

Tab 1: Contact Information

- Political Subdivision: City of Mansfield, Department of Finance
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- Phone: 419.755.9775 Fax: 419.755.9405
- Email Address: lsteward@ci.mansfield.oh.us
- Applicant Contact: Linn Steward CPA
 - Finance Director
 - Address/Phone/email –Same as Above
- County: Richland County
- Population: 47,200 City of Mansfield as of 2010 Census (Tab 5 Attachment)

Tab 2: Collaborative Partner Attachment Tab 2 A1-18

- Partner-Consultant: Government Finance Officers Association Consulting Center
 - Shayne Kavanagh, Senior Manager- Research
- Address: 203 N LaSalle Ave, Suite 2700, Chicago, IL 60601
- Phone: 312.578.2276
- Email Address: skavanagh@gfoa.org
- Nature of Partnership: GFOACC will provide consulting for project plan development, working with the applicant on visioning and identified areas of process development.

Tab 3: Project Information

- Project Name: Mansfield Efficiency Improvement Planning Project (MEIPP)
- Brief Project Description : See Below

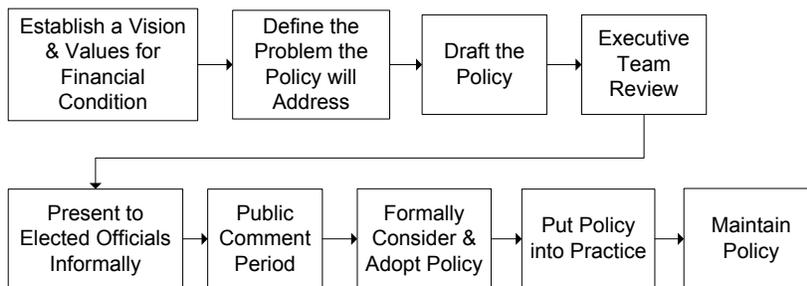
Develop project planning and implementing a project that will employ process improvements to reduce the expenditure of resources, increasing efficiencies and manage risks to cope with economic uncertainty and other factors. The project plan goal will be to professionally develop Risk Based Strategic and Financial Plans designed to increase efficiency, performance and financial sustainability as well as aiding in performance based budgeting and decision-making. Efficiency improvement plans will employ a process of advances to reduce the expenditure of resources on specific responsibilities for outcome comparison. (General Dwight D. Eisenhower once said “plans are nothing; planning is everything”)

What is notable about this planning project is that it will take a risk based approach to development. Rather than just rote adherence to “best practices” we will take time through planning to understand the financial vulnerabilities of the organization in order to customize the plans and ultimate policies and procedures to circumstances facing our community and those of similar size and challenges. Of course, we will have checklists of best practices to use during the planning process. However it is important, if we are to be successful in increasing efficiency and effectiveness, that the plan be developed in the context of local concerns, issues and challenges that currently exist or are likely to advance in the near term. This plan will also include a visioning component, as the process of planning is often more important than the plan itself.

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The planning process will include insight based on interviews from elected officials, key staff and various stakeholders on what they see as major risks, obstacles to success, etc. as the first step in the process. The objective will be to make a connection between concerns of those interviewed and plan content. It is believed the visioning component will result in elected officials and staff taking a greater stake in the resulting policy and efficiency improvement plans. In evaluating financial sustainability with key stakeholders, we trust they will be interested in turning their vision into reality once it has been articulated. Financial and performance policies then take the vision to the next level of tangibility when a sound plan is followed.

The planning method will follow nine basic steps as follows:



The plans will aid in performance based decision making and include budget measures such as: *Workload* (Output) indicating the amount of work performed or services rendered. *Efficiency* reflecting the relationship between the work performed and the resources required to perform it. *Effectiveness* (Outcome) which will depict the degree to which performance objectives are achieved or otherwise reflects the quality of local government performance, and *Productivity* which will combine the dimensions of efficiency and effectiveness in a single indicator.

Although the project may identify additional needs during the planning process, the chart below outlines plan objectives to be addressed:

Reserves	Investment
General Fund Reserve	Investment Policy
Safety Fund	Accounting and Financial Reporting
Water and Sewer Operating Fund	Audit Committee
Health Insurance Fund	Accounting
Separation Fund	Reporting
Contingency Fund	Internal Controls
Operating Budget	Revenues
Performance Budget Policy	Non-recurring revenues
Capital Budgeting & Planning	Taxes
Capital Budgeting and Planning	User Fees
Debt Management	Expenditures
Debt Policy	Program review and right-sourcing
Long-Term Financial Planning	Post-employment benefits
Long-Term Financial Planning	Risk Management

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- Type of Award: Grant for Planning and Mgt. of Efficiency Improvement Project
- Proof of Feasibility Study: N/A
- Problem Statement: See Below

Currently the largest Ohio city in Fiscal Emergency, our problems developed from the lack of sound planning resulting in decreased efficiencies and incurred structural operating deficits in the combined governmental funds in a majority of the years from 2000-2009. Specifically, operating expenditures exceeded operating revenues in seven of the ten years. In only one year, 2009 did the City achieve a positive balance in its governmental funds by receiving \$2.6 million in debt proceeds. The Cities combined sum of funds with deficit balances of approximately \$3.4 million as of December 2009 and \$9.8 million as of April 30, 2010 resulted in the State of Ohio Auditors Office declaring Mansfield in Fiscal Emergency on August 19, 2010. The current 5 year financial forecast show a deficient in the city general fund growing to nearly \$5 million in 2015 in addition to a Safety Fund deficient of nearly \$4 million in the same year based on the August 2011 forecast by State Auditors.

The City of Mansfield currently has no structured Priority or Performance Based Budget Plan, Financial Operating or Reserve Plans and lacks the ability and expertise to devote staff to develop such plans.

The State Auditor in accordance with Ohio Revised Code Section 118.023 directed a Performance Audit of the city in July 2011.

The Audit resulted in a recommendation that the City of Mansfield develop plans to include performance measures to aid in decision-making including developing a strategic plan, capital improvement plan and financial forecasts. The report also outlined the urgent need for planned improvement in the budgetary process to include measures to increase efficiencies and to assure limited city resources are used in the most effective, efficient manner.

According to Recommended Budget Practices on the Establishment of Strategic Plans by the Government Finance Officers Association (GFOA) published in 2005, ALL government entities should use some form of strategic planning to provide a long-term perspective for service delivery and budgeting. The Performance Report also noted GFOA reports on Financial Forecasting in the Budget Preparation Process and Municipal Benchmarks as references in development of sound plans and policies. Outcomes from these guides and GFOA consultants have been used in the project plan.

The City has invested in a Public Administration and Financial Software Package which will link various departments and functions in the city including budgeting, and utilities collections. The initial investment of \$627,000.00 in addition to the annual maintenance cost of \$55,800 will allow the city to collect data to be evaluated. Although this is an important element in providing more accurate data to city leaders and department managers, sound plans are needed to assure our future success.

The Auditor has invested nearly \$200,000 in completing the Performance Audit and Local Government Support Auditors to assist the city in preparation of a Recovery Plan from Fiscal Emergency, however

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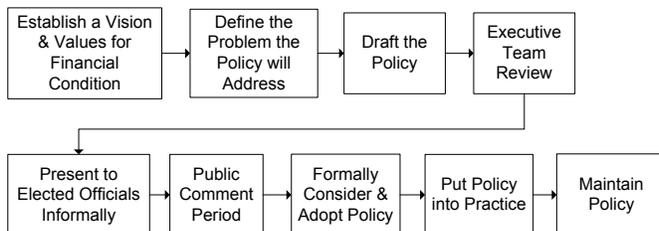
these recommendations will require complex project planning and management of implementation that this project will provide.

The Director of the Finance for the City of Mansfield is an elected position with limited resources to address the problems identified as contributing to the cities past financial challenges as well as those identified in the Auditor's Performance Audit. As the City remains in Fiscal Emergency, staff in the Finance Department, which includes Income Tax and Payroll, is committed to increasing efficiency. However the expertise, attention and devotion required for the development of plans to accomplish this are critical to increasing efficiencies, recovery and financial sustainability. Personnel in the Department have been reduced drastically (37%), and we currently lack the expertise, and resources to implement the project planning process needed to develop sound risk based policies and a priority/performance driven budget process. This process improvement is the most important method to assure a reduction in the expenditure of resources.

Requested funds will include consulting services to be provided by GFOA in the development of efficiency improvements, Risk Based Financial Planning, to include a visioning component.

- Targeted Approach: Efficiency Improvement Project Plans (See Below)

Efficiency improvement project plans will employ a process of advances to reduce the expenditure of resources on specific responsibilities. The Plan will begin with a visioning component by interviewing City Staff and Elected Officials to identify risk and then progress through the following steps:



When the planning process is complete, policies will be implemented. As the policy is placed into practice through the establishment of procedures, areas such as Fund Reserves, Debt Management and Short-Long Term Financing policies will help to assure financial sustainability. Plans resulting in Budget Policy and procedure development will result in Priority Driven and/or Performance Based Budgets. Such budgets will reduce costs and increase effectiveness by allocating funds according to how effectively a program or service achieves the goals and objectives and are of greatest value to our residents.

As stated earlier, the project plan will aid in performance based decision making and will include measures such as: *Workload* (Output) indicating the amount of work performed or services rendered. *Efficiency* reflecting the relationship between the work performed and the resources required to perform it. *Effectiveness* (Outcome) which will depict the degree to which performance objectives are achieved or otherwise reflects the quality of local government performance, and *Productivity* which will combine the dimensions of efficiency and effectiveness in a single indicator.

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- Anticipated Return on Investment: \$ 665,000.00+* Annually - See Below

Although it is difficult to validate a number in terms of savings, increased efficiencies from implementation of a performance based budget, process improvements and technology enhancements that the city will invest could save the city more than \$600,000 annually after implementation. This is in addition to improving the cities financial sustainability as part of the project plan. A conservative figure as a result of more efficient planning and process improvements including the cost of necessary technology purchased by the city would be 3% of an estimated \$22 million dollar annual personnel budget upon full implementation. *Although with a reduced work force the actual budget may not be reduced by the 3% total, the outcomes from the same or reduced resources will increase as compared to previous years.

The State of Ohio Auditors Office has expended nearly *\$200,000.00 in fiscal analysis and performance audit costs to date alone, however they do not provide support for planning requested in this project. Also it should be noted as of August of this year the city will be required to pay the cost of Audit support from the State Auditor's Office. We anticipate costs to the City associated with the Fiscal Emergency declaration to be approximately *\$10,000.00 annually for State Auditors assistance after the 36th month of assistance until released from the classification. The part of the project plan that will address Risk Based Financial Management will assure Mansfield does not repeat the errors of the past saving tax payers these costs. Prior to entering Fiscal Emergency on August 19, 2010 the City entered Fiscal Watch earlier the same year. At that time there was no performance or risk based management plans in place and we discovered most cities of our size do not have such plans. The result in an economic crisis was disastrous. There were dramatic cuts in Fire and Police, elimination of more than 100 positions in city government, disruption in city services and of course Fiscal Emergency.

Efficiency improvements will be the direct return on investment. Implementation of the project plan will employ process improvements to reduce the expenditure of resources on specific responsibilities at the same level of effectiveness as in the past three years. Plan development will change our way of thinking as it applies to reserve planning and resource allocations.

Instead of considering "Last year's budget" we prioritize "Community Priorities". We move the focus from "Cost of Service" to "Value of Service". Where we once looked at a *department's* budget, we now work to budget by "Priorities". The focus will be on new ideas, innovations and increased efficiencies through cooperation instead of the same low risk approach that lead us to Fiscal Emergency.

This Efficiency Improvement Project Plan will be used to develop policies, procedures and a performance based budget which will maximize the effectiveness of greatly reduced resources. The plan will include development of Reserve Balance, Debt Management and Performance Budget policies and procedures that will enhance financial sustainability and greatly improved efficiencies.

- Probability of Success: Nearly Certain- See Below

The likelihood of success is nearly *certain*. Our leadership team is committed to this proposal and implementation of an efficiency improvement plan to reduce expenditure of resources and will include

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process improvements. As shown below, the team has experience and success in implementing such plans with varied hard cost reductions in addition to more efficient resource utilization.

This proposal will also allow the city to manage risk and cope with uncertainty in future years. In our specific case the State of Ohio declared the city in Fiscal Emergency resulting in significant expenditures by the State Auditor to assign both financial and performance auditors to assist the city in stabilizing budget. The State Auditors Performance Report detailed research and recommendations following weeks of interviews, comparison with peer cities and evaluation of data collected. This report would be one of the principle documents to guide the project.

Utilizing GFOA Consultants, and City Personnel, a specific risk based management and efficiency improvement plan will be developed in which the City will then build policies and procedures to assure financial sustainability; and reduce the expenditure of resources on specific responsibilities as compared to previous years.

Savings from the implementation of a sound plan will include improved processes for resource allocation; budget plans that will be performance based as well as risk based financial plans to insure the cities financial sustainability.

The Performance Report, and the Problem Statement contained in this application detail current fund deficits and examples of resource expenditures which we will seek to control and improve with project planning. Development of these plans will also support recommendations found in the City of Mansfield Recovery Plan.

Examples of past successful project implementations requiring research, planning and implementation within the past two years with estimated savings for single year include:

Multi-Function Document Device Project- Evaluate and restructure device plans:	\$ 25,107.00
LED Traffic Lighting Project- Evaluate and alter lighting plans:	\$ 66,000.00
Street Lighting Efficiency Project- Evaluate light plan w/ crime rates: (3yr)	\$243,180.00
Cost Avoidance Project- Evaluate all contracts and move to existing personnel:	\$ 60,000.00
IT Software Implementation Project- Safety and Financial Software: Eliminated Positions (Workforce has been reduced by more than 100 positions since 1/2008)	\$800,000.00+
Energy Reduction Plan:	\$ 20,000.00
Paper Towel Reduction Plan	\$ 12,000.00

- Applicants Ability to Replicate Proposal:

The applicant will document the process in such a way to provide ease of implementation to other government entities, in a format that can be replicated and scalable. The project plan will be easily replicated in other political subdivisions as we agree to provide all material collected in the research and

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visioning phase as well as the completed policies, procedures and performance based budget templates. The applicant is willing to share and work with members of other Ohio communities to replicate the outcomes of the project.

- Consolidation of Larger Project:

The outcome of the planning project will allow city leadership to evaluate resource allocations to determine efficiently improvements from consolidation. Such consolidations would include combining existing departments and/or sharing available resources for a more cost effective method of service delivery to our residents. Outcomes will assist leadership in decision making to include consolidation and new project scenarios. We are also discussing Centralized Purchasing as an initial project following the completion of this project plan as an example of future consolidation.

- Past Innovative Successes:

In addition to those examples noted under Probability of Success, an example of a larger project is one that began in the City of Mansfield. Through shared service, coproduction and shared mergers, it has expanded to include participants from 10 counties and more than 26 communities:

Multi-Jurisdictional Law Enforcement Task Force- This project began by researching the challenges of multi-jurisdictional investigations including cost, challenges presented by political boundaries and resource allocation. During a period of diminishing law enforcement resources, the need for improved efficiency, shared resources and mergers among law enforcement units became a necessity if we were going to meeting the increasing challenges of increasing crime rates. As a result the City of Mansfield implemented a project known as METRICH (Metro-Richland County). The project implementation focused on improving Communication, Collaboration and Coordination. As a result of interviews, stakeholder roundtables and resource assessments, METRICH which is based in Mansfield is the largest de-centralized multi-jurisdictional task force in the State. Although project participants' personnel costs are paid by their home agencies, they share personnel resource, equipment, supplies and most importantly information. The project now includes ten (10) counties and more than 26 communities. METRICH is now in its 25th year began with a sound plan and has been recognized for its efficiencies and outcomes at both the state and national level saving tax payers tens of thousands of dollars annually.

- Proposal Response to Economy and Demand for Services:

The declining economy has been a significant challenge for the City of Mansfield. Our unemployment rate is one of the highest in the State of Ohio. The General Motors Plant was closed in their restructuring and our Air National Guard Operation at the Municipal Airport remains at risk with the cancellation of the C27 Aircraft Program.

When the City entered Fiscal Emergency on July 12, 2011 it became necessary to vacate more than 100 positions leading to service delays and disruption. Demand for service has not diminished and in fact in many areas such as crime control, nuisance abatement and code enforcement, demand has increased.

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This project, upon implementation will allow us to employ process improvements to reduce expenditure of resources allowing greater effectiveness in the challenge of addressing service demands. By working smarter, and more efficiently we will be able to do more with less.

The project will also include the implementation of risk based financial plans which will prevent a repeat of past management errors which resulted in Fiscal Emergency. Our legislative body, through Ordinance (#12-045) has adopted this project to develop the Financial Efficiency Improvement Plan.

- Intent to Implement Recommendations of a Performance Audit:

The City of Mansfield is committed to an improvement process outlined in the Performance Audit and continues to implement Performance Audit Report Recommendations (Released July 11, 2011) and has reduced the current work force by 41% from authorized levels. (731 to 433) The reductions include 131 positions being vacated through eliminations, lay-offs and retirements in the past 4 years, of which 62 positions were reduced since entering Fiscal Emergency in August of 2010.

This project will specifically address primary Performance Audit Recommendations *1.1 Develop plans and performance measures to aid in decision-making and 1.2 Improve the Budgetary Process.*

The report outlined the urgent need for *planned* improvement in the budgetary process to embrace measures to increase efficiencies and assure limited city resources are used in the most effective, efficient manner.

Considering the dramatic reduction in personnel, including approximately 37% of the authorized Finance personnel, GFOA (Government Finance Officers Association) Consultants will be a critical collaborated partner to developing the project plan.

- Facilitating an Improved Business Environment Promoting Community Attraction:

Unfortunately our financial challenges leading to Fiscal Emergency and a downgraded Credit Rating diminish our ability to improve our business environment. Our inability to adequately address code, nuisance and abatement issues adds to the struggle to successfully promote our city. The antiquated budgetary process as noted in the State Performance Audit fails to assure an efficient use of very limited resources. These trials alone have hammered our ability to create an improved business environment.

This Project Plan when implemented can change our community now and help secure our future. The Plan includes a visioning component to assure collaboration of all stakeholders. The plan will establish risk based management practices that our legislature has committed to support helping to assure financial sustainability even in our tough economic times. The process improvements will reduce the expenditure of resources and increase efficiency. Currently we have the highest income tax rate in our area, and a credit rating that has been recently downgraded twice. As we move forward in the implementation of this project, which will result in revenue and cost controls, our tax rate will stabilize avoiding increases which hinder both business development and individuals who may consider locating in Mansfield.

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We envision this project will help us to become more efficient with the development of processes that will increase our credit rating, stabilize our tax rate in comparison to other communities promoting our city as a business friendly environment. Other results of financial sustainability will be improved safety, stable utility rates, and enhanced community appearance by efficiently addressing code and abatement issues.

Our Mayor, members of council and collaborative partners throughout our city are committed to reducing neighborhood blight and promoting beautification projects. This goal which will promote our community to both business and individuals can only be achieved if we have efficient processes to respond to our service demands. However we must first address our financial challenges through sound risk based planning that this project will assure.

Tab 4: Financial Documentation

- Three Years of Financial History: Attachment - Tab 4 A-1
- Five Year Financial Forecast: Attachment- Tab 4 A-2

- Anticipated Project Costs: Attachment- Tab 4 A-3
 - Grant Funds Requested: \$ 63,000.00
 - GFOA Project Consultant Fees \$ 37,200.00
 - Administrative Support/Part-Time \$ 25,800.00

 - Match Funds / In-Kind \$ 753,500.00
 - New World Financial Software \$ 627,500.00
 - NW Software Annual Maintenance \$ 55,800.00
 - Finance Personnel to Project \$ 70,000.00

- Three Years of Financial Projections – Anticipated Savings:
 - 2012 Project Plan Development and Implementation
 - 2013 Reduce cost of State Auditors to City \$ 10,000.00
 - 2013 Efficiency improves 2% of personnel costs* \$ 443,322.00
 - 2014 Efficiency improves 3% of personnel costs* \$ 665,000.00
 - 2015 Efficiency improves 3% of personnel costs* \$ 665,000.00

* Anticipated savings are in addition to the expected project outcome of financial sustainability based on risk based planning. As noted earlier in the application, the savings noted are *estimates* from expected project process improvements which will include full implementation of New World Management and MITS tax software supplied by the city. Cost associated with State Auditor Assistance occurs after the 36th month of support from August 2010. Personnel cost basis is annual base salary expenses for the city of \$22,166,107.00. (2011 Payroll Records)

Tab 5: Supporting Documentation Attachments

- Consultant Agreement
- Resolution of support from local Mansfield City Council
- State of Ohio Performance Audit Recommendations 1.1 and 1.2
- US Census 2010 Report for Mansfield, Ohio
- Self-score assessment

PROPOSAL TO:

City of Mansfield, Ohio

FOR:

**Developing a Plan for Risk-Based
Policies and Strategic Financial
Management**



**Research and
Consulting Center**

**Government Finance Officers Association
(GFOA)**

February, 2012

***Note:** This proposal and description of GFOA methodologies is for the City of Mansfield only. All information herein is confidential and proprietary to GFOA. Upon request by GFOA, all materials submitted as part of this proposal must be returned or destroyed.*



The Research and Consulting Center
Government Finance Officers Association

February, 2011

Linn Steward CPA, Finance Director
City of Mansfield
30 North Diamond St.
Mansfield, OH 44902
Sent via email

Dear Ms. Steward:

The Government Finance Officers Association (GFOA) is pleased to provide a proposal to the City of Mansfield in response to its request for assistance with developing a plan to implement financial policies.

We understand that the City would like to follow a structured approach to developing policies that takes into account: salient risks to the City's continued financial health; legal mandates; existing policies and practices; bond rating agency expectations; and the practices of leading cities from across the United States. GFOA has done extensive work on the topic of financial policies, including a new book on the subject, which will be published in 2012.

We very much look forward to the opportunity to work with you on this project. If there are any questions, please contact: me directly using the contact information below, or Shayne Kavanagh, Senior Manager of Research, who would manage this project, at 312-578-2276 or skavanagh@gfoa.org.

Sincerely,



Anne Spray Kinney
Director, Research and Consulting Center
Government Finance Officers Association
203 N. LaSalle Street, Suite 2700
Chicago, IL 60601
Voice: (312) 977-9700
akinney@gfoa.org

cc:
Philip Messer
Finance Department, City of Mansfield



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About GFOA

The Government Finance Officers Association (GFOA) is the leading association for public-sector finance professionals in the United States and Canada. Founded in 1906, the GFOA currently has 17,500 members who look to the GFOA as the gold standard for identifying, developing, and communicating leading practices in government financial management.

As a nonprofit organization, the GFOA's mission is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

The GFOA's Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments' financial management. Since beginning operations in 1977, the RCC has assisted hundreds of cities, counties, public utilities, and other forms of government to create best practice solutions to meet their unique challenges.

GFOA Experience Related to This Project

Shayne Kavanagh, the proposed lead consultant for Mansfield, and the GFOA began consulting in long-term financial planning and policies in 2002 as our members realized that a longer-term perspective on resource use was required than that provided by the annual budgeting process. From there, Shayne produced the leading publication on the subject of policies, *Financial Policies: Design and Implementation*. Shayne is currently in the process of preparing a new book on financial policies that is based on our latest research. Shayne and GFOA have also continued to provide financial planning and policy advisory services to many local governments and Shayne has developed a number of other publications relating to strategic financial management. Of particular interest to Mansfield might be the GFOA financial recovery model and financial resiliency concepts that are available, for free, at www.gfoa.org/financialrecovery.

GFOA has worked with many types of governments across North America on financial planning and policy development. We have assisted in varying capacities, including forecasting and financial analysis, strategic priority setting, budget process design, and financial policy design, just to name a few. The success of governments with which we work is our highest goal. As a mission-driven organization, the GFOA does not succeed unless you do. We encourage you to take a look at what our past clients have to say about our work.



Scope of Work

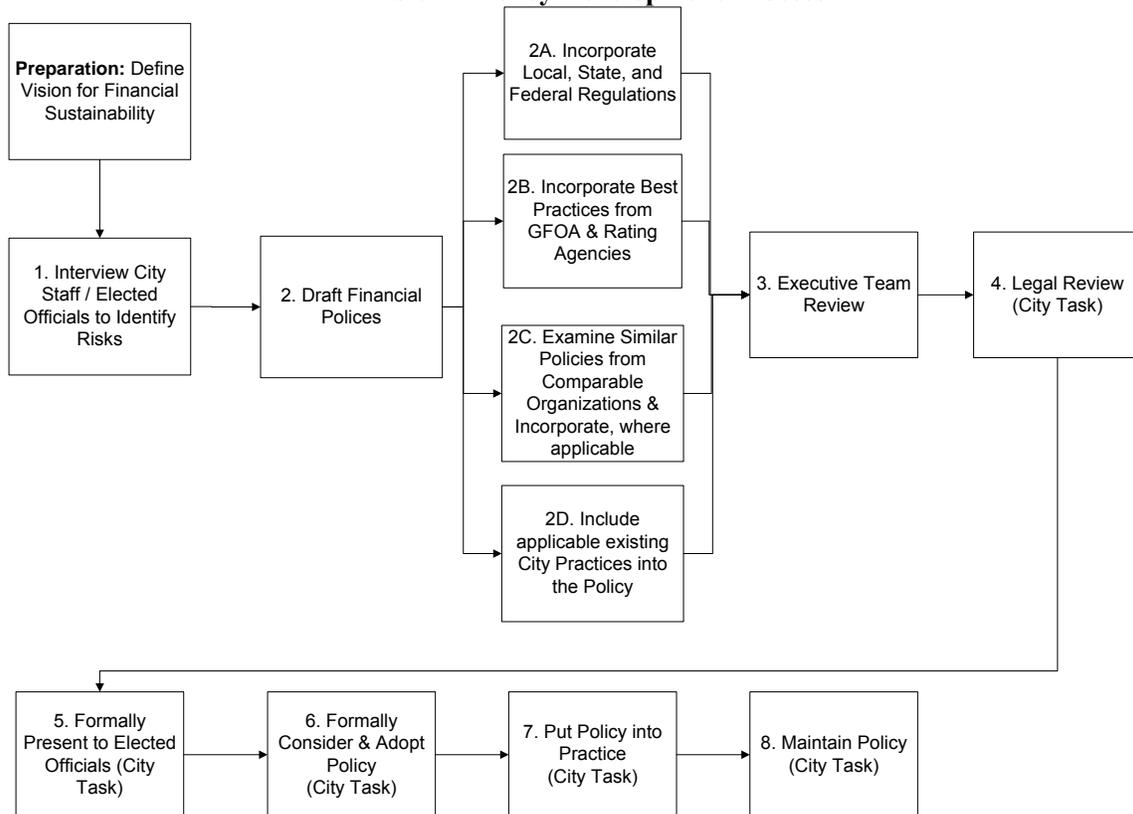
We understand that the City of Mansfield would like to follow a structured approach to developing policies that takes into account: salient risks to the City’s continued financial health; legal mandates; existing policies and practices; bond rating agency expectations; and the practices of leading cities from across the United States. The policies that the City would like to develop are shown in Exhibit 1 below:

Exhibit 1 – Policies in Scope

Reserves	Investment
Operating Budget	Accounting and Financial Reporting
Capital Budgeting & Planning	Revenues
Debt Management	Expenditures

In order to help the City achieve its goal, GFOA strongly suggests following the process shown in Exhibit 2 below. GFOA would lead steps one through three as well as the preparatory step of developing a vision for financial sustainability. The City would be responsible for the other steps. GFOA’s suggested detailed approach for completing these activities is described following the diagram.

Exhibit 2 – Policy Development Process



Define Vision for Financial Sustainability

In strategic planning parlance a “vision statement” is a description of what the organization should look like once it has successfully implemented its strategies and achieved its full potential....This description is the organization’s *vision of success*.¹ Further, “a challenging yet achievable vision embodies the tension between what an organization wants and what it can have.”² “Values” are traits or qualities that are considered worthwhile and are an expression of how the government will act in relation to the community and its internal business. A vision and values statement is a powerful tool of city council leadership. The fundamental function of the council is to articulate what the purpose of city government is and a vision statement allows them to do that.

