,265,663	1,294,885	3,966,207	380,224	546,268	6,187,584	28,453,247	
2009	20,749,797	1,196,087	3,859,491	1,385,822	509,685	6,951,085	27,700,882	

Source: City of Mason, Ohio, Department of Finance

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

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$2,113,695	\$3,921,914	\$7,174,085	\$6,148,247	\$5,855,656	\$10,729,834	\$12,032,677	\$7,511,771	\$11,959,422	\$8,243,141
Unreserved	1,671,731	3,734,644	(1,952,977)	1,380,089	7,039,758	5,580,027	6,524,041	15,222,929	12,693,451	10,650,144
Total General Fund	\$3,785,426	\$7,656,558	\$5,221,108	\$7,528,336	\$12,895,414	\$16,309,861	\$18,556,718	\$22,734,700	\$24,652,873	\$18,893,285
All Other Governmental Funds										
Reserved	3,614,281	5,260,028	2,546,516	905,514	3,675,638	1,633,574	7,375,036	4,593,699	2,948,109	7,477,435
Unreserved, Reported in:										
Special Revenue Funds	2,890,985	5,466,047	5,763,841	6,498,710	7,772,452	8,460,746	4,582,009	9,674,826	9,860,224	5,472,041
Debt Service Funds	217,934	279,290	305,471	432,170	486,201	335,878	54,128	90,938	145,176	180,712
Capital Projects Funds	3,577,599	15,508,028	6,538,042	5,263,108	(466,641)	2,132,108	999,083	4,233,983	5,402,670	2,719,700
Total All Other Governmental Funds	\$10,300,799	\$26,513,393	\$15,153,870	\$13,099,502	\$11,467,650	\$12,562,306	\$13,010,256	\$18,593,446	\$18,356,179	\$15,849,888

Source: City of Mason, Ohio, Department of Finance

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

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Taxes	\$18,631,015	\$18,548,398	\$18,740,840	\$21,497,719	\$23,356,100	\$25,337,338	\$28,120,047	\$29,086,348	\$28,224,092	\$28,023,892
Fines, Licensed & Permits	1,528,868	1,405,849	1,426,086	1,360,999	2,051,550	2,285,087	2,208,160	2,102,920	2,210,168	1,993,982
Charges for Services	570,489	948,446	826,334	748,435	872,720	978,335	1,842,446	1,965,830	1,926,084	2,158,383
Investment Earning	1,191,891	1,596,253	644,010	326,847	180,449	950,697	1,758,873	2,625,347	2,204,775	244,519
Intergovernmental	2,188,404	3,237,732	2,699,661	5,390,672	3,598,728	3,628,520	5,230,246	5,419,535	5,914,718	5,698,095
Special Assessments	126,344	227,899	201,511		156,177	137,175	93,272	99,374	93,501	69,847
Other Revenue	1,097,951	538,532	699,051	965,749	1,022,872	706,464	944,165	1,148,050	996,019	1,311,066
Total Revenues	25,334,962	26,503,109	25,237,493	30,290,421	31,238,596	34,023,616	40,197,209	42,447,404	41,569,357	39,499,784
Expenditures										
General Government	3,534,139	4,553,052	6,465,327	9,825,426	8,813,705	8,186,487	8,101,110	8,179,399	8,068,369	8,507,087
Public Safety	6,349,783	3,680,855	5,519,019	6,548,683	7,200,461	7,107,465	10,084,749	11,442,311	11,343,794	11,312,988
Leisure Time Activities	1,602,077	1,324,854	2,129,899	2,122,965	1,803,066	1,736,255	2,117,159	2,391,309	2,488,160	2,362,857
Community Development	790,131	467,328	860,047	1,666,254	1,014,147	977,332	1,670,017	1,493,853	1,452,353	1,813,014
Basic Utility Service	98,122	236,812	47,392	400	0	0	513,694	252,588	251,649	233,714
Transportation and Street Repair	3,004,975	1,316,126	2,845,564	3,928,251	2,656,910	2,251,292	3,153,016	4,043,848	3,543,548	3,202,238
Capital Outlay	6,425,700	16,602,012	18,326,483	2,571,833	4,757,098	6,767,208	8,892,757	13,392,267	10,552,105	7,241,907
Debt Service										
Principal Retirement	387,000	1,108,228	1,252,488	1,237,162	1,165,741	1,163,420	1,011,000	1,077,000	13,921,000	2,147,000
Interest and Fiscal Changes	665,463	1,752,493	1,776,594	1,564,957	1,530,848	1,471,650	2,038,266	2,013,111	2,412,382	1,992,095
Total Expenditures	22,857,390	31,041,760	39,222,813	29,465,931	28,941,976	29,661,109	37,581,768	44,285,686	54,033,360	38,812,900
Excess of Revenues Over (Under) Expenditures	2,477,572	(4,538,651)	(13,985,320)	824,490	2,296,620	4,362,507	2,615,441	(1,838,282)	(12,464,003)	686,884