In the realm of financial policies, a city council’s financial vision and values accomplishes much the same function, but focuses on financial condition in particular. A vision/values statement is a good starting point for financial policies because members of the city government will naturally be interested in turning their vision into reality and governing in accordance with their values, and financial policies are one important way of doing that.

Hence, in this part of the project GFOA will interview City Council members and key staff in order to learn how they envision the financial future of the City, and to ascertain what values they believe are most important for reaching a sustainable financial future. The results of the interviews will then be compiled into a draft vision and values statement. The drafts will be circulated to the Council and then reviewed and discussed at a public meeting. Any necessary changes will be made after the meeting and the final draft will then be considered for adoption by the Council at a future meeting.

1. Interview Department of Financial Services Staff and Key Officials to Identify Risks

Financial policies define boundaries and mitigate risks to financial balance. For example, a reserve policy directs that a government maintain a certain level of reserve in order to provide a cushion against unexpected events. The precise amount targeted for the reserve should be based on the level of risk to which the organization is subject. For example, a community on the coast of Florida may have a large exposure to hurricanes and, therefore, would need larger reserves in order to respond quickly and decisively to public safety needs that might arise in the wake of a hurricane. Conversely, a community in an area with little exposure to natural disasters might need comparatively smaller reserves.

In this step, GFOA will interview key elected officials and staff stakeholders in order to get their views on the risks the City faces in each of the relevant policy areas from Exhibit 1. The specific approach taken will be:

- A. GFOA develops questionnaires to guide the discussion for each policy area. There will be common themes across each policy area, but GFOA will also customize the questions for each policy area. Reserves, in particular, will be heavily customized to address the specific risk factors relevant to reserve levels. The questionnaires will be given to the City in advance. This will provide an opportunity to change the questionnaires, if needed, and will help the interviewees be better prepared.

¹ Bryson, John M. *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 3rd Edition. San Francisco: Jossey-Bass, 2004, p 49.

² Ibid, referencing Senge, P.M., “The Leader’s New Work: Building Learning Organizations.” *Sloan Management Review*, Fall 1990, pp. 7-23.

- B. GFOA will conduct phone interviews. This will help keep the cost of the project down and will make scheduling easier. GFOA assumes that there will be about 15 individuals who will participate in the interviews. GFOA has budgeted 18 hours for interviews and anticipates conducting group interviews to economize on time. Some staff may participate in more than one interview. GFOA usually tries to limit any single interview to about an hour.
- C. GFOA will write up the results of the interviews so that the City can validate the findings. The write-up will be as concise as possible.

2. Draft Financial Policies

GFOA will develop a draft of each policy. GFOA will draft the policies to be concise and to address matters of governing Board-level policy. GFOA will avoid comingling detailed procedures with the policies.

The first step will be for GFOA to propose a format for the policies to the City. The City and GFOA will discuss the format and agree on a final format. The format will be based on examples from other governments, best practices from GFOA research, and past practices at the City. GFOA will then develop an outline for each policy. The outline will be validated by the City early on to make sure that GFOA and the City are in alignment on the basic direction of policy development

GFOA will then undertake various analytic activities shown in Exhibit 2.

- A. *GFOA and the City inventory relevant City, state, and federal regulations.* Policies must be consistent with relevant laws and regulations, so the City and GFOA will inventory such regulations. GFOA is not an expert in Ohio law. As such, GFOA will compile a list of key issues that commonly have legal implications for each policy type within the scope of this project and City staff will respond as to any laws that apply to the City.
- B. *Incorporate GFOA Best Practices and rating agency guidance.* GFOA will compile a checklist of applicable GFOA Best Practices and rating agency guidance for each policy type. The checklist can be used to make sure the policy conforms to these guidelines and will be useful to City staff later in the policy development process when staff communicate the importance of policies to other stakeholders.
- C. *Examine policies from comparable organizations.* GFOA and the City will identify up to six comparable governments with which the City would like to compare policies. Only three governments will be compared for any given policy type, but six will be identified in order to make sure a sufficient pool of policies exists to get three points of comparison for each policy type. The City will suggest the organizations it would like to compare with and/or will identify the criteria for comparable governments and GFOA will suggest specific governments. GFOA will gather policies from the governments, examine the policies for ideas that might be useful to the City, incorporate said ideas into the City's policy draft where possible, and will provide a global review of how the comparable agencies' policies compare to the City's new policies. This last activity will be helpful for communicating the value of the City's new policies to stakeholders.
- D. *Include applicable City past practices into policies.* In order to ensure that policies are consistent with past practices and the prevailing work culture, GFOA will identify key options and alternatives for each policy that might vary based on past practices and culture. GFOA will review these options with the City in order to select the best ones. GFOA will also review relevant documents, such as existing policies and ordinances, strategic plans that contain policy direction, or relevant Board resolutions or other actions.

Based on the foregoing activities, GFOA will draft a set of financial policies. GFOA will provide the policies for review and feedback by City staff.

3. Review with Executive Team

The executive team review will consist of a number of short meetings held via conference call. The time to prepare for and hold these meetings will be drawn from the pool of hours proposed for this project. This will give the City the flexibility to schedule the number of meetings it requires to get input from a wide spectrum of executive managers. It will also break up the review and make it easier for executive staff to digest the information. GFOA will revise the policies as may be needed based on suggestions from the executive team.

An important part of the review will be discussing particular strategies that the City might use to enact the ideas and directives found in the policies.

CIPFA-GFOA FM Model

The City expressed interest in the CIPFA-GFOA FM Model. The FM Model provides governments with a detailed set of self-assessment questions. The model:

- Assesses every major area of financial management — budgeting, debt management, financial planning, and more.
- Covers additional issues such as transparency, citizen engagement, and use of technology.
- Facilitates an evidence-based approach to self-assessment.
- Summarizes responses and identifies overall competencies and areas that need attention.
- Provides a wealth of data governments can use for continuous improvement of their financial management.
- Helps improve the functioning of the entire organization by strengthening financial management capacity.

The system is provided to you via a secure dedicated Web site. You can score your performance by responding to carefully crafted questions in order to gain a clear picture of where your organization stands. Features include:

- Self-assessment survey tool where scores for the statements and answers to the supporting questions can be entered.
- Suite of standard reports.
- Survey tool, including a set of standard surveys.
- Export capability to Excel so survey results can be analyzed.
- Repeat use and score tracking.



Pricing

The table below gives GFOA’s proposed pricing. The pricing for GFOA services is a fixed fee such that the City need not worry about spending more than the table indicates, including travel costs. Following the table is a listing of GFOA key assumptions underpinning the cost proposal.

Payment Milestone	Price
Step 1 – Interviews	
GFOA provides summary of Council interviews	\$5,000
Vision and values drafted	\$6,000
Step 2 - Draft Policies	
1/3 of Policies Drafted	\$7,000
2/3 of Policies Drafted	\$7,000
All policies that are in scope are drafted	\$7,000
Step 3 - Executive Review	
Pool of 20 hours for additional interviews, analyzing current practices, & conducting executive review meetings. Hours will be charged at actual use. Full use shown for budgeting purposes.	\$4,000
GFOA FM Model	
1 year membership to GFOA’s FM Model financial management self-assessment system.	\$1,200
GRAND TOTAL	\$37,200

Key Assumptions

- General
 - Should site visit schedules be changed by the City after travel plans have been made, the City will absorb any additional costs that those changes may cause.
 - City staff will be available for meetings and calls as planned
 - GFOA will invoice the City monthly or upon completion of a milestone.
 - GFOA has proposed a pool of 20 hours to be used for various tasks where there is a high level of uncertainty as to the exact amount of work that will be required. GFOA assumes that the pool will be use for: conducting additional interviews beyond what is in scope in Step 1; analyzing current City practices that may be relevant to the policies (Step 2); and conducting policy review meetings with the executive team (Step 3). GFOA will work with the City to make sure the pool is used judiciously.
- Step 1
 - A total of 13 hours worth of interviews will be conducted.
 - Interviews will be conducted by phone
- Step 2
 - A total of 3 other agencies will be selected as comparables.
 - GFOA has not budgeted time for reviewing historical documents

- GFOA staff are not legal experts so will need to rely on the City for definitive guidance on the impact of relevant legal regulations that impact the City
- Step 3
 - All meetings will be conducted by phone. The City may request that GFOA conduct the meetings on-site, but will, in that case, reimburse GFOA for travel costs and all site visits will be billed at an 8 hour minimum.



GFOA Staff Qualifications

Shayne Kavanagh, Project Manager: Shayne is the Senior Manager of Research for GFOA and has been a leader in developing the practice and technique of long-term financial planning and policies for local government. He started GFOA's long-term financial planning and policy consulting offering in 2002 and has been working with governments on financial planning and policies ever since. Shayne has worked with many governments on financial planning and policies, including: the City of San Clemente, California; the City of Gresham, Oregon; the City of Montclair, California; the City of San Juan Capistrano, California; Adams County, Pennsylvania; Yolo County, California; and the City of Menlo Park, California. When it comes to consulting, he prides himself on:

- **High Customer Satisfaction.** References' testimonial quotes and high rates of repeat business speak for themselves.
- **Innovation and Adaptable Solutions.** Shayne seeks to understand the unique issues each client has and craft solutions that will best fit the situation.
- **Continuous Improvement.** Shayne constantly learns from consulting engagements as well as research with other GFOA member governments and applies these lessons to current and new clients.

Shayne's financial planning experience also drives his research at GFOA. He is the author of a number of influential publications on financial planning, including:

- The leading and highly regarded book about long-term financial planning in local government, *Financing the Future*.
- *Financial Policies: Design and Implementation*, GFOA's flagship publication on the topic.
- *An Elected Officials Guide to Long-Term Financial Planning*, a book that focuses on the pivotal role of elected officials in the planning process.
- A number of articles on long-term financial planning, financial policies, budget reform, using technology to improve efficiency, and other related topics for magazines including *Government Finance Review*, *Public Management*, *School Business Affairs*, and *Public CIO*.

Shayne is also a sought-after speaker on the topic of financial planning, having spoken at a number of conferences on the topic, including: the national GFOA conference, the Atlanta Regional Commission, the International City/County Managers Association, the National League of Cities, and the National Tax Association.

Prior to joining GFOA, Shayne was the Assistant Village Manager for the Village of Palos Park, Illinois, where he was responsible for managing all aspects of financial management operations, including budgeting, utility billing, payroll, and accounting. He received his MPA degree from Northern Illinois University.

Mike Mucha, Project Analyst: Mike is a Senior Manager with the GFOA Research and Consulting Center and focuses on organizational assessments, technology procurement and implementation, and performance management. Mike led efforts in the City of

Portsmouth (VA) to conduct an assessment of their budget process and designed an improved process along with an implementation plan for the City's move to biennial budgeting. Mike has also led organizational assessment and procurement projects for Pima County (AZ), Sonoma County (CA), City of Spokane (WA), City of Hayward (CA), among others. Mike also co-edited two recent GFOA publications titled *Capital Project Planning and Evaluation* and *The State and Local Government Performance Management Sourcebook* and has written whitepapers and articles on fiscal impact analysis, budgeting, performance management, and technology. He also coordinates all GFOA training events on budgeting and performance management and staffs GFOA's committee to develop best practices on economic development and capital planning. Prior to coming to GFOA, Mike worked with the Sports & Exhibition Authority of Pittsburgh and Allegheny County. He received a Master of Science in Public Policy and Management from the Heinz School of Public Policy and Management at Carnegie Mellon University with a focus on public finance and economic development and a Bachelor of Business Administration in Economics from the University of Iowa.

Anne Spray Kinney (Engagement Manager) is GFOA's Director of Research and Consulting. Ms Kinney has more than 25 years of experience in government management, much of that time as a practitioner. Ms Kinney's consulting experience encompasses many areas of general and financial management. Her areas of specialty include performance budgeting and performance measurement; organizational design, assessment, and management; and strategic planning, including long-term financial planning. Prior to becoming an advisor to local government, Ms. Kinney held upper level management positions in local government, including the City of Milwaukee, WI, the Milwaukee Metropolitan Sewerage District, and Illinois local governments. Ms Kinney has managed a broad array of consulting engagements including governments such as the City of Bellevue, Washington; the City of Redmond, Washington; the Quinault Indian Nation, Washington; the City of Savannah, Georgia; Sacramento County, California; Milwaukee Public Schools the State of California, the Washington (DC) Metropolitan Area Transit Authority; the City of Salisbury, Maryland; and the Town of North Hempstead, New York. Ms. Kinney is also frequent presenter to national audiences, is the author of several publications in local government finance and management, and has taught government financial management at the graduate level. Ms Kinney holds a BA from American University and an MPA from the University of Illinois-Chicago, and is a past president of the Government Finance Officers Association of the United States and Canada.



References

Over the past few years, the GFOA has provided long-term financial planning and policy services to a number of local governments. We have provided a sampling of recent clients below.

	City of San Clemente, California	
	Population:	65,000
	Time Frame:	The GFOA performed this work in two parts. The first part commenced and completed in late 2007, and the second was in late 2008/early 2009.
<p>Synopsis: The GFOA helped the City to redesign its financial planning process to improve collaboration between the staff and the City Council during plan development. This involved technical process mapping and presenting the revisions to the City Council. The GFOA also helped the City identify and prioritize short-term issues facing the community as preparation for its upcoming budget and planning cycle and provided advice and guidance on financial policies</p>		
Project Contact:	Pall Gudgeirsson	
Title:	Treasurer/Assistant City Manager	
E-mail:	GudgeirssonP@san-Clemente.org	
Phone:	(949) 361-8341	
Pall's Thoughts on GFOA Services	<i>"The GFOA's long-term financial planning advisory service is an excellent resource and is highly recommended for all local and state governments."</i>	

	City of Montclair, California	
	Population	35,000
	Time Frame:	The GFOA first worked with Montclair in 2001. The City was very pleased with our work and has engaged us a number of times since, most recently in 2011.
<p>Synopsis: The GFOA helped Montclair get started with financial planning so the City could do it on its own after the initial engagement. The GFOA helped the City to develop its first long-term financial plan, including revenue/expenditure forecasts, financial environmental analysis, and financial strategies. The project also included strategic priority setting to help align financial strategy with service goals. Montclair has worked with the GFOA for many successive years since the completion of the original plan to facilitate a short updating workshop with the City Council, while the City handles the vast majority of the update work.</p>		
Project Contact:	Edward Starr	
Title:	Director of Administrative Services	
E-mail:	ecstarr@ci.montclair.ca.us	
Phone:	(909) 625-9405	
Ed's Thoughts on GFOA Services:	<p><i>"My City council and City manager demanded an uncomplicated process that would allow them to prioritize strategic objectives and develop a business plan that incorporates long-term financial planning. Fortunately, GFOA offers considerable professional expertise coupled with a menu of planning options that allow public agencies to develop customized strategic planning processes that meet the specific needs and goals of each respective community."</i></p>	

	City of San Juan Capistrano, California	
	Population:	33,826
	Time Frame:	August 2008 until November 2010
<p>Synopsis: The GFOA assisted the City of San Juan Capistrano with a comprehensive Strategic Business Planning process, which includes long-term financial planning and review of some key policy areas. The project involved helping the City with long-term forecasting, identifying and prioritizing strategic issues, helping the City develop a cross-functional team structure to analyze the issues and suggest strategies to the City Council, and facilitating public involvement.</p>		
Project Contact:	Cindy Russell	
Title:	Assistant City Manager	
E-mail:	CRussell@SanJuanCapistrano.org	
Phone:	(949) 443-6301	
Cindy's Thoughts on GFOA Services	<p><i>"GFOA has helped us navigate through a very comprehensive process to bring together strategic planning, long-term financial strategy, and public involvement into a cohesive business plan"</i></p>	

	City of San Diego, California	
	Population	1,279,329
	Time Frame:	Fall 2009
<p>Synopsis: GFOA provided an educational seminar to the City of San Diego City Council on recovery from financial distress, long-term financial planning, and financial resiliency. The seminar covered a range of topics, presented examples from comparable jurisdictions, and related the topics to the interests of elected officials.</p>		
Project Contact:	Jeff Kawar	
Title:	Fiscal & Policy Analyst, City of San Diego Independent Budget Office	
E-mail:	JKawar@sandiego.gov	
Phone:	(619) 533-4764	
Jeff's Thoughts on GFOA Services	<p><i>"As part of an on-going financial training program for our City Council, we solicited GFOA to provide training in a public forum on budget planning. The training was provided to our legislative body just months before they would be asked to make difficult budget decisions to reconcile current and future year budgetary shortfalls. The training was well received by our City Council, City staff and the public. In particular, the training did an excellent job of discussing: budgetary approaches used by other local governments; longer-term strategies that result in long-term financial sustainability; the role of elected officials in financial planning; and ways for local government to achieve long-term financial resiliency."</i></p>	

	City of Calgary, Alberta	
	Population:	1,040,000
	Time Frame:	Summer 2008 & Summer 2011
<p>Synopsis: GFOA provided independent review and analysis of a capital financing strategy prepared by the City staff, including benchmarking against other comparable cities in North America. GFOA helped validate the staff's work and also suggested a number of policy innovations to enhance the strategy. The project took into account debt capacity, capital improvement needs, and reserve availability and restrictions. GFOA then examined the concept of zero-base budgeting for the City and is developing a position paper on the topic.</p>		
Project Contact:	Chris Jacyk	
Title:	Finance Leader	
E-mail:	Chris.Jacyk@calgary.ca	
Phone:	403-268-3751	
Chris's thoughts on GFOA Services	<p><i>"The GFOA's consulting services has provided valuable and independent analysis and advice with respect to our organization's financing policies"</i></p>	

	City of Menlo Park, California	
	Population:	30,785
	Time Frame:	November 2008 – May 2009
<p>Synopsis: The GFOA worked with the City to develop a comprehensive fund balance policy that was based on the City’s core values and would be compatible with an emerging strategic planning process. The GFOA’s work included a detailed assessment of the target amount of fund balance the City should strive to maintain. This involved a benchmarking study with other California cities, comparing the City’s past experiences and current environment against a number of technical factors that would influence the ideal level of fund balance, and taking account of the political environment. The project also included assessing risks to the City’s continued financial sustainability and suggesting strategies addressing those risks.</p>		
Project Contact:	Carol Augustine	
Title:	Finance Director	
E-mail:	CTAugustine@menlopark.org	
Phone:	(650) 330-6645	
Carol’s Thoughts on GFOA Services	<p><i>“We needed our project to be both comprehensive and specific, to balance a long-term approach with what would be most practical and supportable today, and to be based on proven best practices. We got all that and more from the GFOA. Our Council was particularly impressed with the consultant’s expertise and data resources employed in the project.”</i></p>	

	Government Finance Officers Association of British Columbia	
	Population:	Serves all public finance professionals in the province of British Columbia
	Time Frame:	Spring 2011
<p>Synopsis: GFOA developed a three-day training course on financial planning and policies for the Government Finance Officers Association of British Columbia. The training material reviews best practices in public finance across a number of key areas including capital asset management, forecasting, budgeting, strategy development, financial policies, and many others. GFOA then trained representatives of GFOA BC to deliver the training.</p>		
Project Contact:	Sam Weller	
Title:	Executive Director	
E-mail:	weller@gfoabc.ca	
Phone:	250-598-6871	
Sam’s thoughts on GFOA Services	<p><i>“GFOA worked closely with our development team to adapt the GFOA long range financial planning material to the legislative context of our Province and the format we needed. GFOA was very easy to work with and we are extremely pleased with the results”</i></p>	

	Yolo County, California	
	Population	197,000
	Time Frame:	Winter 2010
<p>Synopsis: GFOA provided an educational seminar to the Yolo County Board and staff on long-term financial planning, financial policies, and financial resiliency. The County was interested in starting a long-term financial planning project and wanted to introduce the Board and staff to financial planning as well as learn more about the immediate first steps the County would have to take.</p>		
Project Contact:	Howard Newens	
Title:	Auditor-Controller & Treasurer-Tax Collector	
E-mail:	Howard.Newens@yolocounty.org	
Phone:	(530) 666-8217	
Howard's Thoughts on GFOA Services	<p><i>"The presentation was extremely well received and GFOA was able to engage the audience during the whole presentation. GFOA outlined the key elements of a good long-term financial plan and described leading practices in this arena. What was very useful to the audience was that while articulating the case for financial resiliency, GFOA referred to convincing success stories from other jurisdictions. The Board of Supervisors, especially, was able to relate to these stories and, by the end of the day, bought into the concept and authorized staff to proceed full sail."</i></p>	

	City of Hamilton, Ontario	
	Population:	504,559
	Time Frame:	Spring 2011
<p>Synopsis: GFOA provided an educational seminar to the City and Hamilton Council and staff about long-term financial planning and financial policies. The City was interested in starting a long-term financial plan and adopting financial policies and to learn more about the immediate first steps the County would have to take. The Council also deliberated on the values that should guide their financial decision making as elected officials</p>		
Project Contact:	Mike Zegarac	
Title:	Director, Financial Planning and Policy	
E-mail:	Mike.Zegarac@hamilton.ca	
Phone:	905-546-2424 x2739	



	Deschutes County Fair & Expo Center	
	Population:	158,000
	Time Frame:	Summer 2008
<p>GFOA assisted the County Fair and Expo Center with developing Guiding principles for financial sustainability, a reserve policy, and a capital improvement policy (including capital project request forms, cost worksheets, evaluation forms and project lists forms)</p>		
Project Contact:	Dan Despotopulos	
Title:	Director	
Phone:	(541) 548-2711	
Email:	dand@deschutes.org	
Dan's Thoughts on GFOA Services	<p><i>"The GFOA's experience, professionalism, and understanding of the issues facing the Fair and Expo Center helped in developing policy documents that clearly articulate the economic benefits of the Fair and Expo Center and identify the need for financial and capital planning in order to attain economic self sufficiency."</i></p>	

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008

Prepared By
Department of Finance

Kelly G. Blankenship
Director of Finance

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CITY OF MANSFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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City of Mansfield, Ohio

KELLY BLANKENSHIP, FINANCE DIRECTOR

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July 14, 2009

Citizens of Mansfield
Mayor Donald Culliver
Members of Council
City of Mansfield, Ohio

As the Finance Director for the City of Mansfield (the "City"), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2008. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

Responsibility for the accuracy of all data presented its completeness and fairness of presentation rests with the Finance Director. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Mansfield.

OVERVIEW AND INTRODUCTION TO THE CITY

The City of Mansfield is located in Richland County in north central Ohio, approximately 65 miles northeast of the City of Columbus and 75 miles southwest of the City of Cleveland. It has a population of 51,600, is the county seat, and is the county's largest city. The City is an important industrial and marketing center located strategically between Cleveland and Columbus. It is the largest populated city between the two cities off Interstate 71 making it a desirable crossroads for business.

The Miss Ohio Pageant is held in Mansfield each June. The pageant is a source of community wide support and pride, from the Miss Ohio festival, parade, and to the crowning of Miss Ohio at the historic grand Renaissance Theater, a 1920's grand baroque theater.

The downtown Richland Carousel Park provides entertainment for children and adults. Other local entertainment options include theatrical productions at the Mansfield Playhouse, shows at the Mansfield Art Center, and classes at the Richland Academy of Arts and Sciences. The Mansfield Motorsports Speedway, north of town, is a fast half-mile asphalt racetrack where fans can enjoy great racing. Mansfield has 33 parks covering 435 acres. Those looking for exercise can try bicycling or in-line skating on the 18 mile B&O Bike Trail, which begins at North Lake Park in the City, running south through Lexington. Mansfield is also home to North Central State College and a branch campus of The Ohio State University. The two schools share the campus in Mansfield.

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2008 to development possibilities. The City was able to assist six companies in 2008. The involvement of the City of

Mansfield was crucial to ensure that the companies not only stayed in business through tough economic times, but were able to take advantage of opportunities for growth. Revolving loan funds totaling \$165,000 were granted which have leveraged approximately \$750,000 in additional investments in existing projects creating 30 new jobs over the next three years.

The Enterprise Zone program was utilized to assist two companies during 2008. Investment in the projects is estimated to be approximately \$9,400,000. The project companies will create 800 new jobs due to the investment.

Real property tax abatements were granted to six companies utilizing the Community Reinvestment Area (CRA) program during 2008. Investment in the projects is estimated to be approximately \$2,000,000. The project companies plan to create 60 new jobs due to this investment.

Four expansion projects took place in the Airport Industrial Parks during 2008 creating 30 new full time jobs. Expansion projects were completed by Newman Technologies, Enman Manufacturing, Star Oak Properties and Gorman Rupp. Eilenfeld Industries also broke ground on a new multi tenant facility.

Phase I of the Reid Industrial Park project was completed in 2008 bringing water and sewer across the west end of the Airport. Phase II is under contract with approximately 95% complete at year end. Phase II extends water and sewer to the future entrance of the Industrial Park including reconstruction of Crall Road. The third and final phase of the project is expected to be complete in 2009. The military portion of the project is expected to break ground in 2009 with completion in 2011.

Environmental remediation is complete at the former Peabody Barnes (Tenneco) site. We have applied for a "No Further Action" (NFA) and "Covenant not to Sue" from the Ohio EPA.

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield. An Ohio Department of Development grant from the Clean Ohio Assistance Fund was used to complete phase one and two environmental assessments to Voluntary Action Program standards for the site. Plans to begin environmental remediation in 2009 are dependant on reaching a settlement with our environmental insurance company, and approval of additional grant funds for the project. Ohio Machine Tool and D.A. Holt, Inc. currently occupy portions of the site.

The Economic Development Department entered into two new loans from the Mansfield Cleanup Revolving Loan Fund (MCRLF) totaling \$480,000 for the remediation of the former Empire and Woodville school properties. Developers plan to demolish the former Empire School building and construct a housing development on the 10 acre site. Developers also plan to renovate the existing Woodville School building into a small strip mall for retail shops and food service companies. The developers of the two sites project a total investment of \$6,700,000 over the next two years.

Environmental assessments were completed for the NextStep project in 2008. Grant applications will be submitted for funds to conduct the identified environmental remediation of the properties. Cleanup is to begin in either late 2009 or early 2010. The project includes the former Globe Steel and Tappan Complex properties.

Other 2008 project highlights are as follows:

- 1) Enman Manufacturing completed construction of a 20,000 square foot addition for the purpose of expanding their manufacturing capacity. The project will create 20 new full-time jobs. The total project investment is \$650,000.
- 2) Newman Technologies completed construction of a new research and development center at their Cairns Road site. The project will create approximately 10 new jobs. The total project investment is \$6,500,000.
- 3) Star-Tek opened their new customer service center in the former Kroger facility on West Fourth Street. The project created 800 new jobs. The total project investment is \$9,100,000.

- 4) Arlington Energy opened a bio-diesel production facility on west Fourth Street. The projected production volume is 12.5 million gallons per year. The project will create 40 new jobs. The total project investment is \$1,590,000.
- 5) Gorman Rupp broke ground on the second phase of their facility on Rupp road. This phase will be the future home of their main plant production facility and corporate offices. The total project investment is \$52,500,000.
- 6) Eilenfeld Industries broke ground on an 11,000 square foot multi tenant building on Sawyer parkway. Their initial tenant will be Fastenal. The project will create two new jobs. The total project investment is \$400,000.
- 7) Warren Rupp announced they are moving a small operation from the Pittsburgh area to Mansfield. They will renovate their existing facility to accommodate the consolidation. The project will create 40 jobs. The total project investment is \$500,000.

MAJOR INITIATIVES

The Downtown Revitalization Plan continues to re-establish the City square as the economic center of the City, improving the appearance, safety and accessibility of the downtown area. In 2007 the City began to revitalize an area adjacent to downtown known as the Chamber District. In conjunction with a local non-profit, the City is building single family housing units in an effort to bring homeowners back to the downtown area with a mixture of low-to-moderate to upper income families. As a result of the Downtown Revitalization Plan, the City is beginning to consist of specific districts, such as the Westinghouse District, Carrousel District and Chamber District.