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses)										
Transfer In	8,869,877	2,867,923	12,619,642	2,707,796	684,506	5,372,100	3,441,338	7,107,110	2,369,200	5,549,055
Transfer Out	(8,835,425)	(3,195,923)	(13,180,859)	(3,282,392)	(964,145)	(5,375,100)	(3,445,338)	(7,978,110)	(5,786,700)	(14,587,544)
Issuance of Long-Term Capital-Related Debt	1,135,000	24,440,000	680,000	0	1,030,000	0	0	12,450,000	17,570,000	0
Capital Leases	0	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	1,169,452	24,112,000	118,783	(574,596)	750,361	(3,000)	(4,000)	11,579,000	14,152,500	(9,038,489)
Net Change in Fund Balances	\$3,647,024	\$19,573,349	(\$13,866,537)	\$249,894	\$3,046,981	\$4,359,507	\$2,611,441	\$9,740,718	\$1,688,497	(\$8,351,605)
Debt Service as a Percentage of Noncapital Expenditures	6.4%	26.8%	21.7%	13.6%	16.9%	12.5%	12.5%	10.4%	38.4%	15.1%

Source: City of Mason, Ohio, Department of Finance

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

<u>Fiscal Year</u>	<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>	<u>Percentage of Total</u>			
					<u>Withholding</u>	<u>Business</u>	<u>Individual</u>	<u>Total</u>
2000	\$7,458,765	\$2,004,888	\$2,505,456	\$11,969,109	62.3%	16.8%	20.9%	100.0%
2001	8,031,833	1,580,798	3,034,811	12,647,441	63.5%	12.5%	24.0%	100.0%
2002	8,431,402	2,015,247	3,357,722	13,804,371	61.1%	14.6%	24.3%	100.0%
2003	9,350,057	2,045,319	3,777,725	15,173,101	61.6%	13.5%	24.9%	100.0%
2004	9,914,215	2,098,410	4,401,360	16,413,985	60.4%	12.8%	26.8%	100.0%
2005	11,164,670	2,961,019	4,868,994	18,994,683	58.8%	15.6%	25.6%	100.0%
2006	13,513,267	4,232,817	4,925,272	22,671,356	59.6%	18.7%	21.7%	100.0%
2007	13,167,588	2,779,420	5,280,262	21,227,270	62.0%	13.1%	24.9%	100.0%
2008	13,264,394	4,093,299	4,338,073	21,695,766	61.1%	18.9%	20.0%	100.0%
2009	12,384,345	3,817,042	4,137,703	20,339,090	60.9%	18.8%	20.3%	100.0%