The Central City Economic Development Council (CCEDC) is also planning to construct 36 single-family housing units within the City. CCEDC will demolish a vacant school, complete environmental remediation of asbestos on the property, and build a development known as Xavier Crossing in an area of Mansfield that has been vacant and deteriorating for years.

The City continues to receive funds from the Ohio Department of Development and the Ohio Air National Guard for infrastructure improvements to the new Reid Industrial Park (also known as Miller Park). The new industrial park will further boost an already thriving manufacturing area near the Mansfield Lahm Airport.

Mechanics Savings Bank broke ground in October for a new branch on north Trimble Road, the former site of Damon's Restaurant, which was destroyed in a February 2007 fire.

FINANCIAL INFORMATION

Basis of Accounting

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units and is consistent with GASB Cod. Sec. 1600, *Basis of Accounting*. All governmental funds are accounted for using a current financial resources-current asset and current liabilities-measurement focus.

The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus on the City's proprietary funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the City in its proprietary and agency funds.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available for governmental funds), and encumbrances are included as expenditures in the budgetary statements.

The City complies with GASB #34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental activities, in order to comply with GASB #34, are presented on the full accrual basis of accounting. As part of this new reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the City's finances for 2008. Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

Development of the City's accounting system included consideration of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or deposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation and that the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department manager is furnished a monthly report showing the status of the budget account for which he/she is responsible. The report details monthly transactions and summarizes the budget balance available to be spent for goods and services.

CASH MANAGEMENT

The City had deposits of \$12,103,326 as of December 31, 2008. The City Finance Director invests inactive funds in commercial banks and savings and loan certificates of deposit and instruments guaranteed by the U.S. Government and its agencies. Active City funds are invested in commercial interest bearing bank accounts. Investment of City funds is made in order to preserve capital in the overall portfolio and to ensure sufficient liquidity to enable the City to meet reasonably anticipated operating requirements.

The City pools its cash for investment purposes to capture the highest return. The investment income in 2008 totaled \$958,465. The notes to the basic financial statements provide additional information regarding investments.

RISK MANAGEMENT

The City of Mansfield is a member of the Ohio Municipal League Joint Self-Insurance Pool. The self insured pool covers general liability with a \$10,000 deductible, public officials' liability with a \$15,000 deductible, building and contents/boiler & machinery and inland marine with a \$1,000 deductible, law enforcement liability with a \$10,000 deductible, and vehicle liability with no deductible. All other liability claims are uninsured. The City budgets yearly for these claims and is therefore self-funded. The City is also self-insured for employee health and dental insurance.

A third party administrator reviews all claims and submits a bill to the City for the amount of the claims and an administrative fee. Workers' compensation insurance is paid to the State based on an experience rate times current year payroll. Note 15 will discuss the area of risk management further.

INDEPENDENT AUDIT

An audit team from Charles Harris & Associates, Inc. has performed the City's 2008 audit. The results of their audit are disclosed in the Independent Accountants' Report included in the Financial Section. Charles Harris & Associates, Inc. has expressed an unqualified opinion on the Basic Financial Statements. The City also had a "single audit", which includes all federally funded programs administered by the City, performed for 2008 by Charles Harris & Associates, Inc. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 and was amended in 1996 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). The contents of this report must conform to program standards and must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City of Mansfield has received a Certificate of Achievement for the last twenty-three years (years ended 1985-2007). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I would like to give a special thank you to Scott Arnett who prepared the CAFR for 2008. I would also like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

Finally, I would like to send my appreciation to the City administration, department heads, and employees who have contributed in the effort to achieve excellence in financial reporting.



Kelly Blankenship
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

CITY OF MANSFIELD, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2008**

ELECTED OFFICIALS

EXECUTIVE:

Mayor Donald R. Culliver
Director of Finance Kelly G. Blankenship
Director of Law David L. Remy
Municipal Court Judge Jeff Payton
Municipal Court Judge..... Jerry E. Ault
Clerk of Court Daniel F. Smith

LEGISLATIVE:

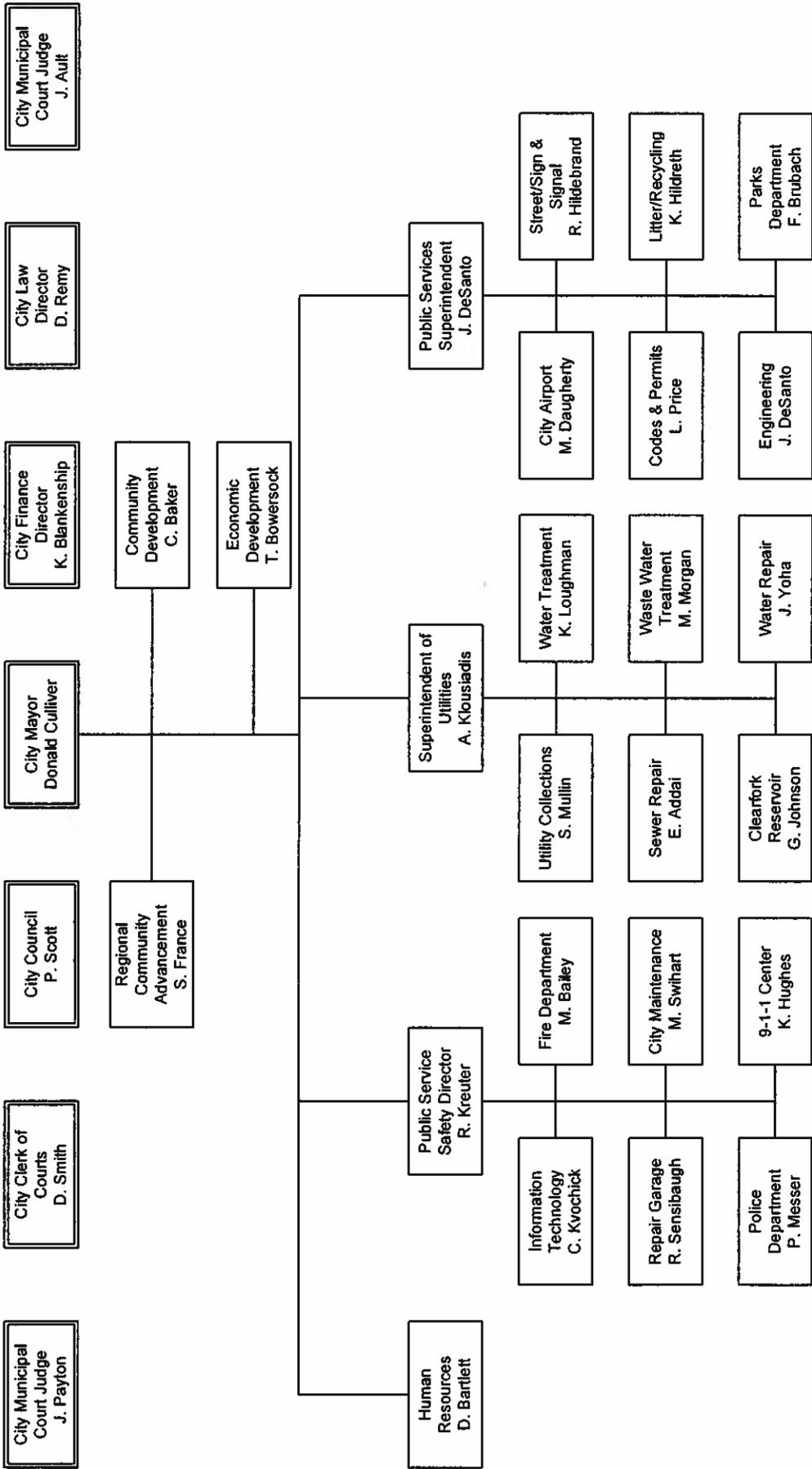
President of Council Phillip E. Scott
Council Members
 Ward 1 Michael N. Hill
 Ward 2 Jeffrey W. Rock
 Ward 3 Scott E. Hazen
 Ward 4 Walden A. Jefferson
 Ward 5 Ethel M. (Pat) Hightower
 Ward 6 Sandra G. Carmichael
 At Large Ellen K. Haring
 At Large Douglas P. Versaw

APPOINTED OFFICIALS

Director of Service and Safety Ronald S. Kreuter
Superintendent of Public Services James L. DeSanto
Superintendent of Utilities Angelo N. Klousiadis
Director of Human Resources David P. Smith
Director of Industrial Development..... Timothy R. Bowersock
Director of Community Development Cynthia Baker
Director of Regional Community Advancement Sherri France
Chief of Police Philip Messer
Chief of Fire Michael Bailey

The present terms of the executive branch and the President of Council will expire November 30, 2011. The present terms of the legislative branch will expire November 30, 2009 or November 30, 2011. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

CITY OF MANSFIELD



Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

INDEPENDENT ACCOUNTANTS' REPORT

City of Mansfield
Richland County
30 N. Diamond St.
Mansfield, Ohio 44902

To the City Council:

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 Mansfield, Richland County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Community Development Fund and Safety Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 16 is not a required part of the basic financial statements, but is 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 supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, 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 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 not opinion on them.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
July 14, 2009

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

The discussion and analysis of the City of Mansfield's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total net assets of the City increased \$1,156. Net assets of governmental activities increased \$59,161 or 0.10% over 2007 and net assets of business-type activities decreased \$25,148 or 0.05% from 2007.
- General revenues accounted for \$32,786,505 of total governmental activities revenue. Program specific revenues accounted for \$18,254,579 or 35.76% of total governmental activities revenue.
- The City had \$50,981,923 in expenses related to governmental activities; \$18,254,579 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$32,727,344 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$32,786,505.
- The City's major governmental funds are the general fund, community development fund, safety services fund and section 108 improvements fund. The general fund had revenues and other financing sources of \$10,669,086 in 2008. This represents a decrease of \$37,856 from 2007. The expenditures and other financing uses of the general fund, which totaled \$10,863,925 in 2008, decreased \$586,154 from 2007. The net decrease in fund balance for the general fund was \$194,839 or 11.98%.
- The community development fund had revenues of \$1,211,433 in 2008. The expenditures and other financing uses of the community development fund totaled \$1,445,791 in 2008. The net decrease in fund balance for the community development fund was \$234,358 or 10.19%.
- The safety services fund had revenues and other financing sources of \$21,806,217 in 2008. The expenditures and other financing uses for the safety services fund totaled \$22,555,060 in 2008. The net increase in fund balance for the safety services fund was \$748,843 or 89.44%.
- The section 108 improvements fund had revenues and other financing sources of \$2,792 in 2008. The expenditures and other financing uses for the section 108 improvements fund totaled \$2,494,361 in 2008. The net decrease in fund balance for the section 108 improvements fund was \$2,491,569 or 300.16%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Airport Operating, and Parking Garage enterprise funds, decreased in 2008 by \$25,148.
- In the general fund, the actual revenues came in \$442,739 higher than they were in the final budget and actual expenditures were \$879,035 less than the amount in the final budget. These positive variances are the result of the City's conservative budgeting. Budgeted revenues decreased \$1 from the original to the final budget. Budgeted expenditures decreased \$125,859 from the original to the final budget due to a decrease in various types of expenditures.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, airport and parking garage operations are reported here.

Reporting the City's Most Significant Funds

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.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the 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, the 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 a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, community development fund, and safety services fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-29 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. 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 water, sewer, airport and parking garage functions. The City's major enterprise funds are the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statements can be found on page 34 of this report.

Notes to the Basic 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. These notes to the basic financial statements can be found on pages 35-68 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2008 compared to 2007:

Net Assets

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	Total <u>2008</u>	Total <u>2007</u>
<u>Assets</u>						
Current and other assets	\$ 25,611,681	\$ 29,117,544	\$ 14,975,664	\$ 15,720,919	\$ 40,587,345	\$ 44,838,463
Capital assets	<u>55,057,781</u>	<u>50,705,562</u>	<u>41,328,577</u>	<u>41,335,659</u>	<u>96,386,358</u>	<u>92,041,221</u>
Total assets	<u>80,669,462</u>	<u>79,823,106</u>	<u>56,304,241</u>	<u>57,056,578</u>	<u>136,973,703</u>	<u>136,879,684</u>
<u>Liabilities</u>						
Long-term liabilities	10,687,727	10,839,386	3,325,259	3,655,779	14,012,986	14,495,165
Other liabilities	<u>10,143,155</u>	<u>9,204,301</u>	<u>3,096,429</u>	<u>3,493,098</u>	<u>13,239,584</u>	<u>12,697,399</u>
Total liabilities	<u>20,830,882</u>	<u>20,043,687</u>	<u>6,421,688</u>	<u>7,148,877</u>	<u>27,252,570</u>	<u>27,192,564</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	48,572,308	46,575,580	37,203,838	37,016,539	85,776,146	83,592,119
Restricted	7,647,351	12,085,390	4,040,936	3,979,276	11,688,287	16,064,666
Unrestricted	<u>3,618,921</u>	<u>1,118,449</u>	<u>8,637,779</u>	<u>8,911,886</u>	<u>12,256,700</u>	<u>10,030,335</u>
Total net assets	<u>\$ 59,838,580</u>	<u>\$ 59,779,419</u>	<u>\$ 49,882,553</u>	<u>\$ 49,907,701</u>	<u>\$ 109,721,133</u>	<u>\$ 109,687,120</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$109,721,133. Net assets were \$59,838,580 and \$49,882,553 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 70.37% of total assets. Capital assets include land, buildings, improvements other than buildings (IOTB), machinery and equipment, construction in progress (CIP) and infrastructure. Capital assets, net of related debt to acquire the assets, were \$48,572,308 and \$37,203,838 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and 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 to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2008, the City is able to report positive balances in all three categories of net assets for the business-type activities.

A portion of the City's net assets, \$11,688,287, represents resources that are subject to external restriction on how they may be used.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

The next table shows the changes in net assets for fiscal year 2008 and 2007.

Changes in Net Assets

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	Total <u>2008</u>	Total <u>2007</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 5,502,880	\$ 5,589,408	\$ 16,068,864	\$ 16,334,264	\$ 21,571,744	\$ 21,923,672
Operating grants and contributions	11,077,411	7,737,309	-	-	11,077,411	7,737,309
Capital grants and contributions	<u>1,674,288</u>	<u>1,390,445</u>	<u>1,511,417</u>	<u>728,928</u>	<u>3,185,705</u>	<u>2,119,373</u>
Total program revenues	<u>18,254,579</u>	<u>14,717,162</u>	<u>17,580,281</u>	<u>17,063,192</u>	<u>35,834,860</u>	<u>31,780,354</u>
General revenues:						
Property taxes	2,542,431	2,430,695	-	-	2,542,431	2,430,695
Income taxes	25,241,393	23,924,191	604,380	413,685	25,845,773	24,337,876
Unrestricted grants and entitlements	3,972,491	4,072,562	73,888	194,738	4,046,379	4,267,300
Investment earnings	932,920	1,259,757	25,545	2,658	958,465	1,262,415
Miscellaneous	<u>97,270</u>	<u>7,204</u>	<u>15,063</u>	<u>59,950</u>	<u>112,333</u>	<u>67,154</u>
Total general revenues	<u>32,786,505</u>	<u>31,694,409</u>	<u>718,876</u>	<u>671,031</u>	<u>33,505,381</u>	<u>32,365,440</u>
Total revenues	<u>51,041,084</u>	<u>46,411,571</u>	<u>18,299,157</u>	<u>17,734,223</u>	<u>69,340,241</u>	<u>64,145,794</u>
Program expenses:						
General government	14,474,385	11,985,745	-	-	14,474,385	11,985,745
Public safety	23,624,982	24,205,050	-	-	23,624,982	24,205,050
Public health and welfare	128,164	158,475	-	-	128,164	158,475
Transportation	9,917,676	10,089,697	-	-	9,917,676	10,089,697
Community environment	1,669,302	1,782,621	-	-	1,669,302	1,782,621
Leisure time activity	879,341	917,913	-	-	879,341	917,913
Interest and fiscal charges	288,073	296,853	-	-	288,073	296,853
Water	-	-	7,604,723	9,025,320	7,604,723	9,025,320
Sewer	-	-	9,821,326	11,075,835	9,821,326	11,075,835
Airport operating	-	-	646,544	1,196,799	646,544	1,196,799
Parking garage	-	-	251,712	165	251,712	165
Total program expenses	<u>50,981,923</u>	<u>49,436,354</u>	<u>18,324,305</u>	<u>21,298,119</u>	<u>69,306,228</u>	<u>70,734,473</u>
Change in net assets	59,161	(3,024,783)	(25,148)	(3,563,896)	34,013	(6,588,679)
Net assets, January 1, restated	<u>59,779,419</u>	<u>62,804,202</u>	<u>49,907,701</u>	<u>53,471,597</u>	<u>109,687,120</u>	<u>116,275,799</u>
Net assets, December 31	<u>\$ 59,838,580</u>	<u>\$ 59,779,419</u>	<u>\$ 49,882,553</u>	<u>\$ 49,907,701</u>	<u>\$ 109,721,133</u>	<u>\$ 109,687,120</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$59,161 in 2008. This increase is the result of a slightly higher increase in overall revenues compared to overall expenditures.

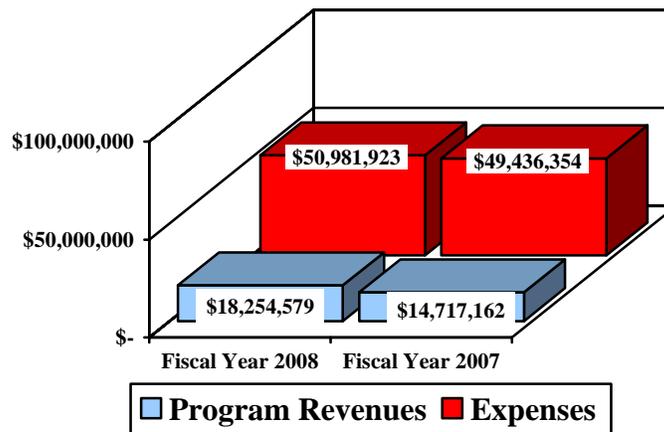
Public safety, which primarily supports the operations of the police and fire departments accounted for \$23,624,982 of the total expenses of the City. These expenses were partially funded by \$1,635,098 in direct charges to users of the services. Transportation expenses totaled \$9,917,676. Transportation expenses were partially funded by \$900,705 in direct charges to users of the services, \$2,910,984 in operating grants and contributions and \$1,623,164 in capital grants and contributions.

The state and federal government contributed to the City a total of \$11,077,411 in operating grants and contributions and \$1,674,288 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$1,623,164 subsidized transportation programs.

General revenues totaled \$32,786,505 and amounted to 64.24% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$27,783,824. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$3,972,491.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State and Federal grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF MANSFIELD, OHIO

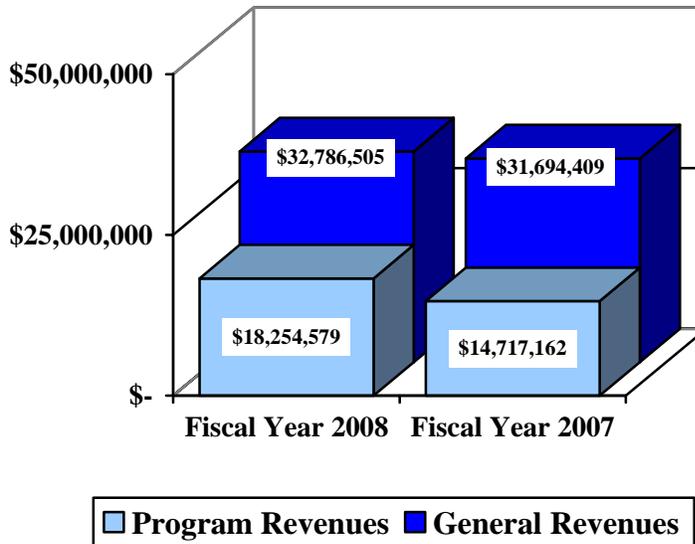
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program Expenses:				
General government	\$ 14,474,385	\$ 5,469,011	\$ 11,985,745	\$ 5,811,186
Public safety	23,624,982	21,197,683	24,205,050	21,113,825
Public health and welfare	128,164	108,779	158,475	94,596
Transportation	9,917,676	4,482,823	10,089,697	6,043,825
Community environment	1,669,302	336,682	1,782,621	480,230
Leisure activity	879,341	844,293	917,913	878,677
Interest and fiscal charges	<u>288,073</u>	<u>288,073</u>	<u>296,853</u>	<u>296,853</u>
 Total	 <u>\$ 50,981,923</u>	 <u>\$ 32,727,344</u>	 <u>\$ 49,436,354</u>	 <u>\$ 34,719,192</u>

The dependence upon general revenues for governmental activities is apparent, with 64.31% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

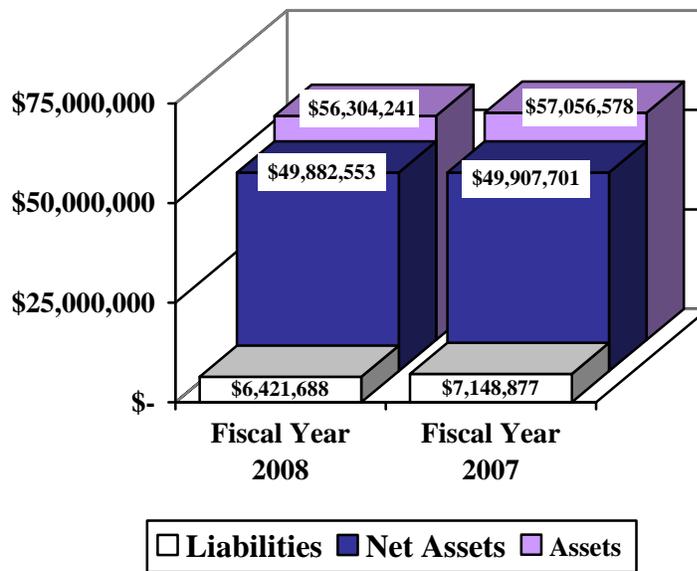


CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

Business-Type Activities

Business-type activities include the water, sewer, airport and parking garage enterprise funds. These programs had program revenues of \$17,580,281 general revenues of \$718,876 and expenses of \$18,324,305 for 2008. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City'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's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 20-21) reported a combined fund balance of \$6,565,203 which is \$3,726,687 below last year's total of \$10,291,890.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2008 and December 31, 2007 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/08</u>	<u>Fund Balances</u> <u>12/31/07</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 1,424,779	\$ 1,626,383	\$ (201,604)
Community development	2,065,860	2,300,722	(234,862)
Safety services	73,503	837,297	(763,794)
Section 108 improvements	(1,661,475)	830,094	(2,491,569)
Other nonmajor governmental funds	<u>4,662,536</u>	<u>4,697,394</u>	<u>(34,858)</u>
Total	<u>\$ 6,565,203</u>	<u>\$ 10,291,890</u>	<u>\$ (3,726,687)</u>

General Fund

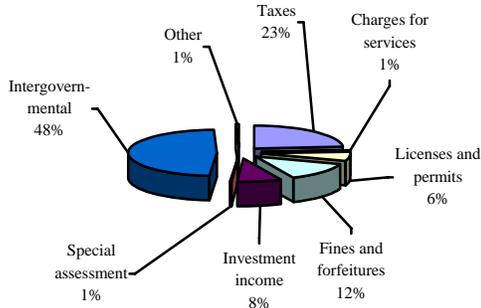
The City's general fund balance decreased \$194,839, primarily due to an increase in expenses for general government. The table that follows assists in illustrating the revenues of the general fund.

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,453,948	\$ 3,053,499	(19.63) %
Charges for services	42,563	72,329	(41.15) %
Licenses, permits and fees	670,776	566,253	18.46 %
Fines and forfeitures	1,333,223	1,223,665	8.95 %
Investment income	834,170	1,076,202	(22.49) %
Special assessments	41,680	26,093	59.74 %
Intergovernmental	5,005,751	4,559,251	9.79 %
Other	<u>72,008</u>	<u>60,231</u>	<u>19.55 %</u>
Total	<u>\$ 10,454,119</u>	<u>\$ 10,637,523</u>	<u>(1.72) %</u>

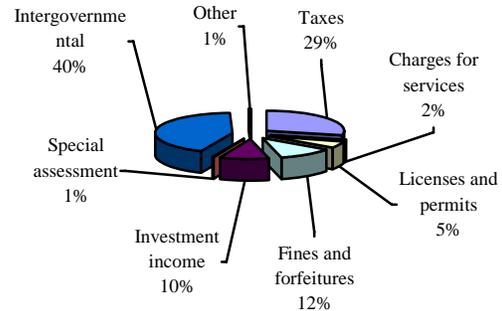
Tax revenue, which is a combination of property and income tax, represents 23.47% of all general fund revenue. Tax revenue decreased by 19.63% under the prior year because of a decrease in income tax receipts. The closing of the City jail eliminated incarceration fees, which decreased charges for services by 41.15%. Higher revenue in licenses, permits and fees are primarily from the City's Codes and Permits Department, with stricter code enforcement and additional fees. The decline in investment income is due to a decrease in interest rates by the Federal Reserve Bank throughout the year. Higher special assessment collections are from an increase to the Glenwood/Parkwood Boulevard assessment. All other revenue remained comparable to 2007.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

Revenues – Fiscal Year 2008



Revenues – Fiscal Year 2007

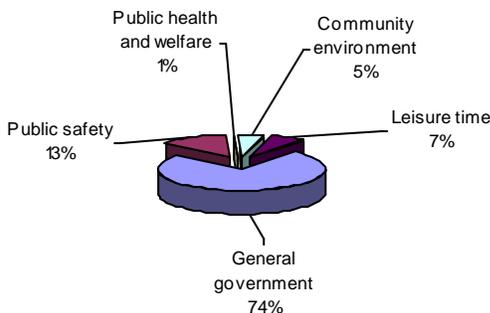


The table that follows assists in illustrating the expenditures of the general fund.

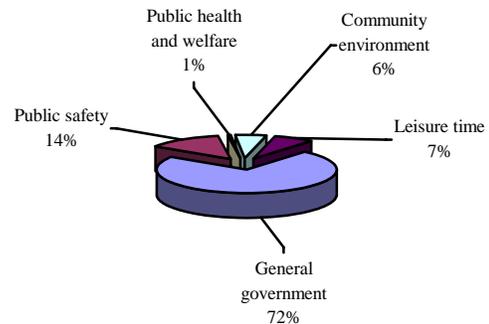
	2008 <u>Amount</u>	2007 <u>Amount</u>	Percentage <u>Change</u>
<u>Expenditures</u>			
General government	\$ 8,021,509	\$ 7,447,875	7.70 %
Public safety	1,414,238	1,406,792	0.53 %
Public health and welfare	36,923	47,212	(21.79) %
Community environment	552,997	571,085	(3.17) %
Leisure time activity	704,192	734,976	(4.19) %
Total	<u>\$ 10,729,859</u>	<u>\$ 10,207,940</u>	<u>5.11 %</u>

General government expenditures increased primarily because of higher salaries and costs of services in almost every department. Public health and welfare expenditures declined because of less expenditures in the Codes and Permits Department. All other expenditures remained comparable to 2007.

Expenditures - Fiscal Year 2008



Expenditures - Fiscal Year 2007



CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Community Development Fund

The community development fund had revenues of \$1,211,433 in 2008. The expenditures of the community development fund totaled \$1,070,791 in 2008. The net decrease in fund balance for the community development fund was \$234,358.

Safety Services Fund

The safety services fund had revenues of \$21,806,217 in 2008. The expenditures for the safety services fund totaled \$22,413,703 in 2008. The net decrease in fund balance for the safety services fund was \$748,843.