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

<u>Fiscal Year</u>	<u>Delinquent</u>	<u>Penalties</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
2004	\$481,221	\$233,928	\$5,017,927	\$10,680,909	\$16,413,985
2005	473,596	211,910	6,251,436	12,057,741	18,994,683
2006	294,034	135,615	6,512,430	15,729,277	22,671,356
2007	778,880	211,143	4,396,944	15,840,303	21,227,270
2008	284,367	158,728	4,977,407	16,248,783	21,669,285
2009	379,196	226,848	4,669,926	15,063,120	20,339,090

Source: City of Mason, Ohio, Department of Finance

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

Tax Year	Real Property		Public Utility		Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1999	\$448,944,160	\$1,282,697,600	\$17,969,920	\$20,420,363	\$95,712,317	\$382,849,268	\$562,626,397	\$1,685,967,231	7.32	33.37%
2000	576,089,580	1,645,970,230	18,882,620	21,457,520	115,114,210	460,456,840	710,086,410	2,127,884,590	7.32	33.37%
2001	633,752,330	1,810,720,940	12,944,150	14,709,260	146,826,249	587,304,990	793,522,729	2,412,735,190	7.32	32.89%
2002	683,142,740	1,951,836,400	14,667,310	16,667,390	149,946,460	599,785,848	847,756,510	2,568,289,638	7.32	33.01%
2003	771,214,670	2,203,470,485	15,312,680	17,400,772	147,357,520	589,430,080	933,884,870	2,810,301,337	7.32	33.23%
2004	825,905,960	2,359,731,314	15,736,660	17,882,568	137,059,790	548,239,160	978,702,410	2,925,853,042	7.32	33.45%
2005	861,180,630	2,460,516,085	16,252,830	18,469,125	110,500,187	442,000,748	987,933,647	2,920,985,958	7.32	33.82%
2006	1,004,936,080	2,871,245,942	16,147,840	18,349,818	77,362,457	412,599,770	1,098,446,377	3,302,195,530	7.32	33.26%
2007	1,035,101,280	2,957,432,230	13,021,700	14,797,390	36,731,160	587,698,560	1,084,854,140	3,559,928,180	7.32	30.47%
2008	1,063,362,220	3,038,177,771	13,457,340	15,292,431	4,651,040	74,416,640	1,081,470,600	3,127,886,842	7.32	34.58%
2009	1,001,908,990	2,862,597,114	14,371,800	16,331,590	3,048,210	48,771,360	1,016,280,790	2,878,928,704	7.32	35.30%

Source: Warren County Auditor's Office

(1) Tangible Personal Property Tax is being phased out

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

Tax Year	City of Mason				Overlapping Rates				
	General Fund	Fire Operating	Debt Service	Total	Mason City School District	Warren County	Joint Voc. School	Special District	Total
2000	1.47%	5.00%	0.85%	7.32%	64.57%	4.00%	2.70%	1.50%	80.09%
2001	1.67%	5.00%	0.65%	7.32%	71.11%	4.00%	2.70%	1.50%	86.63%
2002	1.67%	5.00%	0.65%	7.32%	72.61%	4.96%	2.70%	1.50%	89.09%
2003	1.67%	5.00%	0.65%	7.32%	74.11%	6.53%	2.70%	1.50%	92.16%
2004	1.87%	5.00%	0.45%	7.32%	74.11%	6.46%	2.70%	1.50%	92.09%
2005	2.11%	5.00%	0.21%	7.32%	80.65%	6.46%	2.70%	1.50%	98.63%
2006	1.96%	5.00%	0.36%	7.32%	81.76%	6.71%	2.70%	1.50%	99.99%
2007	1.96%	5.00%	0.36%	7.32%	83.45%	6.71%	2.70%	1.50%	101.68%
2008	0.88%	5.00%	1.44%	7.32%	83.45%	5.21%	2.70%	1.50%	100.18%
2009	0.58%	5.00%	1.74%	7.32%	83.45%	5.78%	2.70%	1.50%	100.75%

Source: Warren County Auditor's Office

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

City of Mason, Ohio
Principal Property Taxpayers
December 31, 2009
Table 9

Taxpayer	Fiscal Year 2009			Fiscal Year 1999		
	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation	Assessed Valuation	Rank	Percentage Of Total Assessed Valuation
Kings Island Company	\$19,993,100	1	1.96%	\$18,324,800	1	3.26%
Duke Energy Ohio Inc	17,715,870	2	1.74%	11,276,340	4	2.00%
Linder Center of Hope	12,326,700	3	1.21%			0.00%
Twin Fountains of Mason	8,695,050	4	0.85%			0.00%
Cintas Corporation #2	7,489,410	5	0.73%			0.00%
Mason Christian Village	6,969,970	6	0.68%	4,177,650	6	0.74%
Makino	5,992,040	7	0.59%			0.00%
Mitsubishi Electric Auto	4,153,140	8	0.41%	17,676,990	2	3.14%
Health Alliance	4,134,450	9	0.41%			0.00%
H.J. Heinz/Portion Pac	2,757,913	10	0.27%			0.00%
Procter & Gamble Company	-	-	-	12,641,520	3	2.25%
United Telephone Company	-	-	-	4,228,700	5	0.75%
Deerfield Manufacturing	-	-	-	3,946,990	7	0.70%
Michelin North America	-	-	-	3,528,370	8	0.63%
Buckeye Steel Castings	-	-	-	3,160,990	9	0.56%
Great American Insurance Company	929,101,357		91.15%	2,973,720	10	0.53%
All Others				480,690,397		85.44%
Total Assessed Valuation	\$1,019,329,000		100%	\$562,626,467		100%

Source: Warren County Auditor's Office

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

Tax Year:	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Fiscal Year:	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Current Tax Levy	\$4,007,289	\$4,865,120	\$5,241,254	\$5,508,483	\$6,682,436	\$6,932,404	\$6,803,940	\$7,010,538	\$7,194,535	\$6,829,232
Current Tax Collections	3,914,640	4,789,569	5,000,981	5,401,874	6,330,702	6,657,907	6,580,586	6,813,112	6,932,137	6,605,764
Percent of Levy Collected	97.69%	98.45%	95.42%	98.06%	94.74%	96.04%	96.72%	97.18%	96.35%	96.73%
Delinquent Tax Collections	64,478	130,292	47,448	294,933	123,183	167,596	125,232	221,301	176,537	176,271
Total Tax Collections	3,979,118	4,919,861	5,048,429	5,696,807	6,453,885	6,825,503	6,705,818	7,034,413	6,932,137	6,782,035
Ratio of Total Tax Collections to Current Taxes Levied	99.30%	101.13%	96.32%	103.42%	96.58%	98.46%	98.56%	100.34%	100.32%	99.31%

Source: Warren County Auditor's Office

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

<u>Tax Year</u>	<u>Current Assessments Billings</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collection To Amount Billed</u>
1999	\$228,615	\$199,333	87.19%
2000	213,739	201,300	94.18%
2001	188,571	170,041	90.17%
2002	200,231	185,006	92.40%
2003	162,255	148,675	91.63%
2004	135,244	124,578	92.11%
2005	109,086	93,272	85.50%
2006	89,047	81,902	91.98%
2007	85,635	54,338	63.45%
2008	78,433	66,741	85.09%