Section 108 Improvements Fund

The section 108 improvements fund had revenues of \$2,792 in 2008. The expenditures for the section 108 improvements fund totaled \$2,494,361 in 2008. The net decrease in fund balance for the section 108 improvements fund was \$2,491,569.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The water enterprise fund had revenues of \$7,913,286, which was more than expenses of \$7,425,969 by \$487,317. The sewer enterprise fund had revenues of \$8,000,078, which was less than expenses of \$9,835,940 by \$1,835,862.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, community development fund, safety services, and section 108 improvements fund. For the General Fund, actual revenues of \$10,415,113 exceeded final budgeted revenues by \$422,739. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$879,035 lower than the final budgeted amounts.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government-wide financial statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2008, the City had \$96,386,358 (net of accumulated depreciation) invested in land, buildings,

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

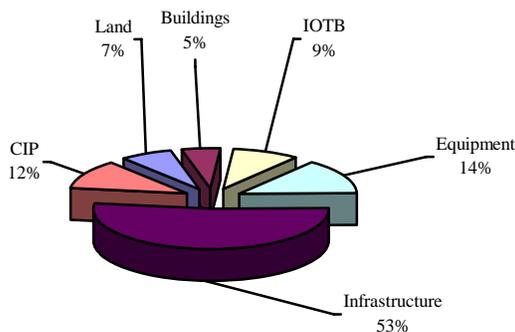
improvements other than buildings (IOTB), machinery and equipment, infrastructure and construction in progress (CIP). Of this total, \$55,057,781 was reported in governmental activities and \$41,328,577 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal 2008 balances compared to 2007:

Capital Assets at December 31
(Net of Depreciation)

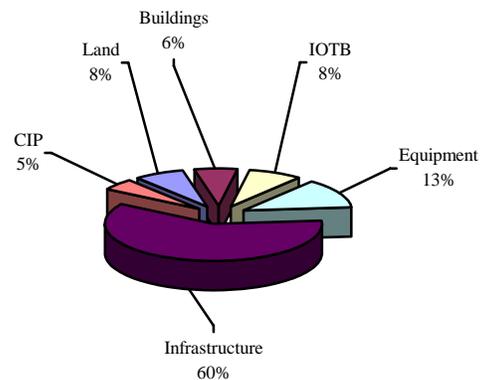
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 3,989,259	\$ 3,852,243	\$ 2,093,705	\$ 2,265,557	\$ 6,082,964	\$ 6,117,800
Buildings	2,862,683	3,248,795	2,756,378	3,101,748	5,619,061	6,350,543
IOTB	5,043,510	3,978,568	9,976,474	10,977,548	15,019,984	14,956,116
Machinery & Equipment	7,769,250	6,582,934	1,431,547	1,459,413	9,200,797	8,042,347
Infrastructure	29,002,055	30,440,000	24,292,159	22,989,289	53,294,214	53,429,289
CIP	6,391,024	2,603,022	778,314	542,104	7,169,338	3,145,126
Totals	\$ 55,057,781	\$ 50,705,562	\$ 41,328,577	\$ 41,335,659	\$ 96,386,358	\$ 92,041,221

The following graphs show the breakdown of governmental capital assets by category for 2008 and 2007.

Capital Assets - Governmental Activities 2008



Capital Assets - Governmental Activities 2007



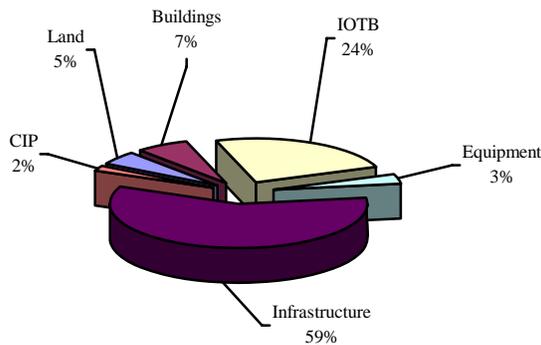
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

CITY OF MANSFIELD, OHIO

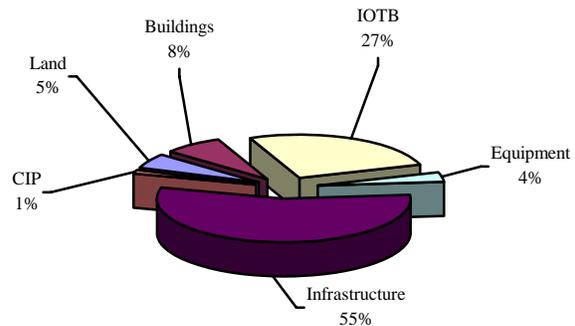
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 53% of the City's total governmental capital assets. The following graphs show the breakdown of business-type capital assets by category for 2008 and 2007.

Capital Assets - Business-Type Activities 2008



Capital Assets - Business-Type Activities 2007



The City's largest business-type capital asset category is infrastructure that primarily includes water lines, sanitary sewer lines, and storm sewers. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 59% of the City's total business-type capital assets.

Debt Administration

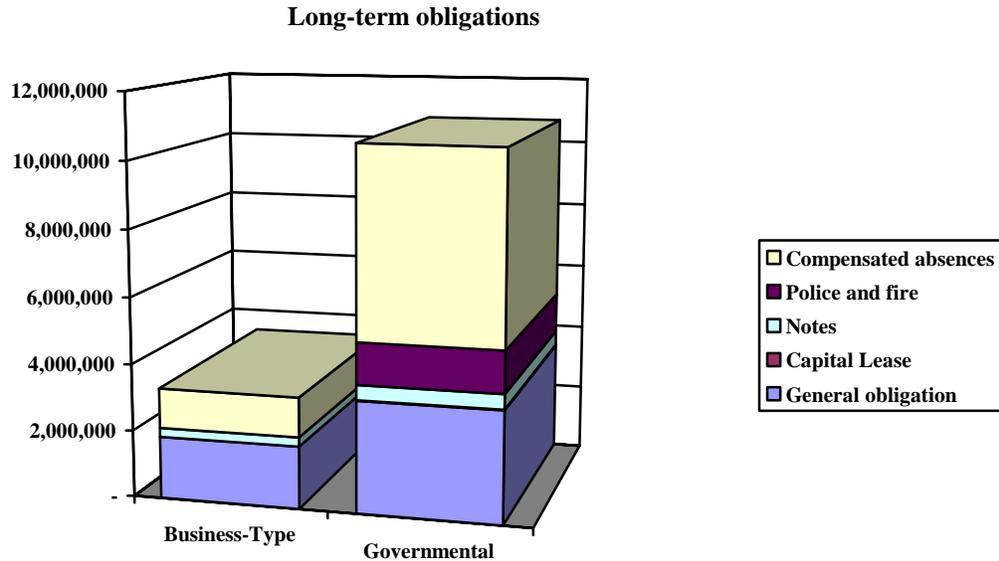
The City had the following long-term obligations outstanding at December 31, 2008 and 2007:

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 3,340,000	\$ 3,580,000
Notes payable	440,000	510,000
Police and fire pension liability	1,239,604	1,264,603
Capital lease obligation	20,473	39,982
Compensated absences	<u>5,647,650</u>	<u>5,444,801</u>
Total long-term obligations	<u>\$ 10,687,727</u>	<u>\$ 10,839,386</u>
	Business-type Activities	
	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 1,865,000	\$ 2,165,000
Compensated absences	1,185,520	1,401,659
Notes payable	<u>274,739</u>	<u>89,120</u>
Total long-term obligations	<u>\$ 3,325,259</u>	<u>\$ 3,655,779</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

A comparison of the long-term obligations by category is depicted in the chart below. For additional information regarding long-term obligations, see Note 14.



Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is 7.4%, which increased from a rate of 6.5% a year ago. This rate exceeds the state's average unemployment rate of 6.3% and the national average of 7.2%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2009 fiscal year. At the end of the 2008 fiscal year, the cash basis fund balance of the general fund was \$1,592,127. This balance takes into consideration encumbrances for 2008 activity.

Contacting the City's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kelly Blankenship, Finance Director, City of Mansfield, 30 North Diamond Street, Mansfield, Ohio 44902.

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,842,040	\$ 6,541,691	\$ 14,383,731
Cash and cash equivalents with fiscal agents	122,569	13,254	135,823
Receivables (net of allowances for uncollectibles):			
Taxes	6,697,701	114,520	6,812,221
Accounts	184,445	2,650,245	2,834,690
Accrued interest	205,481	-	205,481
Special assessments	98,457	25,437	123,894
Loans	2,706,508	-	2,706,508
Internal balances	(834,018)	834,018	-
Due from other governments	8,136,619	597,025	8,733,644
Materials and supplies inventory	451,879	158,538	610,417
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	4,040,936	4,040,936
Capital assets:			
Land and construction in progress	10,380,283	2,872,019	13,252,302
Depreciable capital assets, net	44,677,498	38,456,558	83,134,056
Total capital assets, net	55,057,781	41,328,577	96,386,358
Total assets	80,669,462	56,304,241	136,973,703
Liabilities:			
Accounts payable	387,282	553,239	940,521
Contracts payable	1,071,555	84,322	1,155,877
Retainage payable	122,569	13,254	135,823
Accrued wages and benefits	1,343,525	229,772	1,573,297
Due to other governments	1,847,425	199,637	2,047,062
Unearned revenue	1,614,120	-	1,614,120
Notes payable	2,685,000	1,985,000	4,670,000
Accrued interest payable	67,428	31,205	98,633
Claims payable	1,004,251	-	1,004,251
Long-term liabilities:			
Due within one year	1,948,416	880,013	2,828,429
Due in more than one year	8,739,311	2,445,246	11,184,557
Total liabilities	20,830,882	6,421,688	27,252,570
Net assets:			
Invested in capital assets, net of related debt	48,572,308	37,203,838	85,776,146
Restricted for:			
Capital projects	(1,015,741)	-	(1,015,741)
Community development	4,589,090	-	4,589,090
Transportation projects	2,129,474	-	2,129,474
Industrial development	1,387,068	-	1,387,068
Replacement and improvement	-	4,040,936	4,040,936
Other purposes	557,460	-	557,460
Unrestricted	3,618,921	8,637,779	12,256,700
Total net assets	\$ 59,838,580	\$ 49,882,553	\$ 109,721,133

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 14,474,385	\$ 2,743,160	\$ 6,211,090	\$ 51,124
Public safety	23,624,982	1,635,098	792,201	-
Public health and welfare	128,164	-	19,385	-
Transportation	9,917,676	900,705	2,910,984	1,623,164
Community environment	1,669,302	188,869	1,143,751	-
Leisure time activities	879,341	35,048	-	-
Interest and fiscal charges	288,073	-	-	-
Total governmental activities	<u>50,981,923</u>	<u>5,502,880</u>	<u>11,077,411</u>	<u>1,674,288</u>
Business-Type Activities:				
Water	7,604,723	8,000,336	-	483,135
Sewer	9,821,326	8,001,563	-	1,028,282
Nonmajor:				
Airport operating	646,544	66,965	-	-
Parking garage	251,712	-	-	-
Total business-type activities	<u>18,324,305</u>	<u>16,068,864</u>	<u>-</u>	<u>1,511,417</u>
Total	<u>\$ 69,306,228</u>	<u>\$ 21,571,744</u>	<u>\$ 11,077,411</u>	<u>\$ 3,185,705</u>

General Revenues:

Property taxes levied for:	
General purposes	
Special purposes	
Income taxes levied for:	
General purposes	
Special purposes	
Capital projects	
Airport	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues	
Change in net assets	
Net assets at beginning of year	
Net assets at 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
\$ (5,469,011)	\$ -	\$ (5,469,011)
(21,197,683)	-	(21,197,683)
(108,779)	-	(108,779)
(4,482,823)	-	(4,482,823)
(336,682)	-	(336,682)
(844,293)	-	(844,293)
(288,073)	-	(288,073)
<u>(32,727,344)</u>	<u>-</u>	<u>(32,727,344)</u>
-	878,748	878,748
-	(791,481)	(791,481)
-	(579,579)	(579,579)
-	<u>(251,712)</u>	<u>(251,712)</u>
-	<u>(744,024)</u>	<u>(744,024)</u>
<u>(32,727,344)</u>	<u>(744,024)</u>	<u>(33,471,368)</u>
2,119,802	-	2,119,802
422,629	-	422,629
309,108	-	309,108
20,226,017	-	20,226,017
4,706,268	-	4,706,268
-	604,380	604,380
3,972,491	73,888	4,046,379
932,920	25,545	958,465
97,270	15,063	112,333
<u>32,786,505</u>	<u>718,876</u>	<u>33,505,381</u>
59,161	(25,148)	34,013
<u>59,779,419</u>	<u>49,907,701</u>	<u>109,687,120</u>
<u>\$ 59,838,580</u>	<u>\$ 49,882,553</u>	<u>\$ 109,721,133</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,518,864	\$ 180,426	\$ 442,223
Cash and cash equivalents with fiscal agent	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	2,451,942	-	3,661,040
Accounts	98,494	-	39,982
Accrued interest	130,708	62,487	-
Loans	-	1,943,802	-
Special assessments	98,457	-	-
Due from other governments	2,014,719	2,584,453	24,826
Loans to other funds	281,580	-	-
Materials and supplies inventory	48,468	1,185	46,010
Total assets	<u>\$ 6,643,232</u>	<u>\$ 4,772,353</u>	<u>\$ 4,214,081</u>
Liabilities:			
Accounts payable	\$ 144,214	\$ 26,644	\$ 46,618
Contracts payable	640	55,627	-
Retainage payable	-	-	-
Accrued wages and benefits	297,101	10,421	822,191
Compensated absences	48,831	4,207	32,249
Notes payable	-	-	-
Loans from other funds	1,060,000	-	-
Due to other governments	304,897	25,635	1,330,589
Deferred revenue	3,362,770	2,583,959	1,908,931
Total liabilities	<u>5,218,453</u>	<u>2,706,493</u>	<u>4,140,578</u>
Fund Balances:			
Reserved for encumbrances	87,998	74,330	162,991
Reserved for materials and supplies inventory	48,468	1,185	46,010
Reserved for loans	-	1,943,802	-
Reserved for loans to other funds	281,580	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	984,869	-	-
Special revenue funds	-	46,543	(135,498)
Capital projects funds	-	-	-
Total fund balances	<u>1,424,779</u>	<u>2,065,860</u>	<u>73,503</u>
Total liabilities and fund balances	<u>\$ 6,643,232</u>	<u>\$ 4,772,353</u>	<u>\$ 4,214,081</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Section 108 Improvements	Other Governmental Funds	Total Governmental Funds
\$ 505,451	\$ 5,025,931	\$ 7,672,895
20,894	101,675	122,569
-	584,719	6,697,701
-	45,969	184,445
-	12,286	205,481
-	762,706	2,706,508
-	-	98,457
-	3,512,621	8,136,619
-	-	281,580
-	303,630	399,293
<u>\$ 526,345</u>	<u>\$ 10,349,537</u>	<u>\$ 26,505,548</u>
\$ 14,680	\$ 63,199	\$ 295,355
27,146	974,256	1,057,669
20,894	101,675	122,569
-	145,072	1,274,785
-	53,404	138,691
2,125,000	560,000	2,685,000
-	281,580	1,341,580
100	119,979	1,781,200
-	3,387,836	11,243,496
<u>2,187,820</u>	<u>5,687,001</u>	<u>19,940,345</u>
83,901	1,922,034	2,331,254
-	303,630	399,293
-	762,706	2,706,508
-	-	281,580
-	71,917	71,917
-	-	21,864
-	-	984,869
-	1,507,635	1,418,680
<u>(1,745,376)</u>	<u>94,614</u>	<u>(1,650,762)</u>
<u>(1,661,475)</u>	<u>4,662,536</u>	<u>6,565,203</u>
<u>\$ 526,345</u>	<u>\$ 10,349,537</u>	<u>\$ 26,505,548</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total governmental fund balances \$ 6,565,203

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

Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds. 54,483,249

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

Property taxes	644,778
Income taxes	1,821,961
Special assessments	98,457
Intergovernmental revenues	<u>7,064,180</u>

Total 9,629,376

Internal service funds are used by management to charge the costs of the repair garage, data processing, utility collections, health insurance, OML self-insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets. The net assets of the internal service funds, including internal balances: (533,091)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities (excluding amounts reported in the internal service funds) are as follows:

Accrued interest payable	(67,428)
Capital lease obligation	(20,473)
Notes payable	(440,000)
Compensated absences	(5,198,652)
Police and fire pension liability	(1,239,604)
General obligation bonds	<u>(3,340,000)</u>

(10,306,157)

Net assets of governmental activities \$ 59,838,580

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 333,687	\$ -	\$ 19,738,501
Property and other taxes	2,120,261	-	422,722
Charges for services	42,563	-	1,288,356
Licenses, permits and fees	670,776	-	96,998
Fines and forfeitures	1,333,223	-	131,786
Intergovernmental	5,005,751	1,143,751	118,679
Special assessments	41,680	-	-
Investment income	834,170	66,863	-
Other	72,008	819	9,175
Total revenues	<u>10,454,119</u>	<u>1,211,433</u>	<u>21,806,217</u>
Expenditures:			
Current:			
General government	8,021,509	-	12,929
Public safety	1,414,238	-	22,400,774
Public health and welfare	36,923	-	-
Transportation	-	-	-
Community environment	552,997	1,069,310	-
Leisure time activities	704,192	-	-
Capital outlay	-	1,481	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>10,729,859</u>	<u>1,070,791</u>	<u>22,413,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(275,740)</u>	<u>140,642</u>	<u>(607,486)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	135,107	-	-
Transfers in	79,860	-	-
Transfers out	<u>(134,066)</u>	<u>(375,000)</u>	<u>(141,357)</u>
Total other financing sources (uses)	<u>80,901</u>	<u>(375,000)</u>	<u>(141,357)</u>
Net change in fund balances	(194,839)	(234,358)	(748,843)
Fund balances (deficit) at beginning of year . . .	1,626,383	2,300,722	837,297
Increase (decrease) in reserve for inventory . .	<u>(6,765)</u>	<u>(504)</u>	<u>(14,951)</u>
Fund balances at end of year	<u>\$ 1,424,779</u>	<u>\$ 2,065,860</u>	<u>\$ 73,503</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Section 108 Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,169,250	\$ 24,241,438
-	-	2,542,983
-	1,171,016	2,501,935
-	242,121	1,009,895
-	354,244	1,819,253
-	11,489,269	17,757,450
-	-	41,680
2,792	29,095	932,920
-	50,866	132,868
2,792	17,505,861	50,980,422
-	2,804,429	10,838,867
-	662,902	24,477,914
-	93,042	129,965
-	3,895,775	3,895,775
-	32,300	1,654,607
-	62,436	766,628
2,389,027	10,165,831	12,556,339
-	310,000	310,000
105,334	221,951	327,285
2,494,361	18,248,666	54,957,380
(2,491,569)	(742,805)	(3,976,958)
-	20,832	155,939
-	686,305	766,165
-	(35,882)	(686,305)
-	671,255	235,799
(2,491,569)	(71,550)	(3,741,159)
830,094	4,697,394	10,291,890
-	36,692	14,472
\$ (1,661,475)	\$ 4,662,536	\$ 6,565,203

CITY OF MANSFIELD, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balances - total governmental funds	\$ (3,741,159)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$15,813,355 were less than depreciation expense \$8,533,088 in the current period. Both amounts are exclusive of internal service funds activity.	7,280,267
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(2,735,360)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.	14,472
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(33,857)
Repayment of bonds, notes and police and fire pension liability principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.	354,508
In the statement of activities, interest is accrued on outstanding bonds, notes and the police and fire pension liability, whereas in governmental funds, an interest expenditure is reported when due.	39,212
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are exclusive of internal service funds activity.	(500,590)
Internal service funds are used by management to charge the costs of the repair garage, data processing, utility collections, health insurance, OML self-insurance and workers' compensation to individual funds and are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds, including internal balances are allocated among the governmental activities.	(618,332)
Change in net assets of governmental activities	\$ 59,161

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,400,376	\$ 2,398,775	\$ 2,488,097	\$ 89,322
Charges for services	23,393	23,393	23,513	120
Licenses, permits and fees	654,382	652,432	689,826	37,394
Fines and forfeitures.	1,275,377	1,270,391	1,311,460	41,069
Intergovernmental	4,832,978	4,853,687	4,943,588	89,901
Special assessments	41,680	41,680	41,680	-
Investment income	678,492	678,492	721,538	43,046
Other	85,697	73,524	195,411	121,887
Total revenues.	<u>9,992,375</u>	<u>9,992,374</u>	<u>10,415,113</u>	<u>422,739</u>
Expenditures:				
Current:				
Public safety	1,747,706	1,668,740	1,516,135	152,605
Public health and welfare.	67,000	72,250	45,662	26,588
Community environment	646,515	612,548	532,228	80,320
Leisure time activities	809,342	791,587	759,188	32,399
General government	<u>8,521,588</u>	<u>8,430,825</u>	<u>7,843,702</u>	<u>587,123</u>
Total expenditures	<u>11,792,151</u>	<u>11,575,950</u>	<u>10,696,915</u>	<u>879,035</u>
Deficiency of revenues under expenditures	<u>(1,799,776)</u>	<u>(1,583,576)</u>	<u>(281,802)</u>	<u>1,301,774</u>
Other financing sources (uses):				
Loan to other funds	(281,580)	(281,580)	(281,580)	-
Payment on loan from other funds	(250,000)	(250,000)	(250,000)	-
Repayment on loan to other funds	659,373	659,373	659,373	-
Transfers in	80,410	80,410	79,860	(550)
Transfers out	<u>(200,821)</u>	<u>(291,163)</u>	<u>(134,066)</u>	<u>157,097</u>
Total other financing sources (uses)	<u>7,382</u>	<u>(82,960)</u>	<u>73,587</u>	<u>156,547</u>
Net change in fund balance	(1,792,394)	(1,666,536)	(208,215)	1,458,321
Fund balance at beginning of year	1,370,424	1,370,424	1,370,424	-
Prior year encumbrances appropriated	429,918	429,918	429,918	-
Fund balance at end of year.	<u>\$ 7,948</u>	<u>\$ 133,806</u>	<u>\$ 1,592,127</u>	<u>\$ 1,458,321</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,346,904	\$ 2,346,904	\$ 1,346,084	\$ (1,000,820)
Investment income	90,000	90,000	74,723	(15,277)
Other	466,292	466,292	212,731	(253,561)
Total revenues.	<u>2,903,196</u>	<u>2,903,196</u>	<u>1,633,538</u>	<u>(1,269,658)</u>
Expenditures:				
Current:				
Community environment	2,694,369	2,694,369	1,376,960	1,317,409
Total expenditures	<u>2,694,369</u>	<u>2,694,369</u>	<u>1,376,960</u>	<u>1,317,409</u>
Excess of revenues over expenditures	208,827	208,827	256,578	47,751
Other financing uses:				
Transfers out	(375,000)	(375,000)	(375,000)	-
Total other financing uses	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>
Net change in fund balance	(166,173)	(166,173)	(118,422)	47,751
Fund balance at beginning of year	138,296	138,296	138,296	-
Prior year encumbrances appropriated	<u>73,945</u>	<u>73,945</u>	<u>73,945</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 46,068</u>	<u>\$ 46,068</u>	<u>\$ 93,819</u>	<u>\$ 47,751</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 21,427,654	\$ 21,427,654	\$ 20,297,261	\$ (1,130,393)
Licenses, permits and fees	100,039	108,895	148,211	39,316
Charges for services	1,218,425	1,216,926	1,254,489	37,563
Fines and forfeitures.	125,000	125,000	126,440	1,440
Intergovernmental	113,080	105,724	101,894	(3,830)
Other	33,008	33,008	9,149	(23,859)
Total revenues.	<u>23,017,206</u>	<u>23,017,207</u>	<u>21,937,444</u>	<u>(1,079,763)</u>
Expenditures:				
Current:				
Public safety	23,632,992	23,728,348	22,452,032	1,276,316
Total expenditures	<u>23,632,992</u>	<u>23,728,348</u>	<u>22,452,032</u>	<u>1,276,316</u>
Deficiency of revenues under expenditures	(615,786)	(711,141)	(514,588)	196,553
Other financing uses:				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers out	(141,357)	(141,357)	(141,357)	-
Total other financing uses	<u>(191,357)</u>	<u>(191,357)</u>	<u>(191,357)</u>	<u>-</u>
Net change in fund balance	(807,143)	(902,498)	(705,945)	196,553
Fund balance at beginning of year	599,933	599,933	599,933	-
Prior year encumbrances appropriated	<u>303,165</u>	<u>303,165</u>	<u>303,165</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 95,955</u>	<u>\$ 600</u>	<u>\$ 197,153</u>	<u>\$ 196,553</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2008

	Business-Type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 2,669,284	\$ 3,842,836	\$ 29,571	\$ 6,541,691	\$ 169,145
Cash and cash equivalents with fiscal agent.	1,463	11,791	-	13,254	-
Receivables (net of allowance for uncollectibles)					
Accounts	1,280,999	1,350,520	18,726	2,650,245	-
Special assessments.	-	25,437	-	25,437	-
Taxes	-	-	114,520	114,520	-
Due from other governments	3,456	593,569	-	597,025	-
Loans to other funds	-	1,060,000	-	1,060,000	-
Materials and supplies inventory	85,765	40,060	32,713	158,538	52,586
Restricted Assets:					
Equity in pooled cash and cash equivalents.	-	4,040,936	-	4,040,936	-
Total current assets	<u>4,040,967</u>	<u>10,965,149</u>	<u>195,530</u>	<u>15,201,646</u>	<u>221,731</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	569,528	808,862	1,493,629	2,872,019	-
Depreciable capital assets, net	<u>10,361,569</u>	<u>26,613,390</u>	<u>1,481,599</u>	<u>38,456,558</u>	<u>574,532</u>
Total capital assets, net	<u>10,931,097</u>	<u>27,422,252</u>	<u>2,975,228</u>	<u>41,328,577</u>	<u>574,532</u>
Total assets	<u>14,972,064</u>	<u>38,387,401</u>	<u>3,170,758</u>	<u>56,530,223</u>	<u>796,263</u>
Liabilities:					
Current liabilities:					
Accounts payable.	102,855	450,268	116	553,239	91,928
Contracts payable.	38,064	46,258	-	84,322	13,886
Retainage payable	1,463	11,791	-	13,254	-
Accrued wages and benefits	110,495	105,777	13,500	229,772	68,740
Due to other governments	100,231	88,281	11,125	199,637	66,225
Claims payable.	-	-	-	-	1,004,251
Notes payable	-	1,985,000	-	1,985,000	-
Current portion of bonds.	551,571	-	-	551,571	-
Accrued interest payable.	31,205	-	-	31,205	-
Total current liabilities	<u>935,884</u>	<u>2,687,375</u>	<u>24,741</u>	<u>3,648,000</u>	<u>1,245,030</u>
Long-term liabilities:					
General obligation bonds	1,313,429	-	-	1,313,429	-
Notes payable	274,739	-	-	274,739	-
Compensated absences	810,237	324,001	51,282	1,185,520	310,306
Total long-term liabilities	<u>2,398,405</u>	<u>324,001</u>	<u>51,282</u>	<u>2,773,688</u>	<u>310,306</u>
Total liabilities	<u>3,334,289</u>	<u>3,011,376</u>	<u>76,023</u>	<u>6,421,688</u>	<u>1,555,336</u>
Net assets:					
Invested in capital assets, net of related debt	8,791,358	25,437,252	2,975,228	37,203,838	574,532
Restricted for replacement and improvement	-	4,040,936	-	4,040,936	-
Unrestricted (deficit)	<u>2,846,417</u>	<u>5,897,837</u>	<u>119,507</u>	<u>8,863,761</u>	<u>(1,333,605)</u>
Total net assets	<u>\$ 11,637,775</u>	<u>\$ 35,376,025</u>	<u>\$ 3,094,735</u>	<u>50,108,535</u>	<u>\$ (759,073)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(225,982)	
Net assets of business-type activities				<u>\$ 49,882,553</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 7,913,286	\$ 8,000,078	\$ 66,965	\$ 15,980,329	\$ 13,850,389
Total operating revenues	<u>7,913,286</u>	<u>8,000,078</u>	<u>66,965</u>	<u>15,980,329</u>	<u>13,850,389</u>
Operating expenses:					
Personal services	1,797,854	1,700,087	231,472	3,729,413	1,315,350
Fringe benefits	7,406	3,514	3,418	14,338	12,362
Contractual services.	3,560,923	4,986,242	68,838	8,616,003	5,923,425
Materials and supplies	863,870	589,998	65,968	1,519,836	1,222,189
Depreciation	641,853	1,882,508	215,650	2,740,011	241,522
Utilities	544,406	642,306	60,998	1,247,710	30,399
Claims expense.	-	-	-	-	5,963,022
Other	9,657	31,285	200	41,142	551
Total operating expenses	<u>7,425,969</u>	<u>9,835,940</u>	<u>646,544</u>	<u>17,908,453</u>	<u>14,708,820</u>
Operating income (loss).	<u>487,317</u>	<u>(1,835,862)</u>	<u>(579,579)</u>	<u>(1,928,124)</u>	<u>(858,431)</u>
Nonoperating revenues (expenses):					
Other nonoperating revenue	5,136	9,689	238	15,063	14,659
Other nonoperating expenses	(65,000)	-	-	(65,000)	-
Loss on disposal of assets	(1,269)	-	(171,852)	(173,121)	(542)
Interest Income	-	25,545	-	25,545	-
Municipal income tax	-	-	604,380	604,380	-
Tap and license fees	87,050	1,485	-	88,535	-
Intergovernmental	-	-	73,888	73,888	-
Transfers out	-	-	(79,860)	(79,860)	-
Interest expense and fiscal changes	(112,485)	(87,519)	-	(200,004)	-
Total nonoperating revenues (expenses)	<u>(86,568)</u>	<u>(50,800)</u>	<u>426,794</u>	<u>289,426</u>	<u>14,117</u>
Income (loss) before capital contributions	400,749	(1,886,662)	(152,785)	(1,638,698)	(844,314)
Capital contributions	483,135	1,028,282	-	1,511,417	-
Changes in net assets.	883,884	(858,380)	(152,785)	(127,281)	(844,314)
Net assets at beginning of year	<u>10,753,891</u>	<u>36,234,405</u>	<u>3,247,520</u>		<u>85,241</u>
Net assets at end of year	<u>\$ 11,637,775</u>	<u>\$ 35,376,025</u>	<u>\$ 3,094,735</u>		<u>\$ (759,073)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				102,133	
Changes in net assets of business-type activities				<u>\$ (25,148)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 8,144,221	\$ 7,928,729	\$ 84,415	\$ 16,157,365	\$ 13,850,389
Cash received from other operating revenues.	92,186	11,174	238	103,598	14,659
Cash received from investing activities	-	25,545	-	25,545	-
Cash payments to employees.	(2,001,454)	(1,761,446)	(228,173)	(3,991,073)	(1,729,942)
Cash payments to suppliers	(4,953,528)	(6,214,078)	(503,852)	(11,671,458)	(6,729,283)
Cash payments for claims expense.	-	-	-	-	(5,515,358)
Cash payments for other operating expenses.	(16,832)	(31,731)	(200)	(48,763)	-
Net cash provided by operating activities	<u>1,264,593</u>	<u>(41,807)</u>	<u>(647,572)</u>	<u>575,214</u>	<u>(109,535)</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	300,000	-	300,000	-
Intergovernmental	-	-	73,888	73,888	-
Transfers out	-	-	(79,860)	(79,860)	-
Municipal income tax	-	-	488,732	488,732	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>300,000</u>	<u>482,760</u>	<u>782,760</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(706,880)	(684,998)	(3,257)	(1,395,135)	(46,166)
Proceeds from notes	200,000	1,985,000	-	2,185,000	-
Proceeds from bonds	2,230,000	-	-	2,230,000	-
Payment to escrow agent	(2,165,000)	-	-	(2,165,000)	-
Principal paid on general obligation debt	(365,000)	-	-	(365,000)	-
Interest paid on general obligation debt.	(156,049)	-	-	(156,049)	-
Principal paid on notes	(14,381)	(2,065,000)	-	(2,079,381)	-
Interest paid on notes.	-	(87,519)	-	(87,519)	-
Net cash used in capital and related financing activities	<u>(977,310)</u>	<u>(852,517)</u>	<u>(3,257)</u>	<u>(1,833,084)</u>	<u>(46,166)</u>
Net increase in cash and cash equivalents	287,283	(594,324)	(168,069)	(475,110)	(155,701)
Cash and cash equivalents at beginning of year	<u>2,383,464</u>	<u>8,489,887</u>	<u>197,640</u>	<u>11,070,991</u>	<u>324,846</u>
Cash and cash equivalents at end of year.	<u>\$ 2,670,747</u>	<u>\$ 7,895,563</u>	<u>\$ 29,571</u>	<u>\$ 10,595,881</u>	<u>\$ 169,145</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 487,317	\$ (1,835,862)	\$ (579,579)	\$ (1,928,124)	\$ (858,431)
Adjustments:					
Depreciation	641,853	1,882,508	215,650	2,740,011	241,522
Other nonoperating revenues	5,136	9,689	238	15,063	14,659
Interest revenue	-	25,545	-	25,545	-
Tap and license fees	87,050	1,485	-	88,535	-
Changes in assets and liabilities:					
Decrease in accounts receivable	230,855	112,062	17,450	360,367	-
Decrease in special assessments	-	18,358	-	18,358	-
(Increase) decrease in inventory of supplies	13,049	(8,515)	6,356	10,890	(9,822)
(Increase) decrease in due from other governments	80	(201,769)	-	(201,689)	-
Increase (decrease) in accounts payable	(23,075)	276,261	(314,404)	(61,218)	3,297
Increase (decrease) in contracts payable	25,697	(263,232)	-	(237,535)	13,886
Increase (decrease) in accrued wages and benefits	(32,254)	1,775	2,240	(28,239)	9,736
Increase (decrease) in due to other governments	(17,051)	3,022	3,418	(10,611)	12,362
Increase (decrease) in compensated absences payable	(154,064)	(63,134)	1,059	(216,139)	15,592
Increase in claims payable	-	-	-	-	447,664
Net cash used for operating activities	<u>\$ 1,264,593</u>	<u>\$ (41,807)</u>	<u>\$ (647,572)</u>	<u>\$ 575,214</u>	<u>\$ (109,535)</u>

During the year land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$1,511,417.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 618,716
Cash and cash equivalents with fiscal agent	127,038
Investments	270,000
Receivables:	
Taxes	10,129
Accounts	4,703
Total assets.	<u>1,030,586</u>
Liabilities:	
Due to other governments	144,896
Accounts payable	190,276
Due to individuals	112,889
Undistributed monies	582,525
Total liabilities	<u>\$ 1,030,586</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY

The City of Mansfield (the "City") was incorporated as a city in 1857 under the laws of the State of Ohio. In 1982 the voters of Mansfield adopted a charter, which was amended in 1988, in 1992, in 1996, and again in 2000 to govern the operations of the City. The charter provides for an elected mayor, council (6 wards, 2 at-large and a president), finance director, and law director. In addition, 2 judges of the municipal court are elected. Council members serve 4 year, staggered terms; the president of council, the mayor, finance director, and law director serve 4 year terms, and judicial officials serve 6 year terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City's basic financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit or imposing a financial burden of the City. Based on these criteria, there are no component units for the City.

The City provides various services and consists of many different activities and smaller accounting entities. Among those included are a police force, a fire fighting force, a municipal court system, a sewage treatment plant, a water treatment plant, an airport, a street maintenance force, a park and recreation system, and a staff to provide the necessary support to these service providers. Each of these activities and entities is under the direct control of City Council, which appropriates for, and finances, their operation. Each is therefore included as part of the reporting entity.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. 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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. 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 governmental or business-type activity is self-financing or draw 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. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

C. 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 - To account for all financial resources except those required to be accounted for in another fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Community Development - To account for monies received from the Federal Government under the Community Development Block Grant Program, the Home Grant Program, and the Economic Development Loan Repayment Program.

Safety Services - To account for monies collected for police and fire department operations.

Section 108 Improvements: - To account for monies collected for the construction of a new fire station, expansion of the Central Fire Station, and infrastructure improvements for the City's industrial parks.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating revenues, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - The 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:

Water - To account for the City's provision of water treatment and distribution to the residential and commercial users of the City.

Sewer - To account for the City's provision of sanitary sewer service to the residents and commercial users of the City.

Other enterprise funds of the City are used to account for the operations of the City's downtown parking facilities and to account for the operations of the City's airport facility. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the basic financial statements.

Internal Service Funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of garage services, data processing, utility collections, health insurance, OML self-insurance, workers' compensation, and benefit fund.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. They report on the assets and liabilities of Ohio State Patrol (OSP) fines, sewer and street openings, building security, payroll, municipal court, transient occupancy tax, internet auction, board of standards assessments, and utility deposits.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenditures) in total 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 financial statements for governmental funds.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include personnel costs, claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

E. 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 agency 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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one 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 (see Note 8B). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 8A). 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 taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance), and reimbursements due from federally funded projects for which corresponding expenditures have been made.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Deferred revenue includes both, “unearned” and “earned, but unavailable” revenues.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance fiscal year 2009 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 been reported as deferred revenue. On the Statement of Net Assets, receivables that will not be collected within the available period have been reported as unearned revenue.

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.

F. Budgetary Process

An annual appropriated budget is legally required to be prepared on the budgetary basis for all funds of the City other than agency funds. However, only general fund and major special revenue funds are required to be reported in the basic financial statements. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the Certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts from the original and final amended Certificates of Estimated Resources issued in 2008.

Appropriations - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by Council by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year only by action of Council as new information becomes available, but fund appropriations may not exceed estimated resources. Supplemental appropriation measures were legally enacted during 2008.

Budgeted Level of Expenditures - Appropriations are made by fund, function or department and object, including personal services, contract services, materials and supplies, capital outlay, debt service, and other. Funds appropriated may not be expended for purposes other than those designated in the appropriation measure.

Only Council may alter amounts allocated to various departments and objects during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the original and final amounts appropriated for 2008.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control.

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

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the balance sheet and statement of net assets. Investments are in accordance with the City's Investment Policy.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During 2008, investments were limited to STAR Ohio, U.S. Treasury securities, repurchase agreements, federal agency securities and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and certificates of deposit, are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2008.

Money held on behalf of the City by a fiscal and escrow agent represents money earmarked for retainage for construction projects, payroll withholdings, or payment of state shared road project costs. These amounts have been reported as "Cash and cash equivalents with fiscal agent" on the balance sheet and statement of net assets.

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

An analysis of the City's investment accounts at year-end is provided in Note 6.

H. Inventories of Materials and Supplies

On the 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.

On the governmental fund financial statements, recorded inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Restricted Assets

The City, in accordance with bond indentures, federal regulations, and state statutes, has restricted assets within enterprise funds for replacement and improvement of its capital assets. Monies which represent debt proceeds are also restricted for use in constructing enterprise fund assets. As of December 31, 2008, the total restricted cash in the enterprise funds was \$4,040,936. It is in the Sewer

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

fund and is a result of the City receiving construction grant monies for the Wastewater Treatment Plant. A separate account was established to receive and disburse these monies for replacement and improvement purchases of major equipment at the Wastewater Treatment Plant. The funds can never be used to offset deficits or shortfalls in the sewer user charge system. Per the consulting engineer's estimate, the City has sufficient funds in the Reserved for Replacement and Improvement account to meet current needs.

J. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2009 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred. There were no material prepaid assets to report at December 31, 2008.

K. 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 enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$500. The City's governmental activities infrastructure consists of streets, bridges, and traffic signals. The City's business-type activities infrastructure consists of water lines, sanitary sewer lines, and storm 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 capital assets is also capitalized for business-type activities. During fiscal 2008, no interest capitalization occurred.

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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	25 years	25 years
Improvements other than buildings:		
Land improvements	7 - 25 years	7 - 25 years
Machinery and equipment	2 - 50 years	2 - 50 years
Infrastructure:		
Streets	34 years	-
Bridges	30 - 200 years	-
Traffic signals	5 - 12 years	-
Storm sewer	-	50 years
Water and sewer lines	-	30 - 50 years

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave, and compensatory time to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement 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 City 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 liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability includes the employees who are currently eligible to receive termination benefits and the employees who are at least 40 years old with at least 20 years of service and will reach full retirement eligibility in the future.

The total liability for vacation leave, sick leave, and compensatory time has been calculated using the pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, compensatory time and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. 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.

N. Interfund Balances

On the fund financial statements, long-term interfund loans are classified as "loans to/from other funds on the governmental balance sheet and proprietary statement of net assets. On the governmental fund financial statements, loans to other funds are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

O. 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 basic financial statements.

P. Fund Balance Reserves

On the governmental fund financial statements, reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund balance reflected on the governmental fund financial statements are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, debt service, loans receivable, loans to other funds, and unclaimed monies in the governmental fund financial statements.

Q. Estimates

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

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, grants restricted for capital construction, donations by developers, contributions made by the City and assets whose construction was financed through special assessments. Capital contributions are reported as revenue in the proprietary fund financial statements.

S. 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, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

replacement and improvement of facilities.

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

The City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 50, *Pension Disclosures*, for the year ended December 31, 2008. The effect of this implementation can be found in Note 17.

The City adopted GASB Statement No. 49, *Accounting and Financial Reporting by Employers for Pollution Remediation Obligations*, for the year ended December 31, 2008. Information on all Pollution Remediation Activities can be found in Note 21.

NOTE 4 – ACCOUNTABILITY

A. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2008:

	<u>Deficit Balance</u>
Governmental funds:	
Court Costs	\$ 3,928
Section 108 Improvements	1,661,475
2005 Service Fleet	255,000
Miller Park	934,421
Internal service funds:	
Utility Collections	67,289
Health Insurance	1,076,705

The deficits in these funds are caused by the application of generally accepted accounting principles (GAAP). The general fund is liable for any deficit in these funds and provides transfers/loans when cash is required, not when accruals occur.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) are presented in the basic financial statements for the General Fund and Major Special Revenue Funds.

- A. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING – (Continued)

reservation of fund balance for governmental fund types (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

	General	Community Development	Safety Services
GAAP Basis	(\$194,839)	(\$234,358)	(\$748,843)
Adjustments:			
Revenue accruals	485,260	422,105	131,230
Expenditure accruals	(385,187)	(219,613)	97,764
Encumbrances	(113,449)	(86,556)	(186,096)
Budget Basis	(\$208,215)	(\$118,422)	(\$705,945)

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City of Mansfield into three categories.

Active deposits are public deposits necessary to meet current demands on the City. Such monies must be maintained either as cash by the City, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Finance Director has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies to be deposited or invested shall be in accordance with the City's Investment Policy. This policy, in conjunction with the City Charter, and the ordinances adopted by the City Council, will govern the investments and the investment activities of the City. It is reviewed periodically for compliance and to assure the flexibility necessary to effectively manage the interim monies.

The interim monies to be deposited or invested will observe the following guidelines:

1. The City is permitted to invest in any security specifically authorized by the Ohio Revised Code including, but not limited to the following, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Company, Government National Mortgage Association, and Student Loan Marketing Association.
2. Investments may only be made through specified dealers and institutions.
3. Investments in United States Treasury securities and those instruments completely guaranteed by the United States Treasury as to payment of principal and interest may be made in any dollar amount.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

4. Investments in Repurchase Agreements and in Certificates of Deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total investment portfolio at the time of purchase in any one institution.
5. Investments may be made in the State Treasurer’s investment pool (STAR Ohio).
6. No security will be purchased that has a remaining term to final maturity of more than five years.
7. Investments in eligible securities may be made in either coupon or discount instruments.
8. Investment portfolio liquidity is defined as the ability to sell a security on short notice near the par value of the security. To help retain desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids. Additionally, total portfolio liquidity shall be assured by keeping an adequate amount of short term (usually 30 days or less) investments in the portfolio to accommodate unexpected cash needs of the City.

Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by surety company bonds deposited with the City by the financial institution, or by a single collateral pool held by a financial institution securing all public funds on deposit with the specific depository institution.

A. Cash on Hand

At year-end, the City had \$292,847 in undeposited cash on hand which is included on the financial statements of the City as part of “Equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits, including certificate of deposits, was \$12,103,326. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2008, \$11,797,546 of the City’s bank balance of \$12,197,547 was exposed to custodial risk as discussed below, while \$400,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in the amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository and pledged as a pool of collateral against all of the public deposits it holds or as specified collateral held at the Federal Reserve Bank in the name of the City.

C. Investments

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6 Months or Less</u>	<u>7 to 12 Months</u>
T BILL	\$ 999,997	\$ 999,997	\$ -
FHLB DN	997,783	-	997,783
FHLMC	1,026,033	-	1,026,033
FNMA	1,005,845	-	1,005,845
FHLB	1,029,336	-	1,029,336
FFCB	1,014,331	-	1,014,331
REPO	30,114	30,114	-
STAR OHIO	<u>1,076,632</u>	<u>1,076,632</u>	<u>-</u>
Total	<u>\$ 7,180,071</u>	<u>\$ 2,106,743</u>	<u>\$ 5,073,328</u>

The weighted average maturity of investments is .93 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the City’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City’s investments were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively.

Custodial Credit Risk: For an investment, 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 investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk: The City’s investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
T BILL	\$ 999,997	13.93%
FHLB DN	997,783	13.90%
FHLMC	1,026,033	14.29%
FNMA	1,005,845	14.01%
FHLB	1,029,336	14.34%
FFCB	1,014,331	14.13%
REPO	30,114	0.42%
STAR OHIO	<u>1,076,632</u>	<u>14.98%</u>
Total	<u>\$ 7,180,071</u>	<u>100.00%</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the Statement of Net Assets as of December 31, 2008.

<u>Cash and Investments per Footnote</u>	
Carrying amount of deposits	\$ 12,103,326
Investments	7,180,071
Cash on hand	<u>292,847</u>
Total	<u>\$ 19,576,244</u>
 <u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$ 7,964,609
Business-type activities	10,595,881
Agency funds	<u>1,015,754</u>
Total	<u>\$ 19,576,244</u>

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2008, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>					<u>Total</u>
	<u>General</u>	<u>Streets</u>	<u>Community Development</u>	<u>Safety Services</u>	<u>Parking Garage</u>	
General	\$ -	\$ -	\$ -	\$ -	\$ 79,860	\$ 79,860
Regional Community Advancement	106,679	-	-	-	-	106,679
Law Enforcement Block Grant	-	-	-	3,435	-	3,435
Grant Fund	-	-	-	28,102	-	28,102
Debt Service	<u>27,387</u>	<u>35,882</u>	<u>375,000</u>	<u>109,820</u>	<u>-</u>	<u>548,089</u>
Total	<u>\$ 134,066</u>	<u>\$ 35,882</u>	<u>\$ 375,000</u>	<u>\$ 141,357</u>	<u>\$ 79,860</u>	<u>\$ 766,165</u>

Transfers are used (1) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (2) to move matching monies to finance the City’s share of grant expenses, and (3) to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In 2008, Mansfield City Council approved the closure of the Parking Garage Fund and the subsequent transfer of the unexpended balance to the General Fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 – INTERFUND TRANSACTIONS - (Continued)

- B.** Loans to/from other funds consisted of the following at December 31, 2008, as reported in the fund financial statements:

<u>Loans to other funds</u>	<u>Loans from other funds</u>		
	General	Sewer	Total
General Fund	\$ -	\$ 1,060,000	\$ 1,060,000
Miller Park Fund	281,580	-	281,580
Total	\$ 281,580	\$ 1,060,000	\$ 1,341,580

In 2002, the City declared it necessary to issue internal bonds between the General fund and the Sewer fund for the purpose of providing temporary funds to the City’s General fund. \$1,300,000 of internal bonds was issued to pay police officer and firefighter employer contributions to the Ohio Police and Fire Pension Fund. \$1,200,000 of internal bonds was issued to provide funds to pay the cost of the City’s self-insurance program for health care. These internal bonds were sold at par value to the Sewer fund of the City using the restricted sewer replacement and improvement cash. They are due to mature in a period of at least five (5) years or a maximum of twenty (20) years bearing an interest rate of 1.95%. The City will appropriate annually from available income taxes the amount necessary to pay the debt on the internal bonds. The bonds will mature and be payable on December 1, 2022. Interest on the bonds shall be payable on June 1 and December 1 of each year. Loans totaling \$281,580 were issued in 2008 from the General Fund to the Miller Park Fund to cover expenses for grants that receive monies on a reimbursement basis. These loans will be repaid in 2009 when grant monies are received.

NOTE 8 - TAXES

A. Property Tax

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property taxes received in 2008 are levied after October 1, 2007 on the assessed value listed as of January 1, 2007, the lien date. Assessed values are established by State laws at 35% of appraised market value. All property is required to be revalued every six years. 2008 real property taxes are collected in and intended to finance 2009. Public utility property taxes are assessed on tangible personal property at 100% of true (market) value and on land and improvements at 88% of true value. Public utilities property taxes received in 2008 became a lien December 31, 2006, were levied after October 1, 2007, and were collected in 2008 with real property taxes. Tangible personal property assessments are 23% of true value for inventories and 25% of true value for capital assets. The tangible personal property tax is being phased out, the assessment percentage for all property including inventory was 6.25% in 2008. This will be reduced to zero for 2009. The assessed value upon which the 2008 taxes were collected was \$688,624,139. The full tax rate for all City operations for the fiscal year ended December 31, 2008 was \$3.60 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established. Tangible personal property taxes are also payable annually or semi-annually. If paid annually, payment is due April 30. If paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Multi-county corporations may pay the entire tax due in one payment by September 20.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 – TAXES – (Continued)

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits the collections to the City. Property taxes receivables represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2008. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2008 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

The City levies an income tax of 1.75% on substantially all earned income arising from employment, residency or business activities inside the City. The first 1.00% of income tax is a permanent levy. An additional .25% of the income tax for street resurfacing became effective July 1, 1985, and was renewed in November of 1988, in May of 1993, in May of 1997, in May 2001, and again in May of 2005. It is scheduled to expire June 30, 2009. Effective April 1, 1988, an additional .50% was levied for police and fire activities and was renewed in November of 1991, in May of 1995, in May of 1999, in May of 2003 and again in May 2007. It is scheduled to expire December 31, 2011.

As of December 31, 2008, the City had income taxes receivable of \$3,584,207 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$324,338 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, safety services fund, street resurfacing fund and airport fund.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), special assessments, accrued interest, loans, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “Due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2008, as well as intended to finance fiscal 2008 operations.

A summary of the principal items of receivables reported on the Statement of Net Assets follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
Taxes	\$ 6,697,701	Taxes	\$ 114,520
Accounts	184,445	Accounts	2,650,245
Special assessments	98,457	Special assessments	25,437
Accrued interest	205,481	Due from other governments	597,025
Loans	2,706,508		
Due from other governments	8,136,619		

Receivables have been disaggregated on the face of the basic financial statements. Intergovernmental receivables have been further disaggregated in Note 19. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable will be collected annually for a varying number of years. Allowances for uncollectible accounts represent estimates of uncollectible receivables in the accounts classification. An allowance for uncollectible accounts in the amount of \$601,209 and \$26,520 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

<u>Governmental Activities:</u>	Balance 01/01/08	<u>Additions</u>	<u>Disposals</u>	Balance 12/31/08
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,852,243	\$ 188,516	\$ (51,500)	\$ 3,989,259
Construction in progress	<u>2,603,022</u>	<u>6,391,024</u>	<u>(2,603,022)</u>	<u>6,391,024</u>
Total capital assets, not being depreciated	<u>6,455,265</u>	<u>6,579,540</u>	<u>(2,654,522)</u>	<u>10,380,283</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,740,661	700,000	(21,440)	14,419,221
Improvements other than buildings	4,840,104	1,604,185		6,444,289
Machinery and equipment	21,909,678	2,498,451	(703,179)	23,704,950
Infrastructure	<u>111,270,755</u>	<u>4,507,279</u>	<u>(7,062)</u>	<u>115,770,972</u>
Total capital assets, being depreciated	<u>151,761,198</u>	<u>9,309,915</u>	<u>(731,681)</u>	<u>160,339,432</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,491,866)	(1,065,601)	929	(11,556,538)
Improvements other than buildings	(861,536)	(539,243)		(1,400,779)
Machinery and equipment	(15,326,744)	(1,227,638)	618,682	(15,935,700)
Infrastructure	<u>(80,830,755)</u>	<u>(5,942,821)</u>	<u>4,659</u>	<u>(86,768,917)</u>
Total accumulated depreciation	<u>(107,510,901)</u>	<u>(8,775,303)</u>	<u>624,270</u>	<u>(115,661,934)</u>
Total capital assets, being depreciated, net	<u>44,250,297</u>	<u>534,612</u>	<u>(107,411)</u>	<u>44,677,498</u>
Governmental activities capital assets, net	<u>\$ 50,705,562</u>	<u>\$ 7,114,152</u>	<u>\$ (2,761,933)</u>	<u>\$ 55,057,781</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	Balance <u>01/01/08</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,265,557	\$ -	\$ (171,852)	\$ 2,093,705
Construction in progress	<u>542,104</u>	<u>778,314</u>	<u>(542,104)</u>	<u>778,314</u>
Total capital assets, not being depreciated	<u>2,807,661</u>	<u>778,314</u>	<u>(713,956)</u>	<u>2,872,019</u>
<i>Capital assets, being depreciated:</i>				
Buildings	14,097,612	-	(718,600)	13,379,012
Improvements other than buildings	31,136,600	3,257	(244,554)	30,895,303
Machinery and equipment	8,298,265	190,227	(12,473)	8,476,019
Infrastructure	<u>57,546,201</u>	<u>2,477,017</u>	<u>-</u>	<u>60,023,218</u>
Total capital assets, being depreciated	<u>111,078,678</u>	<u>2,670,501</u>	<u>(975,627)</u>	<u>112,773,552</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,995,864)	(345,370)	718,600	(10,622,634)
Improvements other than buildings	(20,159,052)	(1,004,331)	244,554	(20,918,829)
Machinery and equipment	(6,838,852)	(216,919)	11,299	(7,044,472)
Infrastructure	<u>(34,556,912)</u>	<u>(1,174,147)</u>	<u>-</u>	<u>(35,731,059)</u>
Total accumulated depreciation	<u>(72,550,680)</u>	<u>(2,740,767)</u>	<u>974,453</u>	<u>(74,316,994)</u>
Total capital assets, being depreciated, net	<u>38,527,998</u>	<u>(70,266)</u>	<u>(1,174)</u>	<u>38,456,558</u>
Business-type activities capital assets, net	<u>\$ 41,335,659</u>	<u>\$ 708,048</u>	<u>\$ (715,130)</u>	<u>\$ 41,328,577</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 1,721,200
Public safety	701,739
Public health and welfare	440
Transportation	6,003,885
Community environment	2,635
Leisure time activity	103,883

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	241,521
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Total depreciation expense - governmental activities	\$ 8,775,303
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Business -type activities:

Water	\$ 637,904
Sewer	1,887,213
Airport	215,650

Total depreciation expense - business-type activities	\$ 2,740,767
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NOTE 11 - COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. For sworn police and fire personnel, vacation leave is accrued on January 1 of every year regardless of employee's anniversary date. Vacation time valued at \$893,216 will accrue on January 1, 2009 and is not reflected in the financial statements. Under the current contract with the sworn police officers, vacation balances unused at December 31 can be carried over until May 31, upon request. This amount is reflected in the basic financial statements. Any unused prior year vacation balance at May 31 is lost. For all other City employees, vacation leave is accrued on their anniversary date and the vacation earned must be used in the next year. Any unused vacation is eliminated from the employee's vacation balance. Upon separation from the City, the employee (or their estate) is paid for their accumulated unused vacation leave balance.