Source: Warren County Auditor's Office

Note: Tax Year 2009 is billed and due in 2010

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

Fiscal Year	Governmental Activities										Total Governmental Activities
	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Financing	Certificates of Participation	Special Assessments Bonds	Installment Loan	Capital Leases				
2000	\$4,725,000	\$5,280,000	\$1,735,000	\$0	\$1,281,000	\$0	\$1,267,039				\$14,288,039
2001	4,505,000	9,650,000	1,435,000	24,020,000	1,121,000	0	958,811				41,689,811
2002	4,275,000	8,400,000	2,415,000	23,455,000	963,000	0	659,323				40,167,323
2003	4,045,000	5,700,000	2,430,000	22,875,000	816,000	0	379,161				36,245,161
2004	3,845,000	9,700,000	3,450,000	22,275,000	684,000	0	155,420				40,109,420
2005	3,640,000	9,400,000	3,405,000	21,650,000	551,000	0	0				38,646,000
2006	3,425,000	19,700,000	3,350,000	21,005,000	455,000	0	0				47,935,000
2007	3,200,000	20,350,000	3,265,000	20,335,000	358,000	0	0				47,508,000
2008	20,215,000	4,200,000	3,140,000	19,640,000	262,000	0	0				47,457,000
2009	19,320,000	6,300,000	2,710,000	18,915,000	165,000	0	0				47,410,000

Fiscal Year	Business-Type Activities					Total Business-Type Activities	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	Mortgage Revenue Bonds	Bond Anticipation Notes	Certificates of Participation	Special Assessments Bonds					
2000	\$14,845,000	\$0	\$0	\$61,000	\$14,906,000	\$29,194,039	4.35%	\$1,326	
2001	14,090,000	0	0	58,000	14,148,000	55,837,811	7.47%	2,317	
2002	6,690,000	0	0	55,000	6,745,000	46,912,323	5.73%	1,819	
2003	6,445,000	0	0	52,000	6,497,000	42,742,161	4.89%	1,580	
2004	36,745,000	0	0	49,000	36,794,000	76,903,420	8.15%	2,766	
2005	35,765,000	3,165,000	0	46,000	38,976,000	77,622,000	7.77%	2,720	
2006	34,973,698	2,115,000	0	42,000	37,130,698	85,065,698	8.07%	2,924	
2007	33,745,000	11,010,000	0	38,000	44,793,000	92,301,000	8.27%	3,123	
2008	32,710,000	10,720,000	0	33,000	43,463,000	90,920,000	8.11%	3,064	
2009	31,640,000	10,195,000	11,335,000	29,000	53,199,000	100,609,000	8.72%	3,382	

Source: City of Mason, Ohio, Department of Finance

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

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

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

Fiscal Year	Population(1)	Assessed Value (2)	General Bonded Debt (3)	Less Debt Service Fund (4)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2000	22,016	\$710,086,410	\$4,725,000	\$138,702	\$4,586,298	0.65%	\$208
2001	24,094	793,522,729	4,505,000	230,472	4,274,528	0.54%	177
2002	25,786	847,756,510	4,275,000	302,523	3,972,477	0.47%	154
2003	27,060	933,884,870	4,045,000	428,899	3,616,101	0.39%	134
2004	27,799	978,702,410	3,845,000	484,775	3,360,225	0.34%	121
2005	28,539	987,933,647	3,640,000	335,757	3,304,243	0.33%	116
2006	29,089	1,098,446,377	3,425,000	52,975	3,372,025	0.31%	116
2007	29,555	1,084,854,140	3,200,000	89,826	3,110,174	0.29%	105
2008	29,674	1,081,470,600	20,215,000	140,707	20,074,293	1.86%	676
2009	29,751	1,019,329,000	19,320,000	179,304	19,140,696	1.88%	643

Source: City of Mason, Ohio, Department of Finance

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

(1) U.S. Census Bureau 2007 Population Estimates Estimate for 2008 & 2009; City of Mason Planning and Economic Development

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

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service To General Government Expenditures</u>
2000	\$215,000	\$223,943	\$438,943	\$3,495,706	12.56%
2001	220,000	238,355	458,355	4,286,353	10.69%
2002	230,000	324,463	554,463	6,055,452	9.16%
2003	230,000	318,555	548,555	9,056,710	6.06%
2004	200,000	188,973	388,973	8,813,705	4.41%
2005	205,000	153,317	358,317	8,186,487	4.38%
2006	215,000	159,260	374,260	8,101,110	4.62%
2007	225,000	150,768	375,768	8,179,399	4.59%
2008	555,000	482,856	1,037,856	8,068,369	12.86%
2009	895,000	804,709	1,699,709	8,507,087	19.98%

Source: City of Mason, Ohio, Department of Finance

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

(2) Excludes bond issuance and other costs.

City of Mason, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2009
 Table 15

	Net General Obligations Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City of Mason	\$35,815,000	100.00%	\$35,815,000
Warren County	103,020	18.13%	18,678
Lebanon City School District	39,524,951	26.00%	10,276,487
Mason City School District	142,115,000	61.96%	88,054,454
Kings Local School District	52,785,000	11.83%	6,244,466
Great Oaks Career Center Joint Vocational School	10,000,000	5.18%	518,000
Deerfield Township	18,180,000	0.55%	99,990
Total			\$141,027,074

Source: Ohio Municipal Advisory Council

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Debt Limit (1)										
Total Debt Limit (10.5%)	\$74,559,073	\$83,319,887	\$89,014,434	\$98,057,911	\$102,763,753	\$103,733,033	\$115,336,870	\$113,909,685	\$113,066,054	\$107,029,545
Total Net Debt Applicable to Limits	9,843,997	6,009,528	6,387,477	9,301,101	13,060,225	12,704,243	25,187,025	34,470,174	34,994,293	35,635,696
Legal Debt Limit Margin	\$64,715,076	\$77,310,359	\$82,626,957	\$88,756,810	\$89,703,528	\$91,028,790	\$90,149,845	\$79,439,511	\$78,071,761	\$71,393,849
Total Net Debt Applicable to the Limit as a Percentage of Total Debt Limit	13.20%	7.21%	7.18%	9.49%	12.71%	12.25%	21.84%	30.26%	30.95%	33.30%
Total Unvoted Debt Limit (1)										
Total Unvoted Debt Limit (5.5%)	39,054,753	43,643,750	46,626,608	51,363,668	53,828,633	54,336,351	60,414,551	59,666,978	59,225,076	56,063,095
Total Net Debt Applicable to Limits	9,843,997	6,009,528	6,387,477	9,301,101	13,060,225	12,704,243	25,187,025	34,470,174	34,994,293	35,635,696
Legal Unvoted Debt Limit Margin	\$29,210,756	\$37,634,222	\$40,239,131	\$42,062,567	\$40,768,408	\$41,632,108	\$35,227,526	\$25,196,804	\$24,230,783	\$20,427,399
Total Net Debt Applicable to the Limit as a Percentage of Total Unvoted Debt Limit	25.21%	13.77%	13.70%	18.11%	24.26%	23.38%	41.69%	57.77%	59.09%	63.56%

Legal Debt Margin Calculation for Fiscal Year 2009

	<u>Total Debt Limit</u>	<u>Total Unvoted Debt Limit</u>
Net assessed valuation	\$1,019,329,000	\$1,019,329,000
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limitation	\$107,029,545	\$56,063,095
Debt applicable to limit:		
Debt applicable to limit(2)	35,815,000	35,815,000
Less: applicable debt service fund amounts(3)	(179,304)	(179,304)
Total net debt applicable to limit	35,635,696	35,635,696
Legal debt margin	\$71,393,849	\$20,427,399