B. Accumulated Unpaid Sick Leave

All City employees, excluding firefighters, earn .05769 hours of sick leave for each non-overtime hour in active pay status. Firefighters, except the fire chief and assistant fire chiefs, earn .0769 hours of sick leave for each non-overtime hour in active pay status. The fire chief earns .05769 and the assistant fire chiefs earn .0928 hours of sick leave for each non-overtime hour in active pay status. Employees may accrue and carry over all sick leave earned with no limits.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - COMPENSATED ABSENCES – (Continued)

Upon separation from the City, employees with at least eight years of service are paid a pro-rata amount of their accumulated unused sick leave. The pro-rata amount is determined in each negotiated work agreement with the City. Portions of sick leave for eligible employees are accrued within the year of eligibility. Otherwise the cost of sick leave is recorded at the time it is used.

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

In December 2004, the City entered into a capitalized lease for police cruisers and equipment with costs totaling \$93,572. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease has been capitalized in the City’s governmental capital assets at the present value of the future minimum lease payments at lease inception. A corresponding liability has been reported in the governmental activities statement of net assets. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2009	\$ <u>21,094</u>
Total minimum payments required	21,094
Less: amount representing interest at 4.83%	<u>(621)</u>
Present value of future minimum lease payments	<u>\$ 20,473</u>

NOTE 13 - OPERATING LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City’s basic financial statements. Total costs for such leases were \$111,489 for the year ended December 31, 2008. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms as of December 31, 2008:

<u>Year Ended December 31</u>	<u>Amount</u>
2009	\$ 67,874
2010	56,965
2011	<u>22,912</u>
Total minimum payments required	<u>\$ 147,751</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2008, the following changes occurred in the City's long-term obligations:

<i>Governmental Activities:</i>	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/08</u>	Due in <u>One Year</u>
<u>General Obligation Bonds</u>							
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	\$ 3,580,000	-	\$ (240,000)	\$ 3,340,000	\$ 250,000
Total general obligation bonds			<u>3,580,000</u>	<u>-</u>	<u>(240,000)</u>	<u>3,340,000</u>	<u>250,000</u>
<u>Other Long-Term Obligations</u>							
Notes payable	0.00 - 4.50%	2008-2015	510,000	-	(70,000)	440,000	70,000
Capital lease obligation			39,982	-	(19,509)	20,473	20,473
Police and Fire Pension Liability	4.30%	2035	1,264,603	-	(24,999)	1,239,604	26,073
Compensated absences			<u>5,444,801</u>	<u>\$ 1,509,601</u>	<u>(1,306,752)</u>	<u>5,647,650</u>	<u>1,581,870</u>
Total other long-term obligations			<u>7,259,386</u>	<u>1,509,601</u>	<u>(1,421,260)</u>	<u>7,347,727</u>	<u>1,698,416</u>
Total governmental activities long-term obligations			<u>\$ 10,839,386</u>	<u>\$ 1,509,601</u>	<u>\$ (1,661,260)</u>	<u>\$ 10,687,727</u>	<u>\$ 1,948,416</u>

The voted general obligation bond issues will be paid through the debt service fund from general property tax revenue. The unvoted general obligation bond issues will be paid from available income tax revenue and community development block grant revenue. The police and fire pension liability is paid through the police and fire special revenue fund using unvoted general property tax revenue. The compensated absences liability will be paid from the fund in which the employees' salaries are paid.

The Various Purpose Bonds issued in 2002 in the amount of \$4,565,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: furnishing and equipping fire stations, acquiring fire equipment, fire trucks and emergency squad vehicles; constructing, furnishing and equipping a building for the Service Departments; constructing a new fire station; paying costs of constructing water and sewer lines in the Piper Road Industrial Park; and constructing three public streets in and around the Airport Industrial Complex, including grading, draining, paving, constructing curbs, water, storm sewer and sanitary sewer lines. These bonds are being repaid from the safety services, community development, and street construction maintenance and repair funds. On April 30, 2007 \$1,040,815 of the original issue remained unspent due to the related costs of constructing a new fire station. In May of 2007 additional bond anticipation notes were issued to complete the original plan of constructing a new fire station (note 20; page 66).

The City issued \$1,000,000 in Section 108 Improvement Project Notes in 1999. The notes are paid from the section 108 improvement fund.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2008 are as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 26,073	\$ 52,409	\$ 78,482
2010	27,193	51,289	78,482
2011	28,361	50,121	78,482
2012	29,579	48,903	78,482
2013	30,849	47,633	78,482
2014 - 2018	175,298	217,113	392,411
2019 - 2023	216,320	176,089	392,409
2024 - 2028	266,942	125,468	392,410
2029 - 2033	329,411	62,999	392,410
2034 - 2035	<u>109,578</u>	<u>4,616</u>	<u>114,194</u>
Total	<u>\$ 1,239,604</u>	<u>\$ 836,640</u>	<u>\$ 2,076,244</u>

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 250,000	\$ 153,698	\$ 403,698
2010	260,000	144,198	404,198
2011	270,000	133,798	403,798
2012	285,000	122,728	407,728
2013	180,000	110,758	290,758
2014 - 2018	1,050,000	424,605	1,474,605
2019 - 2022	<u>1,045,000</u>	<u>135,875</u>	<u>1,180,875</u>
Total	<u>\$ 3,340,000</u>	<u>\$ 1,225,660</u>	<u>\$ 4,565,660</u>

Year Ended <u>December 31,</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 70,000	\$ 33,249	\$ 103,249
2010	70,000	28,211	98,211
2011	70,000	22,997	92,997
2012	70,000	17,748	87,748
2013	70,000	12,395	82,395
2014 - 2015	<u>90,000</u>	<u>8,554</u>	<u>98,554</u>
Total	<u>\$ 440,000</u>	<u>\$ 123,154</u>	<u>\$ 563,154</u>

At December 31, 2008, the City's legal voted and unvoted debt margin was \$66,937,452 and \$33,506,245 respectively.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2008:

	Interest	Maturity	Balance			Balance	Due in
<i>Business-Type Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/08</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2008 Waterworks Refunding	3.50%	2013	\$ -	\$ 2,230,000	\$ (365,000)	\$ 1,865,000	\$ 395,000
Series 1993 Water System	2.85-9.65%	2008	1,200,000	-	(1,200,000)	-	-
Series 1992 Water System	3.00-6.20%	2008	965,000	-	(965,000)	-	-
Total general obligation bonds			<u>2,165,000</u>	<u>2,230,000</u>	<u>(2,530,000)</u>	<u>1,865,000</u>	<u>395,000</u>
<u>Other long-term obligations:</u>							
Notes payable	0.00%	2017	89,120	200,000	(14,381)	274,739	9,691
Compensated absences			1,401,659	246,408	(462,547)	1,185,520	475,322
Total other long-term obligations			<u>1,490,779</u>	<u>446,408</u>	<u>(476,928)</u>	<u>1,460,259</u>	<u>485,013</u>
Total business-type activities long-term obligations			<u>\$ 3,655,779</u>	<u>\$ 2,676,408</u>	<u>\$ (3,006,928)</u>	<u>\$ 3,325,259</u>	<u>\$ 880,013</u>

The Series 1993 Water System Bonds were issued during 1993 in the amount of \$3,000,000 to improve the municipal waterworks system by constructing an elevated water storage reservoir with improvements at the water treatment plant. The Series 1992 Water System Bonds were issued during 1992 in the amount of \$2,600,000 for the installation of instrumentation facilities at the water treatment plant and the construction of various water mains. The 2008 Waterworks Bonds were issued in the amount of \$2,230,000 to refund the outstanding bonds issued in 1992 and 1993, plus pay issuance costs. As a result of the refunding, the City will reduce their debt service payments over the next five years by \$91,471 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$84,594. The City is not liable for the refunded debt; therefore the liability has been removed from the financial statement.

In 1997, the City issued \$187,620 in Ohio Public Works Commission Notes for the North Wells water line replacement. In 2008, the City issued \$200,000 in Ohio Public Works Commission Notes for the Bowman Street and Cairns Road water lines. These notes are being repaid from the water fund.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2008 are as follows:

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 395,000	\$ 65,275	\$ 460,275
2010	410,000	51,450	461,450
2011	420,000	37,100	457,100
2012	415,000	22,400	437,400
2013	225,000	7,875	232,875
Total	<u>\$ 1,865,000</u>	<u>\$ 184,100</u>	<u>\$ 2,049,100</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 9,691	\$ -	\$ 9,691
2010	19,381	-	19,381
2011	19,381	-	19,381
2012	19,381	-	19,381
2013	19,381	-	19,381
2014 - 2018	87,524	-	87,524
2019 - 2023	50,000	-	50,000
2024 - 2028	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total	<u>\$ 274,739</u>	<u>\$ -</u>	<u>\$ 274,739</u>

NOTE 15 - RISK MANAGEMENT

The City is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the "Pool"). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty self-insurance for its member organizations throughout the State of Ohio. The Pool's general objectives are to formulate, develop, and administer a program of self-insurance, to obtain lower costs for coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessments or refunds.

The City obtained insurance coverage from the Pool for general liability, public officials' error and omissions, law enforcement liability, property, automobile liability, inland marine, boiler and machinery, and EMS liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has not been a reduction in coverage.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to build the Pool's retained earning account to fund the activities of the Pool. During 2007 and 2008, the City made contributions in the amounts of \$405,252 and \$395,113, and surplus contributions to the Pool in the amounts of \$45,028 and \$43,901, respectively.

In the ordinary course of business, the Pool grants a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks. Treaty basis casualty excess of loss contracts in force at December 31, 2001 currently generally protects the Pool against individual losses over \$150,000.

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of \$50,000 per occurrence. Previously the deductible was the lesser of \$50,000 per location or \$100,000 per occurrence.

The Pool is, and ultimately the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 15 - RISK MANAGEMENT - (Continued)

The aviation liability is purchased from a commercial insurance company.

A review board of City Council members analyzes all accidents such as damage to mailboxes, sewer backups, and personal injury on City property claims for determination of City liability before payments are made or claims filed.

The City pays the Workers' Compensation System a premium based on accident history and administrative costs.

The City has elected to provide Medical, Dental, and Life Insurance as benefits to all full-time employees. A \$25,000 Life, Accidental Death and Dismemberment policy is carried on the employees under the union contracts (AFSCME, FOP, and IAFF). The remaining non-bargaining employees are carried on a policy at an amount equal to their annual salary rounded to the nearest thousand. This policy is effective one month from the date of hire, at no cost to the employee. This coverage is provided by the Standard Insurance Company.

Medical and Dental insurance is provided through a self-insured program. An internal service fund was established to account for and finance this program. This plan provides medical coverage with a \$200 single deductible, \$400 family deductible, and a dental plan that pays 100% preventive maintenance costs for employees only. A third party administrator, E.S. Beveridge & Associates, Inc., reviews all claims which are paid by the City. The City pays into the self-insurance internal service fund an amount equal to \$549 single coverage and \$1,334 family coverage per employee per month. A portion of the amount paid into the self-insurance internal service fund is paid by the employees through payroll deduction. The amount depends on the employee's type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

The liability for unpaid claims costs of \$1,004,251 reported in the internal service funds at December 31, 2008 is based on the requirements of GASB Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. Estimates for unpaid claims are based on available information.

Changes in the fund's claims liability amount for 2007 and 2008 were as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2008	\$ 556,587	\$ 5,963,022	\$ (5,515,358)	\$ 1,004,251
2007	\$ 779,690	\$ 5,725,313	\$ (5,948,416)	\$ 556,587

NOTE 16 - DEFINED BENEFIT PENSION PLANS

All employees of the City are required to participate in one of two pension plans administered and controlled by the State of Ohio. The majority of City employees participate in the statewide Ohio Public Employees Retirement System (OPERS). Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (OP&F). Both OPERS and OP&F are cost-sharing, multiple-employer defined benefit public employee retirement systems.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 16 - DEFINED BENEFIT PENSION PLANS – (Continued)

A. Ohio Public Employees Retirement System

OPERS has provided the following disclosures in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27).

OPERS administers three separate pension plans as described below:

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. Members in the state and local divisions may participate in all three plans. The 2008 member contribution rates were 10.00% for members in state and local classifications. The 2008 employer contribution rates were 14.00% of covered payroll.

The City's contributions to OPERS for the years ending December 31, 2008, 2007 and 2006 were \$2,139,557, \$2,091,055, and \$1,954,035 respectively. The full amount has been contributed for 2006 and 2007. 92.66% has been contributed for 2008 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

OP&F has provided the following disclosures in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27).

OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Authority to establish and amend benefits is provided by state statute per Chapter 742 of the Ohio Revised Code.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 16 - DEFINED BENEFIT PENSION PLANS – (Continued)

OP&F issues a stand alone financial report. Interested parties may obtain a copy by making a written request to OP&F at: 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614)228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.00% of their annual salary, while employers are required to contribute 19.50% and 24.00% respectively for police officers and firefighters.

Contributions by the City to the OP&F for police officers for the year ended December 31, 2008, 2007, and 2006 were \$1,051,960, \$944,845, and \$924,250 respectively, and for firefighters the contributions were \$1,493,992, \$1,385,917, and \$1,419,063 respectively. The full amount has been contributed for 2006 and 2007. For police officers and firefighters, 69.79% and 71.29%, respectively, have been contributed for 2008 with the remainder being reported as a liability in the respective funds.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police officers and firefighters in 1967. As of December 31, 2008, the unfunded liability of the City was \$1,239,604 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as a component of governmental activities long-term obligations.

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS

In addition to the pension benefits described previously, both OPERS and OP&F provide post-retirement health care coverage commonly referred to as OPEB. The health care coverage provided is considered an OPEB under GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers* (GASB 12). For both systems, the Ohio Revised Code provides the authority for public employers to fund post-retirement health care through their contributions.

In addition to pension benefits described, both the OPERS and OP&F provide post retirement health care coverage, which meets the definition of an OPEB as described in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45).

A. Ohio Public Employees Retirement System

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate is 14.00% of covered payroll, of which 7.00% was used to fund health care for the year.

OPERS provides post-retirement health care benefits to qualifying members of both the Traditional Pension and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees, under the Traditional Pension and the Combined Plans, must

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified primary survivor benefit recipients is available and meets the definition of an OPEB as described in GASB 12.

Summary of Assumptions

- Actuarial Review: The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2007.
- Funding Method: The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.
- Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.
- Investment Return – The investment assumption rate for 2007 was 6.50%.
- Active Employee Total Payroll - An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.
- Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 4% for the next 7 years. In subsequent years, (eight and beyond) health care costs were assumed to increase at 4%.

OPEB is advance-funded on actuarially determined basis. The following disclosures are required:

- The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076.
- The City's contributions to OPERS for the year ending December 31, 2008, 2007, and 2006 were \$2,139,557, \$2,091,055, and \$1,954,035 respectively, of which \$1,069,779, \$832,392, and \$641,900 respectively, was allocated to the healthcare plan.
- The amount of \$12.8 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2007.
- Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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

B. Ohio Police and Fire Pension Fund

OP&F provides access to post-retirement health care 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. An eligible dependent child is any child under age of 18 whether

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

or not the child is attending school or under the age of 22, if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an OPEB as described in GASB Statement No. 12.

The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2007 and 6.75% of covered payroll in 2008. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their healthcare coverage through a deduction from their monthly health care contributions.

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

The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by the 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.

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

The 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 the Section 401(h) account as the employer contribution for retiree health care benefits. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

Contributions by the City to the OP&F for police officers for the year ended December 31, 2008, 2007, and 2006 were \$1,051,960, \$944,845, and \$924,250 respectively, of which \$363,978, \$355,161, and \$375,103 was allocated to the healthcare plan. Contributions by the City to the OP&F for firefighters for the year ended December 31, 2008, 2007, and 2006 were \$1,493,992,

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

\$1,385,917, and \$1,419,063 respectively, of which \$419,812, \$397,247, and \$447,651 was allocated to the healthcare plan.

NOTE 18 - CONTINGENCIES

A. Grants

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will not have a material adverse effect on the City's financial position.

B. Litigation

The City is a defendant in several lawsuits, the outcome of which cannot be determined. It is the opinion of the City's Law Director that any judgment against the City would not have a material adverse effect on the City's financial position.

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES

A summary of the intergovernmental receivables as reported on the fund financial statements as "Due from other governments" are as follows:

Water fund:	
County water samples	\$ <u>3,456</u>
Total Water fund	\$ <u>3,456</u>
Sewer fund:	
City of Ontario sewer agreement	\$ 195,096
Richland County sewer agreement	<u>398,473</u>
Total Sewer fund	\$ <u>593,569</u>
General fund:	
Local government funds	\$ 1,304,790
Estate and inheritance tax	483,777
Richland County share of judge's salary	201,710
Public defenders reimbursement	24,204
State liquor permit fees	<u>238</u>
Total General fund	\$ <u>2,014,719</u>
Community Development fund:	
CDBG and HOME grants	\$ <u>2,584,453</u>
Total Community Development fund	\$ <u>2,584,453</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Safety Services fund:	
Estate and inheritance tax	\$ 23,721
Police fees	<u>1,105</u>
 Total Safety Services fund	 \$ <u>24,826</u>
 Other Governmental funds:	
Gasoline tax	\$ 787,716
Motor vehicle registration	215,609
Regional Community Advancement contracts	142,997
Permissive sales tax	531,214
Nutrition grant	14,664
FAA grant	277,470
Safe Routes to School grant	25,000
Municipal Court grants	95,480
Safety Services grants	424,967
Ohio Department of Development	<u>997,504</u>
 Total Other Governmental funds	 \$ <u>3,512,621</u>

NOTE 20 – SHORT-TERM OBLIGATIONS

During fiscal 2008, the following changes occurred in the City’s short-term obligations:

	Balance		Balance
	<u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>
	<u>12/31/08</u>		<u>12/31/08</u>
<u>Governmental Funds</u>			
Vehicle/Equipment Note	\$ 500,000	\$ 255,000	\$ (500,000) \$ 255,000
New Fire Station Note	2,000,000	2,125,000	(2,000,000) 2,125,000
Courtroom Security Note	<u>-</u>	<u>305,000</u>	<u>-</u> <u>305,000</u>
Total Governmental Notes	<u>2,500,000</u>	<u>2,685,000</u>	<u>(2,500,000)</u> <u>2,685,000</u>
 <u>Business-Type Funds</u>			
Sewer Improvement Note	<u>2,065,000</u>	<u>1,985,000</u>	<u>(2,065,000)</u> <u>1,985,000</u>
Total Business-Type Notes	<u>2,065,000</u>	<u>1,985,000</u>	<u>(2,065,000)</u> <u>1,985,000</u>
 Total Short-Term Obligations	 <u>\$ 4,565,000</u>	 <u>\$ 4,670,000</u>	 <u>\$ (4,565,000)</u> <u>\$ 4,670,000</u>

During 2008, bond anticipation notes were issued in the amount of \$255,000. These notes are to pay the \$500,000 in outstanding notes issued in 2007. The notes are for the acquisition of vehicles and ancillary equipment for street maintenance. These bond anticipation notes are due to mature on August 18, 2009 bearing an interest rate of 2.50%.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 20 – SHORT-TERM OBLIGATIONS – (Continued)

During 2008, bond anticipation notes were issued in the amount of \$2,125,000. These notes are to pay the \$2,000,000 in outstanding notes issued in 2008. The notes are for the costs of constructing, furnishing and equipping a new fire station. These bond anticipation notes are due to mature on August 18, 2009 bearing an interest rate of 2.50%

During 2008, bond anticipation notes were issued in the amount of \$1,985,000. These notes are to pay the \$2,065,000 in outstanding notes issued in 2007. The notes are for improving the City's wastewater treatment plant and are being paid from the sewer fund. These bond anticipation notes are due to mature on August 18, 2009 bearing an interest rate of 2.50%.

During 2008, bond anticipation notes were issued in the amount of \$305,000. The notes are for the costs of improving the City's courtroom security system. These bond anticipation notes are due to mature on August 18, 2009 bearing an interest rate of 4.60%.

NOTE 21 – POLLUTION REMEDIATION ACTIVITIES

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield in May of 2003. The Ohio Department of Development provided grant funds that have been used to complete Phase I and Phase II environmental assessments. The environmental assessments were completed in May of 2008. Plans to begin voluntary environmental remediation are dependent upon reaching a settlement with our insurance company and the approval of grant funds. The total cost of this project has not been determined.

Environmental assessments were completed for the NextStep project in September 2008. Grant applications will be submitted for funds to conduct a voluntary environmental remediation of the properties. The total cost of this project has not been determined.

NOTE 22 – BUDGETARY NONCOMPLIANCE

In 2008 the City had a material budgetary noncompliance of Ohio Revised Code Section 5705.36. The City had various funds' actual receipts fall below estimated receipts and that deficiency reduced estimated resources below appropriations.

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Mansfield operates:

Street Construction, Maintenance and Repair:

To account for state-levied and controlled gasoline tax and vehicle license fees remitted to the City for routine street maintenance.

State Highway:

To account for state-levied and controlled gasoline tax and vehicle license fees for routine maintenance of state highways within the City.

Regional Community Advancement:

To account for grant monies received from the Workforce Investment Act, the 21st Century Grant, and other miscellaneous contracts. Individual programs and grant activity are controlled by separate program numbers.

Drug Law Enforcement:

To account for the deposit and expenditure of mandatory fines for drug trafficking offenses.

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

To account for distribution of sales tax collected by Richland County. Monies are to be used solely for road improvements on state highways, county roads entering the City, or streets with a common border with another entity.

Industrial Development:

To account for the activities associated with the promotion and development of the local industrial environment.

Indigent Drivers Alcohol Treatment:

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

Court Computerization:

To account for an increase in court fees for the purpose of funding the acquisition and maintenance of computerized legal research services for courts.

Local Law Enforcement Block Grant:

To account for monies received from the federal government under the Local Law Enforcement Block Grant program. The purpose is to underwrite projects to reduce crime and improve public safety.

Grant Fund

To account for federal, state and/or local grants received by the City.

Probation Services:

To account for monies received by the Municipal Court Department of Probation for monthly probation supervision fees.

Court Costs:

To account for additional fees and costs imposed by the Mansfield Municipal Court to assist in improvements and maintenance of the City's court facilities.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

FEMA:

To account for monies received from the "Federal Emergency Management Agency" to assist in the payment of expenses incurred as the result of storm damage.

Chamber District:

To account for note proceeds received from the Federal Home Loan Bank to be used specifically for the construction and sale of housing in the downtown area.

Nonmajor Debt Service Fund

Debt Service:

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds. The following is a description of all the City's nonmajor capital projects funds:

Street Resurfacing:

To account for the extra one quarter percent income tax collections used solely for the resurfacing of City streets.

Issue II Improvement:

To account for the construction and improvement of projects which have been granted Issue II monies.

Fixed Asset Acquisition:

To account for a motor pool of non-safety motor vehicles owned by the City with the operation under the control of the Repair Garage Division.

2005 Service Fleet:

To account for proceeds from a bond note sale to acquire vehicles and ancillary equipment for street maintenance.

Miller Park Project:

To account for loan proceeds and grant funds from the Ohio Department of Development and the Ohio Air National Guard for infrastructure improvements to a new industrial park near the Mansfield Lahm Airport.

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,496,236	\$ 71,917	\$ 1,457,778	\$ 5,025,931
Cash and cash equivalents with fiscal agent	28,020	-	73,655	101,675
Receivables (net of allowances of uncollectibles):				
Taxes	-	-	584,719	584,719
Accounts	40,208	-	5,761	45,969
Accrued interest	12,286	-	-	12,286
Loans	762,706	-	-	762,706
Due from other governments	2,515,117	-	997,504	3,512,621
Materials and supplies inventory	303,630	-	-	303,630
Total assets	<u>\$ 7,158,203</u>	<u>\$ 71,917</u>	<u>\$ 3,119,417</u>	<u>\$ 10,349,537</u>
Liabilities:				
Accounts payable	\$ 55,706	\$ -	\$ 7,493	\$ 63,199
Contracts payable	108,569	-	865,687	974,256
Retainage payable	28,020	-	73,655	101,675
Accrued wages and benefits	145,072	-	-	145,072
Compensated absences	53,404	-	-	53,404
Loans from other funds	-	-	281,580	281,580
Due to other governments	119,979	-	-	119,979
Notes payable	305,000	-	255,000	560,000
Deferred revenue	2,109,539	-	1,278,297	3,387,836
Total liabilities	<u>2,925,289</u>	<u>-</u>	<u>2,761,712</u>	<u>5,687,001</u>
Fund Balances:				
Reserved for encumbrances	1,658,943	-	263,091	1,922,034
Reserved for materials and supplies inventory	303,630	-	-	303,630
Reserved for loans	762,706	-	-	762,706
Reserved for debt service	-	71,917	-	71,917
Unreserved, undesignated, reported in:				
Special revenue funds	1,507,635	-	-	1,507,635
Capital projects funds	-	-	94,614	94,614
Total fund balances	<u>4,232,914</u>	<u>71,917</u>	<u>357,705</u>	<u>4,662,536</u>
Total liabilities and fund balances	<u>\$ 7,158,203</u>	<u>\$ 71,917</u>	<u>\$ 3,119,417</u>	<u>\$ 10,349,537</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents.	\$ 243,532	\$ 18,237	\$ 24,427	\$ 35,880
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	-
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	928,076	75,249	157,661	-
Materials and supplies inventory	229,451	-	1,212	-
Total assets.	<u>\$ 1,401,059</u>	<u>\$ 93,486</u>	<u>\$ 183,300</u>	<u>\$ 35,880</u>
Liabilities:				
Accounts payable.	\$ 16,193	\$ -	\$ 990	\$ -
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits	94,642	-	30,850	-
Compensated absences	43,359	-	5,696	-
Notes payable	-	-	-	-
Due to other governments	83,410	-	28,056	-
Deferred revenue	772,176	62,609	77,367	-
Total liabilities.	<u>1,009,780</u>	<u>62,609</u>	<u>142,959</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	137,451	-	-	-
Reserved for materials and supplies inventory	229,451	-	1,212	-
Reserved for loans	-	-	-	-
Unreserved, undesignated (deficit)	24,377	30,877	39,129	35,880
Total fund balances	<u>391,279</u>	<u>30,877</u>	<u>40,341</u>	<u>35,880</u>
Total liabilities and fund balances	<u>\$ 1,401,059</u>	<u>\$ 93,486</u>	<u>\$ 183,300</u>	<u>\$ 35,880</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ 200,303	\$ 731,673	\$ 692,599	\$ 3,260	\$ 686,687	\$ 90,997
-	-	-	-	-	-
-	-	-	413	18,683	-
-	-	12,286	-	-	-
-	-	762,706	-	-	-
-	531,214	-	-	-	-
-	-	-	-	11,050	-
<u>\$ 200,303</u>	<u>\$ 1,262,887</u>	<u>\$ 1,467,591</u>	<u>\$ 3,673</u>	<u>\$ 716,420</u>	<u>\$ 90,997</u>
\$ 388	\$ 6,797	\$ 2,702	\$ 500	\$ 1,815	\$ -
-	35,314	49,128	-	-	-
-	-	-	-	-	-
-	-	5,015	-	1,732	-
-	-	2,681	-	-	-
-	-	-	-	-	-
4,254	-	36	-	601	-
-	452,125	-	-	-	-
<u>4,642</u>	<u>494,236</u>	<u>59,562</u>	<u>500</u>	<u>4,148</u>	<u>-</u>
188,698	580,603	469,464	-	46,179	117
-	-	-	-	11,050	-
-	-	762,706	-	-	-
<u>6,963</u>	<u>188,048</u>	<u>175,859</u>	<u>3,173</u>	<u>655,043</u>	<u>90,880</u>
<u>195,661</u>	<u>768,651</u>	<u>1,408,029</u>	<u>3,173</u>	<u>712,272</u>	<u>90,997</u>
<u>\$ 200,303</u>	<u>\$ 1,262,887</u>	<u>\$ 1,467,591</u>	<u>\$ 3,673</u>	<u>\$ 716,420</u>	<u>\$ 90,997</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008