Source: City of Mason, Ohio, Department of Finance

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

City of Mason, Ohio
Pledged-Revenue Coverage
Last Ten Fiscal Years
Table 17

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Sewer Fund Bond Coverage:										
Operating Revenue	\$5,775,367	\$5,490,698	\$5,532,399	\$5,858,754	\$5,385,198	\$5,297,841	\$5,351,189	\$5,529,145	\$5,486,608	\$5,413,042
Operating Expenses	1,647,272	1,659,929	1,586,898	1,688,635	1,166,731	2,195,817	2,431,976	2,620,680	2,776,307	2,585,333
Net Available for Debt Service	4,128,095	3,830,769	3,945,501	4,170,119	4,218,467	3,102,024	2,919,213	2,908,465	2,710,301	2,827,709
Debt Service Requirements:										
Revenue Bonds:										
Principal	210,000	220,000	230,000	245,000	1,360,000	980,000	1,000,000	1,020,000	1,055,000	1,070,000
Interest	425,430	415,388	404,140	391,212	1,209,372	1,585,295	1,565,695	1,545,695	1,524,275	1,498,400
Total Debt Service Requirement	\$635,430	\$635,388	\$634,140	\$636,212	\$2,569,372	\$2,565,295	\$2,565,695	\$2,565,695	\$2,559,275	\$2,568,400
Coverage	6.50	6.03	6.22	6.55	1.64	1.21	1.14	1.13	1.06	1.10

Source: City of Mason, Ohio, Department of Finance

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

City of Mason, Ohio
 Demographic and Economic Statistics
 December 31, 2009
 Table 18

Year	Area (Square Miles)	Population (1)	Estimated Personal Income(2)	Per Capita Personal Income(3)	Median Age(4)	School Enrollment(5)	Unemployment Rates (6)		
							Warren County	Ohio	United States
2000	17.5	22,016	\$670,915,584	\$30,474	34.5	6,711	2.9%	3.9%	4.0%
2001	17.5	24,094	747,106,752	31,008	34.5	7,411	3.3%	4.8%	5.8%
2002	17.5	25,786	819,118,076	31,766	34.5	7,363	4.0%	5.3%	6.0%
2003	17.5	27,060	874,119,180	32,303	34.5	8,003	3.1%	5.5%	5.7%
2004	17.9	27,799	943,303,467	33,933	34.5	8,635	4.0%	5.9%	5.4%
2005	18.0	28,539	999,121,851	35,009	34.5	9,731	4.4%	5.9%	4.9%
2006	18.0	29,089	1,053,865,381	36,229	34.5	10,269	4.2%	5.4%	4.3%
2007	18.4	29,555	1,116,647,010	37,782	34.5	10,681	4.7%	5.8%	4.8%
2008	18.6	29,674	1,121,143,068	37,782	34.5	10,752	6.2%	7.6%	7.1%
2009	18.6	29,751	1,153,327,266	38,766	34.5	11,038	8.8%	10.2%	9.3%

Sources:

- (1) U.S. Census Bureau 2007 Population Estimates 2008: Estimate from City of Mason Planning and Economic Development
- (2) Population estimate times per capita person income
- (3) U.S. Department of Commerce, Bureau of Economic Analysis for the Cincinnati Metropolitan Statistical Area
- (4) U.S. Census Bureau 2000 census
- (5) Mason City Schools
- (6) Ohio Department of Job & Family Services, Office of Workforce Development, Bureau of Labor Market Information, seasonally adjusted. Information only available for Warren County

City of Mason, Ohio
Principal Employers
December 31, 2009
Table 19

<u>Employer</u>	<u>Business Activity</u>	<u>Full-time Employees</u>
Procter & Gamble Company	Healthcare research	1,943
Luxottica (Lenscrafters)	Eyewear and lens	1,533
Cintas Corporation	Professional uniforms	1,322
Mason City Schools	Local school district	1,200
L3 Cincinnati Electronics	Aerospace and defense industry electronics	609
H.J. Heinz/Portion Pac	Portion-controlled condiments	455
Mitsubishi Electric	Automotive electrical components	395
Lindner Center of Hope	Mental health treatment center	300
Cedar Village	Not for profit retirement community	243
Great Wolf Lodge	Indoor waterpark resort	212