	<u>Grant Fund</u>	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 436,015	\$ 21,392	\$ 311,234	\$ 3,496,236
Cash and cash equivalents with fiscal agent	28,020	-	-	28,020
Receivables (net of allowances of uncollectibles):				
Accounts	-	7,147	13,965	40,208
Accrued interest	-	-	-	12,286
Loans	-	-	-	762,706
Due from other governments	822,917	-	-	2,515,117
Materials and supplies inventory	<u>56,346</u>	<u>5,571</u>	<u>-</u>	<u>303,630</u>
Total assets	<u>\$ 1,343,298</u>	<u>\$ 34,110</u>	<u>\$ 325,199</u>	<u>\$ 7,158,203</u>
Liabilities:				
Accounts payable	\$ 22,039	\$ 4,282	\$ -	\$ 55,706
Contracts payable	-	-	24,127	108,569
Retainage payable	28,020	-	-	28,020
Accrued wages and benefits	12,833	-	-	145,072
Compensated absences	1,668	-	-	53,404
Notes payable	-	-	305,000	305,000
Due to other governments	3,622	-	-	119,979
Deferred revenue	<u>745,262</u>	<u>-</u>	<u>-</u>	<u>2,109,539</u>
Total liabilities	<u>813,444</u>	<u>4,282</u>	<u>329,127</u>	<u>2,925,289</u>
Fund Balances:				
Reserved for encumbrances	236,404	27	-	1,658,943
Reserved for materials and supplies inventory	56,346	5,571	-	303,630
Reserved for loans	-	-	-	762,706
Unreserved, undesignated (deficit)	<u>237,104</u>	<u>24,230</u>	<u>(3,928)</u>	<u>1,507,635</u>
Total fund balances	<u>529,854</u>	<u>29,828</u>	<u>(3,928)</u>	<u>4,232,914</u>
Total liabilities and fund balances	<u>\$ 1,343,298</u>	<u>\$ 34,110</u>	<u>\$ 325,199</u>	<u>\$ 7,158,203</u>

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CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Fixed Asset Acquisition</u>	<u>2005 Service Fleet</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 744,278	\$ -	\$ 713,500	\$ -
Cash and cash equivalents with fiscal agent	45,415	-	-	-
Receivables (net of allowances of uncollectibles):				
Taxes	584,719	-	-	-
Accounts	5,761	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 1,380,173</u>	<u>\$ -</u>	<u>\$ 713,500</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 4,397	\$ -	\$ -	\$ -
Contracts payable	215,942	-	-	-
Retainage payable	45,415	-	-	-
Loans from other funds	-	-	-	-
Deferred revenue	280,793	-	-	-
Notes payable	-	-	-	255,000
Total liabilities.	<u>546,547</u>	<u>-</u>	<u>-</u>	<u>255,000</u>
Fund Balances:				
Reserved for encumbrances.	8,810	-	254,281	-
Unreserved, undesignated (deficit).	824,816	-	459,219	(255,000)
Total fund balances (deficit)	<u>833,626</u>	<u>-</u>	<u>713,500</u>	<u>(255,000)</u>
Total liabilities and fund balances	<u>\$ 1,380,173</u>	<u>\$ -</u>	<u>\$ 713,500</u>	<u>\$ -</u>

<u>Miller Park</u>	<u>Total</u>
\$ -	\$ 1,457,778
28,240	73,655
-	584,719
-	5,761
997,504	997,504
<u>1,025,744</u>	<u>3,119,417</u>
\$ 3,096	\$ 7,493
649,745	865,687
28,240	73,655
281,580	281,580
997,504	1,278,297
-	255,000
<u>1,960,165</u>	<u>2,761,712</u>
-	263,091
<u>(934,421)</u>	<u>94,614</u>
<u>(934,421)</u>	<u>357,705</u>
<u>\$ 1,025,744</u>	<u>\$ 3,119,417</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 453,250	\$ -	\$ 3,716,000	\$ 4,169,250
Charges for services	1,171,016	-	-	1,171,016
Licenses, permits and fees	242,121	-	-	242,121
Fines and forfeitures	354,244	-	-	354,244
Intergovernmental	9,814,981	-	1,674,288	11,489,269
Investment income	28,638	457	-	29,095
Other	50,866	-	-	50,866
Total revenues	<u>12,115,116</u>	<u>457</u>	<u>5,390,288</u>	<u>17,505,861</u>
Expenditures:				
Current:				
General government	2,804,343	86	-	2,804,429
Public safety	662,902	-	-	662,902
Public health and welfare	93,042	-	-	93,042
Transportation	3,895,775	-	-	3,895,775
Community environment	32,300	-	-	32,300
Leisure time activity	62,436	-	-	62,436
Capital outlay	3,446,542	-	6,719,289	10,165,831
Debt service:				
Principal retirement	-	310,000	-	310,000
Interest and fiscal charges	-	200,760	21,191	221,951
Total expenditures	<u>10,997,340</u>	<u>510,846</u>	<u>6,740,480</u>	<u>18,248,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,117,776</u>	<u>(510,389)</u>	<u>(1,350,192)</u>	<u>(742,805)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	\$ 20,832	\$ -	\$ -	\$ 20,832
Transfers in	165,603	520,702	-	686,305
Transfers out	(35,882)	-	-	(35,882)
Total other financing sources (uses)	<u>150,553</u>	<u>520,702</u>	<u>-</u>	<u>671,255</u>
Net change in fund balances	1,268,329	10,313	(1,350,192)	(71,550)
Fund balances at beginning of year	2,926,243	61,604	1,709,547	4,697,394
Increase (decrease) in reserve for inventory	38,342	-	(1,650)	36,692
Fund balances at end of year	<u>\$ 4,232,914</u>	<u>\$ 71,917</u>	<u>\$ 357,705</u>	<u>\$ 4,662,536</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ 253,250	\$ -	\$ -	\$ -
Charges for services	900,705	-	97,500	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	9,027
Intergovernmental	1,932,120	156,577	792,010	-
Investment income	6,297	1,580	-	-
Other	-	-	588	-
Total revenues	<u>3,092,372</u>	<u>158,157</u>	<u>890,098</u>	<u>9,027</u>
Expenditures:				
Current:				
General government	-	-	908,444	-
Public safety	-	-	-	4,891
Public health and welfare	-	-	-	-
Community environment	-	-	-	-
Leisure time activity	-	-	-	-
Transportation	3,052,492	163,520	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,052,492</u>	<u>163,520</u>	<u>908,444</u>	<u>4,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,880</u>	<u>(5,363)</u>	<u>(18,346)</u>	<u>4,136</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	9,872	-	-	-
Transfers in	-	-	106,679	-
Transfers out	(35,882)	-	-	-
Total other financing sources (uses):	<u>(26,010)</u>	<u>-</u>	<u>106,679</u>	<u>-</u>
Net change in fund balances	13,870	(5,363)	88,333	4,136
Fund balances at beginning of year (deficit) . . .	349,077	36,240	(47,714)	31,744
Increase (decrease) in reserve for inventory. . .	28,332	-	(278)	-
Fund balances at end of year.	<u>\$ 391,279</u>	<u>\$ 30,877</u>	<u>\$ 40,341</u>	<u>\$ 35,880</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
73,164	-	-	8,478	263,575	-
-	822,287	893,028	26,723	-	17,733
1,127	-	15,031	-	-	4,603
-	-	31,529	-	-	-
<u>74,291</u>	<u>822,287</u>	<u>1,139,588</u>	<u>35,201</u>	<u>263,575</u>	<u>22,336</u>
-	-	566,638	-	241,765	-
36,847	-	-	100,989	-	65,077
-	-	-	-	-	-
-	-	32,300	-	-	-
-	-	-	-	-	-
-	679,763	-	-	-	-
-	-	-	-	-	-
<u>36,847</u>	<u>679,763</u>	<u>598,938</u>	<u>100,989</u>	<u>241,765</u>	<u>65,077</u>
<u>37,444</u>	<u>142,524</u>	<u>540,650</u>	<u>(65,788)</u>	<u>21,810</u>	<u>(42,741)</u>
-	-	10,960	-	-	-
-	-	-	-	-	3,435
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10,960</u>	<u>-</u>	<u>-</u>	<u>3,435</u>
37,444	142,524	551,610	(65,788)	21,810	(39,306)
158,217	626,127	856,419	68,961	694,434	130,303
-	-	-	-	(3,972)	-
<u>\$ 195,661</u>	<u>\$ 768,651</u>	<u>\$ 1,408,029</u>	<u>\$ 3,173</u>	<u>\$ 712,272</u>	<u>\$ 90,997</u>

(continued)

CITY OF MANSFIELD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Grant Fund	Probation Services	Court Costs	FEMA
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	54,071	118,740	-	-
Licenses, permits and fees	-	2,257	239,864	-
Fines and forfeitures	-	-	-	-
Intergovernmental	4,816,191	-	-	358,312
Investment income	-	-	-	-
Other	15,998	-	2,751	-
Total revenues	4,886,260	120,997	242,615	358,312
Expenditures:				
Current:				
General government	305,797	160,150	263,237	358,312
Public safety	455,098	-	-	-
Public health and welfare	93,042	-	-	-
Community environment	-	-	-	-
Leisure time activity	62,436	-	-	-
Transportation	-	-	-	-
Capital outlay	3,446,542	-	-	-
Total expenditures	4,362,915	160,150	263,237	358,312
Excess (deficiency) of revenues over (under) expenditures	523,345	(39,153)	(20,622)	-
Other financing sources:				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	55,489	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	55,489	-	-	-
Net change in fund balances	578,834	(39,153)	(20,622)	-
Fund balances at beginning of year (deficit) . . .	(59,794)	65,535	16,694	-
Increase (decrease) in reserve for inventory . .	10,814	3,446	-	-
Fund balances at end of year	\$ 529,854	\$ 29,828	\$ (3,928)	\$ -

Total

\$ 453,250
1,171,016
242,121
354,244
9,814,981
28,638
50,866

12,115,116

2,804,343
662,902
93,042
32,300
62,436
3,895,775
3,446,542

10,997,340

1,117,776

20,832
165,603
(35,882)

150,553

1,268,329

2,926,243
38,342

\$ 4,232,914

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Fixed Asset Acquisition</u>	<u>2005 Service Fleet</u>
Revenues:				
Municipal income taxes	\$ 3,716,000	\$ -	\$ -	\$ -
Intergovernmental	-	51,124	206,291	264,377
Total revenues	<u>3,716,000</u>	<u>51,124</u>	<u>206,291</u>	<u>264,377</u>
Expenditures:				
Capital outlay	4,402,654	86,482	278,857	10,205
Debt service:				
Interest and fiscal charges	-	-	-	21,191
Total expenditures	<u>4,402,654</u>	<u>86,482</u>	<u>278,857</u>	<u>31,396</u>
Excess (deficiency) of revenues over (under) expenditures.	(686,654)	(35,358)	(72,566)	232,981
Fund balances at beginning of year	1,521,930	35,358	786,066	(487,981)
(Decrease) in reserve for inventory.	(1,650)	-	-	-
Fund balances (deficit) at end of year	<u>\$ 833,626</u>	<u>\$ -</u>	<u>\$ 713,500</u>	<u>\$ (255,000)</u>

<u>Miller Park</u>	<u>Total</u>
\$ -	\$ 3,716,000
<u>1,152,496</u>	<u>1,674,288</u>
<u>1,152,496</u>	<u>5,390,288</u>
1,941,091	6,719,289
<u>-</u>	<u>21,191</u>
<u>1,941,091</u>	<u>6,740,480</u>
(788,595)	(1,350,192)
(145,826)	1,709,547
<u>-</u>	<u>(1,650)</u>
<u>\$ (934,421)</u>	<u>\$ 357,705</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,400,376	\$ 2,398,775	\$ 2,488,097	\$ 89,322
Charges for services	23,393	23,393	23,513	120
Licenses, permits and fees	654,382	652,432	689,826	37,394
Fines and forfeitures	1,275,377	1,270,391	1,311,460	41,069
Intergovernmental	4,832,978	4,853,687	4,943,588	89,901
Special assessments	41,680	41,680	41,680	-
Investment income	678,492	678,492	721,538	43,046
Other	85,697	73,524	195,411	121,887
Total revenues	9,992,375	9,992,374	10,415,113	422,739
Expenditures:				
Current:				
Public safety				
Safety town				
Materials and supplies	5,038	5,038	2,985	2,053
Street lighting				
Contractual services	630,000	630,000	625,205	4,795
Housing of prisoners				
Contractual services	1,112,668	1,033,702	887,945	145,757
Total public safety	1,747,706	1,668,740	1,516,135	152,605
Public health and welfare				
Human relations				
Other	29,000	29,000	7,412	21,588
Humane society				
Other	5,000	5,000	-	5,000
Indigent burial				
Other	3,000	8,250	8,250	-
Dog warden				
Other	30,000	30,000	30,000	-
Total public health and welfare	67,000	72,250	45,662	26,588
Leisure time activities				
Parks				
Personal services	364,473	367,356	365,811	1,545
Capital outlay	6,500	3,617	3,274	343
Materials and supplies	81,115	63,830	49,600	14,230
Contractual services	244,427	248,712	245,493	3,219
Other	1,935	1,935	1,935	-
Adopt-a-park				
Other	4,418	4,418	650	3,768
Recreation				
Personal services	82,974	78,219	77,450	769
Materials and supplies	3,500	3,500	2,041	1,459
Contractual services	20,000	20,000	12,934	7,066
Total leisure time activities	809,342	791,587	759,188	32,399

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Codes and permits				
Personal services.	392,450	370,735	369,602	1,133
Materials and supplies	22,028	11,657	9,623	2,034
Contractual services	126,573	126,321	118,871	7,450
Other.	3,065	1,436	1,436	-
Regional planning	-	-	-	-
Other.	32,125	32,125	32,125	-
Chamber district				
Other.	24,332	24,332	571	23,761
Sub-division fees				
Other.	45,942	45,942	-	45,942
Total community environment	646,515	612,548	532,228	80,320
General government				
Council				
Personal services.	167,367	164,465	155,154	9,311
Contractual services	37,632	37,632	37,632	-
Materials and supplies	1,400	1,400	1,117	283
Other.	2,500	3,500	2,789	711
Human resource director				
Personal services.	174,408	160,882	160,577	305
Materials and supplies	4,000	4,000	3,999	1
Contractual services	106,076	96,576	87,959	8,617
Other.	3,500	5,901	4,849	1,052
Mayor				
Personal services.	147,362	147,362	141,289	6,073
Materials and supplies	28,200	28,200	27,685	515
Contractual services	40,132	52,632	52,602	30
Other.	10,013	10,013	8,106	1,907
Finance director				
Personal services.	690,271	675,084	671,537	3,547
Materials and supplies	20,226	19,226	16,281	2,945
Contractual services	314,819	320,973	320,651	322
Other.	1,000	1,000	659	341
Law director				
Personal services.	510,001	525,728	505,332	20,396
Materials and supplies	47,000	42,596	38,009	4,587
Contractual services	138,441	136,656	136,655	1
Other.	62,973	69,162	41,059	28,103
Municipal court				
Personal services.	770,816	770,816	723,471	47,345
Materials and supplies	9,795	9,795	2,470	7,325
Contractual services	628,016	639,080	568,646	70,434
Other.	5,088	5,088	3,361	1,727
Clerk of court				
Personal services.	941,803	921,803	913,360	8,443
Materials and supplies	88,352	84,352	81,469	2,883
Contractual services	200,705	200,705	200,705	-
Other	1,500	5,500	4,233	1,267

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil service commission				
Personal services.	19,500	19,500	19,500	-
Contractual services	48,209	55,969	55,969	-
Safety/service director				
Personal services.	138,472	143,227	143,226	1
Materials and supplies	2,000	2,000	1,173	827
Contractual services	34,264	34,154	32,451	1,703
Other.	500	610	575	35
Engineering				
Personal services.	553,042	541,109	539,077	2,032
Materials and supplies	11,000	11,000	8,074	2,926
Contractual services	210,664	170,664	132,975	37,689
Other.	9,000	9,000	5,304	3,696
City building and public lands				
Personal services.	211,331	211,331	206,791	4,540
Materials and supplies	6,332	24,832	2,386	22,446
Contractual services	677,578	657,078	585,438	71,640
Income tax administration				
Personal services.	500,262	489,236	484,876	4,360
Materials and supplies	78,920	78,636	54,492	24,144
Capital outlay	16,500	2,000	1,809	191
Contractual services	117,443	117,443	112,500	4,943
Other.	750	750	420	330
Miscellaneous				
Fringe benefits.	40,000	24,250	21,920	2,330
Contractual services	569,313	567,313	448,338	118,975
Festivals	52,500	52,500	43,842	8,658
Other.	6,000	13,484	9,708	3,776
Unclaimed money				
Other.	58,785	58,785	18,858	39,927
Special assessments				
Other.	5,827	5,827	2,344	3,483
Total general government	8,521,588	8,430,825	7,843,702	587,123

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	11,792,151	11,575,950	10,696,915	879,035
Deficiency of revenues under expenditures	(1,799,776)	(1,583,576)	(281,802)	1,301,774
Other financing sources (uses):				
Loan to other funds	(281,580)	(281,580)	(281,580)	-
Payment on loan from other funds	(250,000)	(250,000)	(250,000)	-
Repayment of loan to other funds	659,373	659,373	659,373	-
Transfers in	80,410	80,410	79,860	(550)
Transfers out	(200,821)	(291,163)	(134,066)	157,097
Total other financing sources (uses)	7,382	(82,960)	73,587	156,547
Net change in fund balance	(1,792,394)	(1,666,536)	(208,215)	1,458,321
Fund balance at beginning of year	1,370,424	1,370,424	1,370,424	-
Prior year encumbrances appropriated	429,918	429,918	429,918	-
Fund balance at end of year.	<u>\$ 7,948</u>	<u>\$ 133,806</u>	<u>\$ 1,592,127</u>	<u>\$ 1,458,321</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 2,346,904	\$ 2,346,904	\$ 1,346,084	\$ (1,000,820)
Investment income	90,000	90,000	74,723	(15,277)
Other	466,292	466,292	212,731	(253,561)
	<u>2,903,196</u>	<u>2,903,196</u>	<u>1,633,538</u>	<u>(1,269,658)</u>
Expenditures:				
Current:				
Community environment				
Personal services	212,521	212,495	211,361	1,134
Materials and supplies	18,000	16,600	9,740	6,860
Contractual services	2,453,848	2,455,274	1,149,958	1,305,316
Other	10,000	10,000	5,901	4,099
	<u>2,694,369</u>	<u>2,694,369</u>	<u>1,376,960</u>	<u>1,317,409</u>
Excess of revenues over expenditures	<u>208,827</u>	<u>208,827</u>	<u>256,578</u>	<u>47,751</u>
Other financing uses:				
Transfers out	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>
Total other financing uses	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>
Net change in fund balance	(166,173)	(166,173)	(118,422)	47,751
Fund balance at beginning of year	138,296	138,296	138,296	-
Prior year encumbrances appropriated	73,945	73,945	73,945	-
	<u>138,296</u>	<u>138,296</u>	<u>138,296</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,068</u>	<u>\$ 46,068</u>	<u>\$ 93,819</u>	<u>\$ 47,751</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 21,427,654	\$ 21,427,654	\$ 20,297,261	\$ (1,130,393)
Charges for services	1,218,425	1,216,926	1,254,489	37,563
Licenses, permits and fees.	100,039	108,895	148,211	39,316
Fines and forfeitures.	125,000	125,000	126,440	1,440
Intergovernmental	113,080	105,724	101,894	(3,830)
Other	33,008	33,008	9,149	(23,859)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	23,017,206	23,017,207	21,937,444	(1,079,763)
Expenditures:				
Current:				
Public safety				
Personal services.	14,467,336	14,467,336	13,992,409	474,927
Fringe benefits.	3,481,166	3,273,348	2,633,139	640,209
Materials and supplies	510,631	510,384	481,427	28,957
Contractual services	4,750,269	4,836,118	4,763,526	72,592
Capital outlay	288,500	508,058	469,373	38,685
Other.	135,090	133,104	112,158	20,946
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	23,632,992	23,728,348	22,452,032	1,276,316
Deficiency of revenues under expenditures . . .	(615,786)	(711,141)	(514,588)	196,553
Other financing uses:				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers out	(141,357)	(141,357)	(141,357)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing uses	(191,357)	(191,357)	(191,357)	-
Net change in fund balance	(807,143)	(902,498)	(705,945)	196,553
Fund balance at beginning of year	599,933	599,933	599,933	-
Prior year encumbrances appropriated	303,165	303,165	303,165	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year.	\$ 95,955	\$ 600	\$ 197,153	\$ 196,553

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SECTION 108 IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 3,435	\$ 3,435	\$ 2,792	\$ (643)
Other	3,000	3,000	-	(3,000)
Total revenues	<u>6,435</u>	<u>6,435</u>	<u>2,792</u>	<u>(3,643)</u>
Expenditures:				
Capital outlay	2,893,008	2,894,605	2,486,550	408,055
Debt service				
Principal retirement	2,000,000	2,000,000	2,000,000	-
Interest and fiscal charges	91,000	105,334	105,334	-
Total expenditures	<u>4,984,008</u>	<u>4,999,939</u>	<u>4,591,884</u>	<u>408,055</u>
Deficiency of revenues under expenditures	<u>(4,977,573)</u>	<u>(4,993,504)</u>	<u>(4,589,092)</u>	<u>404,412</u>
Other financing sources:				
Note proceeds	<u>2,100,000</u>	<u>2,115,931</u>	<u>2,125,000</u>	<u>9,069</u>
Total other financing sources	<u>2,100,000</u>	<u>2,115,931</u>	<u>2,125,000</u>	<u>9,069</u>
Net change in fund balance	<u>(2,877,573)</u>	<u>(2,877,573)</u>	<u>(2,464,092)</u>	<u>413,481</u>
Fund balance at beginning of year	<u>511,860</u>	<u>511,860</u>	<u>511,860</u>	<u>-</u>
Prior year encumbrances appropriated	<u>2,365,713</u>	<u>2,365,713</u>	<u>2,365,713</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,481</u>	<u>\$ 413,481</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 253,250	\$ 253,250	\$ 253,250	\$ -
Intergovernmental	1,879,637	1,879,637	1,955,378	75,741
Charges for services	900,805	900,605	900,705	100
Investment income	6,235	6,235	6,297	62
Other	9,872	9,872	9,872	-
	<hr/>	<hr/>	<hr/>	
Total revenues	3,049,799	3,049,599	3,125,502	75,903
	<hr/>	<hr/>	<hr/>	
Expenditures:				
Current:				
Transportation				
Personal services	1,494,916	1,499,882	1,492,567	7,315
Materials and supplies	641,289	595,750	580,002	15,748
Capital outlay	10,000	1,962	1,962	-
Contractual services	1,152,021	1,200,432	1,193,873	6,559
	<hr/>	<hr/>	<hr/>	
Total expenditures	3,298,226	3,298,026	3,268,404	29,622
	<hr/>	<hr/>	<hr/>	
Net change in fund balance	(248,427)	(248,427)	(142,902)	105,525
	<hr/>	<hr/>	<hr/>	
Fund balance at beginning of year	6,175	6,175	6,175	-
Prior year encumbrances appropriated	242,252	242,252	242,252	-
	<hr/>	<hr/>	<hr/>	
Fund balance at end of year	\$ -	\$ -	\$ 105,525	\$ 105,525
	<hr/>	<hr/>	<hr/>	

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 150,300	\$ 150,300	\$ 158,463	\$ 8,163
Investment income	1,762	1,762	1,580	(182)
Total revenues	<u>152,062</u>	<u>152,062</u>	<u>160,043</u>	<u>7,981</u>
Expenditures:				
Current:				
Transportation				
Personal services	150,000	150,000	150,000	-
Materials and supplies	13,769	13,769	13,520	249
Total expenditures	<u>163,769</u>	<u>163,769</u>	<u>163,520</u>	<u>249</u>
Net change in fund balance	(11,707)	(11,707)	(3,477)	8,230
Fund balance at beginning of year	11,707	11,707	11,707	-
Prior year encumbrances appropriated	<u>10,008</u>	<u>10,008</u>	<u>10,008</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,008</u>	<u>\$ 10,008</u>	<u>\$ 18,238</u>	<u>\$ 8,230</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REGIONAL COMMUNITY ADVANCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 854,730	\$ 854,730	\$ 740,776	(113,954)
Charges for services	80,486	80,486	97,500	17,014
Other	4,000	1,522	588	(934)
	<u>939,216</u>	<u>936,738</u>	<u>838,864</u>	<u>(97,874)</u>
Expenditures:				
Current:				
General government				
Personal services	234,589	510,379	480,622	29,757
Materials and supplies	30,205	55,619	32,600	23,019
Contractual services	257,428	422,275	382,357	39,918
Other	8,500	9,030	4,770	4,260
	<u>530,722</u>	<u>997,303</u>	<u>900,349</u>	<u>96,954</u>
Excess (deficiency) of revenues over (under) expenses	<u>408,494</u>	<u>(60,565)</u>	<u>(61,485)</u>	<u>(920)</u>
Other financing sources (uses):				
Repayment of loan from other funds	(31,585)	(31,585)	(31,585)	-
Transfers in	109,634	109,634	106,679	(2,955)
	<u>78,049</u>	<u>78,049</u>	<u>75,094</u>	<u>(2,955)</u>
Net change in fund balance	486,543	17,484	13,609	(3,875)
Fund balance at beginning of year	5,401	5,401	5,401	-
Prior year encumbrances appropriated	4,661	4,661	4,661	-
	<u>496,605</u>	<u>27,546</u>	<u>23,671</u>	<u>(3,875)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 9,027	\$ 4,027
Total revenues	5,000	5,000	9,027	4,027
Expenditures:				
Current:				
Public safety				
Other	35,000	35,000	4,991	30,009
Total expenditures	35,000	35,000	4,991	30,009
Net change in fund balance	(30,000)	(30,000)	4,036	34,036
Fund balance at beginning of year	<u>31,845</u>	<u>31,845</u>	<u>31,845</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,845</u>	<u>\$ 1,845</u>	<u>\$ 35,881</u>	<u>\$ 34,036</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 85,475	\$ 85,075	\$ 73,164	\$ (11,911)
Investment income	4,025	4,125	1,127	(2,998)
Total revenues	<u>89,500</u>	<u>89,200</u>	<u>74,291</u>	<u>(14,909)</u>
Expenditures:				
Current:				
Public safety				
Other	<u>105,500</u>	<u>303,898</u>	<u>220,903</u>	<u>82,995</u>
Total expenditures	<u>105,500</u>	<u>303,898</u>	<u>220,903</u>	<u>82,995</u>
Deficiency of revenues under expenses	<u>(16,000)</u>	<u>(214,698)</u>	<u>(146,612)</u>	<u>68,086</u>
Other financing sources:				
Note proceeds	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	84,000	(114,698)	(146,612)	(31,914)
Fund balance at beginning of year	<u>158,219</u>	<u>158,219</u>	<u>158,219</u>	<u>-</u>
Fund balance at end of year	<u>\$ 242,219</u>	<u>\$ 43,521</u>	<u>\$ 11,607</u>	<u>\$ (31,914)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 801,665	\$ 801,519	\$ 823,191	\$ 21,672
Total revenues	<u>801,665</u>	<u>801,519</u>	<u>823,191</u>	<u>21,672</u>
Expenditures:				
Current:				
Transportation				
Contractual services	<u>1,320,088</u>	<u>1,429,882</u>	<u>1,369,446</u>	<u>60,436</u>
Total expenditures	<u>1,320,088</u>	<u>1,429,882</u>	<u>1,369,446</u>	<u>60,436</u>
Net change in fund balance	(518,423)	(628,363)	(546,255)	82,108
Fund balance at beginning of year	186,480	186,480	186,480	-
Prior year encumbrances appropriated	<u>468,737</u>	<u>468,737</u>	<u>468,737</u>	<u>-</u>
Fund balance at end of year	<u>\$ 136,794</u>	<u>\$ 26,854</u>	<u>\$ 108,962</u>	<u>\$ 82,108</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDUSTRIAL DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 240,000	\$ 240,000	\$ 200,000	\$ (40,000)
Intergovernmental	908,898	912,912	893,028	(19,884)
Investment income	12,207	12,207	12,940	733
Other	124,081	122,237	74,886	(47,351)
	<u>1,285,186</u>	<u>1,287,356</u>	<u>1,180,854</u>	<u>(106,502)</u>
Expenditures:				
Current:				
General government				
Personal services	94,306	94,306	94,188	118
Materials and supplies	61,902	61,902	25,577	36,325
Contractual services	1,212,328	1,212,328	933,753	278,575
Other	25,000	25,000	25,000	-
	<u>1,393,536</u>	<u>1,393,536</u>	<u>1,078,518</u>	<u>315,018</u>
Excess (deficiency) of revenues over (under) expenses	<u>(108,350)</u>	<u>(106,180)</u>	<u>102,336</u>	<u>208,516</u>
Other financing sources:				
Repayment of loan from other funds	<u>(255,685)</u>	<u>(255,685)</u>	<u>(255,685)</u>	<u>-</u>
Total other financing sources	<u>(255,685)</u>	<u>(255,685)</u>	<u>(255,685)</u>	<u>-</u>
Net change in fund balance	(364,035)	(361,865)	(153,349)	208,516
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>368,925</u>	<u>368,925</u>	<u>368,925</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,890</u>	<u>\$ 7,060</u>	<u>\$ 215,576</u>	<u>\$ 208,516</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 26,723	\$ 26,723	\$ 26,723	\$ -
Fines and forfeitures.	18,277	18,277	8,596	(9,681)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>35,319</u>	<u>(9,681)</u>
Expenditures:				
Current:				
Public safety				
Other.	<u>157,547</u>	<u>157,547</u>	<u>144,606</u>	<u>12,941</u>
Total expenditures	<u>157,547</u>	<u>157,547</u>	<u>144,606</u>	<u>12,941</u>
Net change in fund balance	(112,547)	(112,547)	(109,287)	3,260
Fund balance at beginning of year	107,441	107,441	107,441	-
Prior year encumbrances appropriated	<u>5,106</u>	<u>5,106</u>	<u>5,106</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,260</u>	<u>\$ 3,260</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 260,000	\$ 260,000	\$ 258,558	\$ (1,442)
Total revenues	260,000	260,000	258,558	(1,442)
Expenditures:				
Current:				
General government				
Personal services	4,160	51,192	51,119	73
Materials and supplies	699,360	634,064	175,648	458,416
Contractual services	225,609	243,873	62,228	181,645
Total expenditures	929,129	929,129	288,995	640,134
Net change in fund balance	(669,129)	(669,129)	(30,437)	638,692
Fund balance at beginning of year	665,444	665,444	665,444	-
Prior year encumbrances appropriated	3,685	3,685	3,685	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,692</u>	<u>\$ 638,692</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 17,732	\$ 17,732	\$ 17,732	\$ -
Investment income	26,500	26,500	4,603	(21,897)
Other	1,501	1,501	-	(1,501)
	<u>45,733</u>	<u>45,733</u>	<u>22,335</u>	<u>(23,398)</u>
Expenditures:				
Current:				
Public safety				
Capital outlay	154,475	154,475	53,570	100,905
Other.	25,902	25,902	12,531	13,371
	<u>180,377</u>	<u>180,377</u>	<u>66,101</u>	<u>114,276</u>
Total expenditures				
Deficiency of revenues under expenses	(134,644)	(134,644)	(43,766)	90,878
Other financing sources:				
Transfers in	3,435	3,435	3,435	-
	<u>3,435</u>	<u>3,435</u>	<u>3,435</u>	<u>-</u>
Total other financing sources				
Net change in fund balance	(131,209)	(131,209)	(40,331)	90,878
Fund balance at beginning of year	130,308	130,308	130,308	
Prior year encumbrances appropriated	901	901	901	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,878</u>	<u>\$ 90,878</u>
Fund balance at end of year				