<u>Employer</u>	<u>Business Activity</u>	<u>Income Tax Withholding Raking (1)</u>
Procter & Gamble Company	Healthcare research	1
Luxottica (Lenscrafters)	Eyewear and lens	2
Cintas Corporation	Professional uniforms	3
Mason City Schools	Local school district	4
L3 Cincinnati Electronics	Aerospace and defense industry electronics	5
Kings Island	Amusement park	6
Mitsubishi Electric	Automotive electrical components	7
H.J. Heinz/Portion Pac	Portion-controlled condiments	8
Makino Inc	Machining manufacturer	9
City of Mason	Local government	10

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

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

City of Mason, Ohio
 Full-time City of Mason Employee by Function
 Last Ten Fiscal Years
 Table 20

Full-time position at December 31	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Administration	6	9	9	9	9	10	10	10	10	10
Council								1	1	1
Engineering	9	9	10	10	10	10	11	11	11	11
Facility			1	1	1	1	1	1	1	1
Finance	7	7	8	9	10	10	10	10	10	10
Municipal Court	9	10	15	18	24	22	22	22	22	22
Public Safety										
Police										
Officers	28	35	36	36	36	38	38	40	42	42
Non-sworn	2	3	4	4	4	6	6	7	7	7
Fire (1)	9	9	15	15	15	23	32	32	33	33
Leisure Time Activities	8	9	17	18	18	19	20	21	22	22
Community Development										
Planning	1	1	1	1	1	1	1	1	2	2
Building Inspection	4	4	4	4	4	5	5	5	5	5
Economic Development	2	2	2	2	3	3	3	4	3	3
Basic Utility Service	22	20	15	15	15	15	15	15	15	15
Billing	3	3	1	1	1	1	1	1	1	1
Stormwater		1	1	1	1	1	1	1	1	1
Transportation and Street Repair	18	19	19	20	20	20	21	21	21	21
Total Full-Time Positions	128	141	158	164	172	185	197	203	207	207
Total Part-Time Positions	146	146	123	314	240	287	265	209	217	188

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

City of Mason, Ohio
 Operating Indicators and Capital Asset Statistics
 Last Ten Fiscal Years
 Table 21

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Marked Patrol Vehicles	23	23	21	19	19	19	19	21	17	20
Calls for Service	13,287	13,248	11,756	11,229	10,065	12,564	14,804	19,878	26,087	24,810
Moving Violation Citations	2,858	2,986	3,067	3,237	3,718	2,628	2,779	3,742	3,426	3,175
Arrests	637	287	613	560	711	611	739	851	822	785
Fire & Emergency Medical(1):										
Fire Responses	1,657	1,225	1,021	846	915	1,087	992	1,003	1,206	1,184
Emergency Medical Responses	2,156	1,939	2,114	2,268	2,077	2,287	2,257	2,704	2,611	2,431
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Emergency Vehicles	18	18	19	19	17	17	17	19	19	20
Leisure Time Activities										
Parks	6	6	6	6	6	6	6	6	7	7
Park acreage (developed)	242	242	242	242	242	242	279	279	296	296
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Community Center (opened in 2002)			1	1	1	1	1	1	1	1
Community Development										
Permits issued	413	445	367	298	211	179	97	77	52	35
Utility Services										
Sanitary sewers (miles)	95	97	102	116	118	123	129	132	133	134
Storm sewers (miles)	61	67	72	78	80	84	87	91	92	92
Sewage Treatment capacity per day (million gallons)	5.00	5.00	5.00	5.00	5.00	5.00	8.67	8.67	8.67	8.67
Transportation & Street Repair										
Number of Streets (dedicated)	307	325	348	381	387	408	420	433	440	445
Lane Miles	327	329	329	339	341	341	343	351	354	355
Traffic Signals	28	32	34	34	36	39	40	40	40	40
Bike Paths (miles)	3	7	10	10	10	11	12	14	17	17

Source: City of Mason, Ohio, Department of Finance

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

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Mary Taylor, CPA
Auditor of State

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
AUGUST 3, 2010