CITY OF MANSFIELD, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,861,701	\$ 5,857,997	\$ 4,756,235	\$ (1,101,762)
Charges for services	54,071	54,071	54,071	-
Other	63,267	66,971	49,407	(17,564)
Total revenues	5,979,039	5,979,039	4,859,713	(1,119,326)
Expenditures:				
Current:				
Public safety				
Personal services.	272,156	388,241	83,047	305,194
Materials and supplies	163,558	131,264	23,084	108,180
Contractual services	331,413	384,343	228,121	156,222
Capital outlay	336,348	366,554	234,205	132,349
Other.	42,181	69,696	17,890	51,806
Total public safety	1,145,656	1,340,098	586,347	753,751
Public health and welfare				
Personal services.	55,616	57,186	57,088	98
Materials and supplies	34,762	33,018	12,021	20,997
Contractual services	33,793	33,966	25,066	8,900
Total public health and welfare.	124,171	124,170	94,175	29,995
General government				
Personal services.	124,483	217,225	180,476	36,749
Materials and supplies	7,824	8,362	6,218	2,144
Capital outlay	6,120	10,243	6,120	4,123
Contractual services	682,567	4,276,764	3,899,966	376,798
Other.	4,700	4,700	695	4,005
Total general government	825,694	4,517,294	4,093,475	423,819
Total expenditures	2,095,521	5,981,562	4,773,997	1,207,565
Excess (deficiency) of revenues over (under) expenses	3,883,518	(2,523)	85,716	88,239
Other financing sources:				
Repayment of loan from other funds	(217,600)	(217,600)	(217,600)	-
Transfers in	-	-	55,489	55,489
Total other financing sources	(217,600)	(217,600)	(162,111)	55,489
Net change in fund balance	3,665,918	(220,123)	(76,395)	143,728
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	290,052	290,052	290,052	-
Fund balance at end of year.	\$ 3,955,970	\$ 69,929	\$ 213,657	\$ 143,728

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 113,744	\$ 113,812	\$ 118,740	\$ 4,928
Total revenues	113,744	113,812	118,740	4,928
Expenditures:				
Current:				
General government				
Personal services.	106,937	106,937	102,469	4,468
Materials and supplies	41,357	60,634	55,843	4,791
Total expenditures	148,294	167,571	158,312	9,259
Net change in fund balance	(34,550)	(53,759)	(39,572)	14,187
Fund balance at beginning of year	59,039	59,039	59,039	-
Prior year encumbrances appropriated	1,898	1,898	1,898	-
Fund balance at end of year.	<u>\$ 26,387</u>	<u>\$ 7,178</u>	<u>\$ 21,365</u>	<u>\$ 14,187</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COSTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 214,616	\$ 214,616	\$ 220,188	\$ 5,572
Charges for services	11,622	11,622	11,622	-
Total revenues	<u>226,238</u>	<u>226,238</u>	<u>231,810</u>	<u>5,572</u>
Expenditures:				
Current:				
General government				
Personal services	222,546	221,946	220,135	1,811
Materials and supplies	17,226	22,825	18,975	3,850
Capital outlay	-	300,000	-	300,000
Total expenditures	<u>239,772</u>	<u>544,771</u>	<u>239,110</u>	<u>305,661</u>
Deficiency of revenues under expenses	<u>(13,534)</u>	<u>(318,533)</u>	<u>(7,300)</u>	<u>311,233</u>
Other financing sources:				
Note proceeds	305,000	305,000	305,000	-
Sale of note premium	2,751	2,751	2,751	-
Total other financing sources	<u>307,751</u>	<u>307,751</u>	<u>307,751</u>	<u>-</u>
Net change in fund balance	294,217	(10,782)	300,451	311,233
Fund balance at beginning of year	<u>10,782</u>	<u>10,782</u>	<u>10,782</u>	<u>-</u>
Fund balance at end of year	<u>\$ 304,999</u>	<u>\$ -</u>	<u>\$ 311,233</u>	<u>\$ 311,233</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEMA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 377,611	\$ 460,861	\$ 358,312	\$ (102,549)
Total revenues	<u>377,611</u>	<u>460,861</u>	<u>358,312</u>	<u>(102,549)</u>
Expenditures:				
General government				
Contractual services	\$ 377,611	\$ 460,861	\$ 358,312	\$ 102,549
Total expenditures	<u>377,611</u>	<u>460,861</u>	<u>358,312</u>	<u>102,549</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHAMBER DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Expenditures:				
Current:				
General government:				
Contractual services	200,000	200,000	-	200,000
Debt service:				
Principal retirement	200,000	200,000	-	200,000
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Deficiency of revenues under expenditures	(200,000)	(200,000)	-	200,000
Other financing sources:				
Note proceeds	200,000	200,000	-	(200,000)
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 457	\$ 457	\$ 457	\$ -
Total revenues	457	457	457	-
Expenditures:				
Current:				
Debt service				
Principal retirement	310,000	310,000	310,000	-
Interest and fiscal charges	200,760	200,760	200,760	-
Other.	86	86	86	-
Total expenditures	510,846	510,846	510,846	-
Deficiency of revenues under expenditures . . .	(510,389)	(510,389)	(510,389)	-
Other financing sources:				
Transfers in	520,702	520,702	520,702	-
Total other financing sources	520,702	520,702	520,702	-
Net change in fund balance	10,313	10,313	10,313	-
Fund balance at beginning of year	<u>61,595</u>	<u>61,595</u>	<u>61,595</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 71,908</u>	<u>\$ 71,908</u>	<u>\$ 71,908</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET RESURFACING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 3,628,572	\$ 3,628,572	\$ 3,758,240	\$ 129,668
Total revenues	<u>3,628,572</u>	<u>3,628,572</u>	<u>3,758,240</u>	<u>129,668</u>
Expenditures:				
Capital outlay	<u>5,151,670</u>	<u>5,151,670</u>	<u>4,609,781</u>	<u>541,889</u>
Total expenditures	<u>5,151,670</u>	<u>5,151,670</u>	<u>4,609,781</u>	<u>541,889</u>
Net change in fund balance	<u>(1,523,098)</u>	<u>(1,523,098)</u>	<u>(851,541)</u>	<u>671,557</u>
Fund balance at beginning of year	1,032,322	1,032,322	1,032,322	-
Prior year encumbrances appropriated	<u>490,776</u>	<u>490,776</u>	<u>490,776</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 671,557</u>	<u>\$ 671,557</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ISSUE II IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 976,125	\$ 1,202,044	\$ 51,123	\$ (1,150,921)
Total revenues	976,125	1,202,044	51,123	(1,150,921)
Expenditures:				
Capital outlay	1,196,836	1,202,044	277,044	925,000
Total expenditures	1,196,836	1,202,044	277,044	925,000
Net change in fund balance	(220,711)	-	(225,921)	(225,921)
Fund balance at beginning of year	<u>225,921</u>	<u>225,921</u>	<u>225,921</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,210</u>	<u>\$ 225,921</u>	<u>\$ -</u>	<u>\$ (225,921)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIXED ASSET ACQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 206,291	\$ 206,291	\$ 206,291	\$ -
Total revenues	206,291	206,291	206,291	-
Expenditures:				
Capital outlay	1,159,316	1,159,316	700,097	459,219
Total expenditures	1,159,316	1,159,316	700,097	459,219
Net change in fund balance	(953,025)	(953,025)	(493,806)	459,219
Fund balance at beginning of year	77,665	77,665	77,665	-
Prior year encumbrances appropriated	875,360	875,360	875,360	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,219</u>	<u>\$ 459,219</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 2005 SERVICE FLEET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 264,377	\$ 264,377	\$ 264,377	\$ -
Total revenues	<u>264,377</u>	<u>264,377</u>	<u>264,377</u>	<u>-</u>
Expenditures:				
Capital outlay	\$ 10,206	\$ 10,206	\$ 10,206	\$ -
Principal retirement	500,000	500,000	500,000	-
Interest and fiscal charges	<u>21,191</u>	<u>21,191</u>	<u>21,191</u>	<u>-</u>
Total expenditures	<u>531,397</u>	<u>531,397</u>	<u>531,397</u>	<u>-</u>
Deficiency of revenues under expenditures	(267,020)	(267,020)	(267,020)	-
Other financing sources:				
Note proceeds	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>	<u>-</u>
Total other financing sources	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>	<u>-</u>
Net change in fund balance	(12,020)	(12,020)	(12,020)	-
Fund balance at beginning of year	<u>12,020</u>	<u>12,020</u>	<u>12,020</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLER PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,920,000	\$ 3,920,000	\$ 1,152,496	\$ (2,767,504)
Total revenues	3,920,000	3,920,000	1,152,496	(2,767,504)
Expenditures:				
Capital outlay	3,765,495	3,781,137	1,266,973	2,514,164
Total expenditures	3,765,495	3,781,137	1,266,973	2,514,164
Excess (deficiency) of revenues over (under) expenses	154,505	138,863	(114,477)	(253,340)
Other financing sources:				
Repayment of loan from other funds	(154,504)	(154,504)	(154,504)	-
Loans from other funds	281,580	281,580	281,580	-
Total other financing sources	127,076	127,076	127,076	-
Net change in fund balance	281,581	265,939	12,599	(253,340)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	15,642	15,642	15,642	-
Fund balance at end of year.	\$ 297,223	\$ 281,581	\$ 28,241	\$ (253,340)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

FUND DESCRIPTIONS

Nonmajor Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Airport Operating:

To account for the operation of the City's airport facility.

Parking Garage:

To account for the operation of the City's downtown parking facilities.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2008

	Airport Operating	Total
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 29,571	\$ 29,571
Receivables (net of allowances of uncollectibles):		
Taxes	114,520	114,520
Accounts	18,726	18,726
Materials and supplies inventory	32,713	32,713
Total current assets	195,530	195,530
Noncurrent assets:		
Capital assets:		
Land and construction in progress	1,493,629	1,493,629
Depreciable capital assets, net	1,481,599	1,481,599
Total capital assets	2,975,228	2,975,228
Total assets	\$ 3,170,758	\$ 3,170,758
 Liabilities:		
Current liabilities:		
Accounts payable	\$ 116	\$ 116
Accrued wages and benefits	13,500	13,500
Due to other governments	11,125	11,125
Total current liabilities	24,741	24,741
Long-term liabilities:		
Compensated absences	51,282	51,282
Total long-term liabilities	51,282	51,282
Total liabilities	76,023	76,023
 Net assets:		
Invested in capital assets, net of related debt	2,975,228	2,975,228
Unrestricted	119,507	119,507
Total net assets	\$ 3,094,735	\$ 3,094,735

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 66,965	\$ -	\$ 66,965
Total operating revenues	<u>66,965</u>	<u>-</u>	<u>66,965</u>
Operating expenses:			
Personal services	231,472	-	231,472
Fringe benefits	3,418	-	3,418
Contractual services	68,838	-	68,838
Materials and supplies	65,968	-	65,968
Depreciation	215,650	-	215,650
Utilities	60,998	-	60,998
Other	200	-	200
Total operating expenses	<u>646,544</u>	<u>-</u>	<u>646,544</u>
Operating (loss)	<u>(579,579)</u>	<u>-</u>	<u>(579,579)</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	238	-	238
Loss on disposal of assets	-	(171,852)	(171,852)
Transfer out	-	(79,860)	(79,860)
Intergovernmental	73,888	-	73,888
Municipal income tax	604,380	-	604,380
Total nonoperating revenues	<u>678,506</u>	<u>(251,712)</u>	<u>426,794</u>
Changes in net assets	98,927	(251,712)	(152,785)
Net assets at beginning of year	<u>2,995,808</u>	<u>251,712</u>	<u>3,247,520</u>
Net assets at end of year	<u>\$ 3,094,735</u>	<u>\$ -</u>	<u>\$ 3,094,735</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 84,415	\$ -	\$ 84,415
Cash received from other operating revenues	238	-	238
Cash payments to employees	(228,173)	-	(228,173)
Cash payments to suppliers	(503,852)	-	(503,852)
Cash payments for other operating expenses	(200)	-	(200)
Net cash provided by (used in) operating activities	<u>(647,572)</u>	<u>-</u>	<u>(647,572)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(3,257)</u>	<u>-</u>	<u>(3,257)</u>
Net cash used in capital and related financing activities	<u>(3,257)</u>	<u>-</u>	<u>(3,257)</u>
Cash flows from noncapital financing activities:			
Intergovernmental	73,888	-	73,888
Municipal income tax	488,732	-	488,732
Transfers out	<u>-</u>	<u>(79,860)</u>	<u>(79,860)</u>
Net cash used in non-capital financing activities	<u>562,620</u>	<u>(79,860)</u>	<u>482,760</u>
Net increase (decrease) in cash and cash equivalents	(88,209)	(79,860)	(168,069)
Cash and cash equivalents at beginning of year	<u>117,780</u>	<u>79,860</u>	<u>197,640</u>
Cash and cash equivalents at end of year	<u>\$ 29,571</u>	<u>\$ -</u>	<u>\$ 29,571</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (579,579)	\$ -	\$ (579,579)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	215,650	-	215,650
Other non-operating revenues.	238	-	238
Changes in assets and liabilities:			
Decrease in accounts receivable	17,450	-	17,450
Decrease in inventory of supplies	6,356	-	6,356
(Decrease) in accounts payable	(314,404)	-	(314,404)
Increase in accrued wages and benefits	2,240	-	2,240
Increase in due to other governments	3,418	-	3,418
Increase in compensated absences payable	1,059	-	1,059
Net cash used in operating activities	<u>\$ (647,572)</u>	<u>\$ -</u>	<u>\$ (647,572)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 7,784,443	\$ 7,784,443	\$ 8,149,871	\$ 365,428
Tap and license fees	52,300	52,300	81,400	29,100
Other	5,195	5,195	5,136	(59)
Total revenues.	<u>7,841,938</u>	<u>7,841,938</u>	<u>8,236,407</u>	<u>394,469</u>
Expenses:				
Personal services.	2,453,459	2,322,842	2,001,454	321,388
Fringe benefits.	429,181	437,181	403,186	33,995
Materials and supplies	963,105	1,053,528	873,181	180,347
Contractual services	4,605,599	4,551,055	3,684,762	866,293
Utilities	548,196	621,988	579,463	42,525
Capital outlay	700,710	700,710	700,710	-
Other	38,882	36,027	24,063	11,964
Total expenses	<u>9,739,132</u>	<u>9,723,331</u>	<u>8,266,819</u>	<u>1,456,512</u>
Net change in fund equity	<u>(1,897,194)</u>	<u>(1,881,393)</u>	<u>(30,412)</u>	<u>1,850,981</u>
Fund equity at beginning of year	2,212,859	2,212,859	2,212,859	-
Prior year encumbrances appropriated	573,923	573,923	573,923	-
Fund equity at end of year.	<u>\$ 889,588</u>	<u>\$ 905,389</u>	<u>\$ 2,756,370</u>	<u>\$ 1,850,981</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 8,464,133	\$ 8,436,490	\$ 8,100,730	\$ (335,760)
Special assessments	753	753	753	-
Tap and license fees	1,485	2,830	2,970	140
Investment earnings	-	25,545	25,545	-
Other	9,245	9,998	190	(9,808)
	<u>8,475,616</u>	<u>8,475,616</u>	<u>8,130,188</u>	<u>(345,428)</u>
Total revenues.				
Expenses:				
Personal services	1,923,481	1,833,010	1,761,446	71,564
Fringe benefits.	415,152	415,673	358,301	57,372
Materials and supplies	580,908	687,558	491,710	195,848
Contractual services	7,133,670	7,020,745	5,366,118	1,654,627
Utilities	661,500	754,700	665,355	89,345
Capital Outlay	690,666	690,666	690,666	-
Other	36,392	34,631	31,432	3,199
Debt service				
Interest and fiscal charges	81,922	81,922	81,678	244
	<u>11,523,691</u>	<u>11,518,905</u>	<u>9,446,706</u>	<u>2,072,199</u>
Total expenses				
Deficiency of revenues under expenditures	(3,048,075)	(3,043,289)	(1,316,518)	1,726,771
Proceeds from the sale of notes	1,985,000	1,985,000	1,985,000	-
Payment on notes payable	(2,065,000)	(2,065,000)	(2,065,000)	-
Payment on loan to other funds	300,000	300,000	300,000	-
	<u>(2,828,075)</u>	<u>(2,823,289)</u>	<u>(1,096,518)</u>	<u>1,726,771</u>
Net change in fund equity				
Fund equity at beginning of year	7,109,065	7,109,065	7,109,065	-
Prior year encumbrances appropriated	1,313,831	1,313,831	1,313,831	-
	<u>\$ 5,594,821</u>	<u>\$ 5,599,607</u>	<u>\$ 7,326,378</u>	<u>\$ 1,726,771</u>
Fund equity at end of year.				

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 491,954	\$ 491,954	\$ 486,632	\$ (5,322)
Charges for services	91,801	91,801	84,415	(7,386)
Intergovernmental	90,000	90,000	73,888	(16,112)
Other	3,300	3,300	238	(3,062)
	<u>677,055</u>	<u>677,055</u>	<u>645,173</u>	<u>(31,882)</u>
Expenses:				
Personal services	253,350	235,350	228,172	7,178
Fringe benefits	50,207	50,207	45,960	4,247
Materials and supplies	45,800	54,360	50,428	3,932
Contractual services	189,932	361,486	331,556	29,930
Utilities	64,500	64,500	60,998	3,502
Capital outlay	10,457	10,457	7,350	3,107
Other	13,100	13,100	12,950	150
	<u>627,346</u>	<u>789,460</u>	<u>737,414</u>	<u>52,046</u>
Net change in fund equity	49,709	(112,405)	(92,241)	20,164
Fund equity at beginning of year	83,519	83,519	83,519	-
Prior year encumbrances appropriated	34,262	34,262	34,262	-
	<u>167,490</u>	<u>5,376</u>	<u>25,540</u>	<u>20,164</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARKING GARAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenses:				
Transfers out	\$ (79,211)	\$ (79,211)	\$ (79,211)	\$ -
Net change in fund equity	(79,211)	(79,211)	(79,211)	-
Fund equity at beginning of year	<u>79,211</u>	<u>79,211</u>	<u>79,211</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Mansfield on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

Gargage Operating:

To account for the operation of the municipal vehicle repair garage for work performed for all departments and for the operation of a vehicle/equipment motor pool.

Information Technology:

To account for the operation of the municipal data processing department for work performed for all departments.

Utility Collections:

To account for the operation of the utility collections department for services provided to the water, sewer, codes and permits, and parking departments. The funds using the utility billing service are charged for the cost of the operation.

Health Insurance:

To account for the expenses incurred in the activity of self insurance by the City for employee health insurance.

OML Self Insurance:

To account for the expenses incurred in the activity of liability insurance as a member of the Ohio Municipal League Joint Self-Insurance Pool.

Workers' Compensation:

To account for the expenses incurred in the activity of the State Workers Compensation System.

Benefit Fund:

To account for the city share of medicare, life insurance and OPERS (Ohio Public Employees Retirement System) contributions for employees.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2008

	Garage Operating	Information Technology	Utility Collections
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 24,895	\$ 62,240	\$ 33,227
Materials and supplies inventory	7,434	10,187	34,965
Total current assets.	32,329	72,427	68,192
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	416,390	85,694	72,448
Total capital assets	416,390	85,694	72,448
Total assets	\$ 448,719	\$ 158,121	\$ 140,640
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 7,678	\$ 4,258	\$ 7,538
Contracts payable.	13,886	-	-
Accrued wages and benefits	23,673	9,111	35,956
Due to other governments	22,297	8,412	35,516
Claims payable.	-	-	-
Total current liabilities.	67,534	21,781	79,010
Long-term liabilities:			
Compensated absences	158,148	23,239	128,919
Total long-term liabilities.	158,148	23,239	128,919
Total liabilities	225,682	45,020	207,929
Net assets:			
Invested in capital assets, net of related debt.	416,390	85,694	72,448
Unrestricted (deficit).	(193,353)	27,407	(139,737)
Total net assets (deficit).	\$ 223,037	\$ 113,101	\$ (67,289)

<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ -	\$ 48,783	\$ 169,145
<u>-</u>	<u>-</u>	<u>52,586</u>
<u>-</u>	<u>48,783</u>	<u>221,731</u>
<u>-</u>	<u>-</u>	<u>574,532</u>
<u>-</u>	<u>-</u>	<u>574,532</u>
<u>\$ -</u>	<u>\$ 48,783</u>	<u>\$ 796,263</u>
\$ 72,454	\$ -	\$ 91,928
-	-	13,886
-	-	68,740
-	-	66,225
<u>1,004,251</u>	<u>-</u>	<u>1,004,251</u>
<u>1,076,705</u>	<u>-</u>	<u>1,245,030</u>
<u>-</u>	<u>-</u>	<u>310,306</u>
<u>-</u>	<u>-</u>	<u>310,306</u>
<u>1,076,705</u>	<u>-</u>	<u>1,555,336</u>
<u>-</u>	<u>-</u>	<u>574,532</u>
<u>(1,076,705)</u>	<u>48,783</u>	<u>(1,333,605)</u>
<u>\$ (1,076,705)</u>	<u>\$ 48,783</u>	<u>\$ (759,073)</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,794,728	\$ 426,305	\$ 1,577,756
Total operating revenues	<u>1,794,728</u>	<u>426,305</u>	<u>1,577,756</u>
Operating expenses:			
Personal services	423,257	183,848	708,245
Fringe benefits	4,806	1,223	6,333
Contractual services	303,712	167,077	631,919
Materials and supplies.	1,017,219	21,303	183,667
Depreciation.	191,753	35,000	14,769
Utilities	23,676	-	6,723
Claims expense	-	-	-
Other	-	551	-
Total operating expenses	<u>1,964,423</u>	<u>409,002</u>	<u>1,551,656</u>
Operating income (loss)	<u>(169,695)</u>	<u>17,303</u>	<u>26,100</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	11,520	-	3,139
Loss on disposal of assets	-	(542)	-
Total nonoperating revenues (expenses)	<u>11,520</u>	<u>(542)</u>	<u>3,139</u>
Changes in net assets	(158,175)	16,761	29,239
Net assets (deficit) at beginning of year	<u>381,212</u>	<u>96,340</u>	<u>(96,528)</u>
Net assets (deficit) at end of year	<u>\$ 223,037</u>	<u>\$ 113,101</u>	<u>\$ (67,289)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 5,800,825	\$ 409,008	\$ 735,729	\$ 3,106,038	\$ 13,850,389
5,800,825	409,008	735,729	3,106,038	13,850,389
-	-	-	-	1,315,350
-	-	-	-	12,362
512,116	439,013	763,550	3,106,038	5,923,425
-	-	-	-	1,222,189
-	-	-	-	241,522
-	-	-	-	30,399
5,963,022	-	-	-	5,963,022
-	-	-	-	551
6,475,138	439,013	763,550	3,106,038	14,708,820
(674,313)	(30,005)	(27,821)	-	(858,431)
-	-	-	-	14,659
-	-	-	-	(542)
-	-	-	-	14,117
(674,313)	(30,005)	(27,821)	-	(844,314)
(402,392)	30,005	76,604	-	85,241
\$ (1,076,705)	\$ -	\$ 48,783	\$ -	\$ (759,073)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Garage Operating	Information Technology	Utility Collections
Cash flows from operating activities:			
Cash received from customers	\$ 1,794,728	\$ 426,305	\$ 1,577,756
Cash received from other operating revenues	11,520	-	3,139
Cash payments to employees	(411,513)	(181,115)	(697,394)
Cash payments for suppliers	(1,404,196)	(185,562)	(830,924)
Cash payments for claims expense	-	-	-
Net cash provided by (used in) operating activities	(9,461)	59,628	52,577
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(16,874)	(29,292)
Net cash used in capital and related financing activities	-	(16,874)	(29,292)
Net increase (decrease) in cash and cash equivalents	(9,461)	42,754	23,285
Cash and cash equivalents at beginning of year	34,356	19,486	9,942
Cash and cash equivalents at end of year.	\$ 24,895	\$ 62,240	\$ 33,227
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (169,695)	\$ 17,303	\$ 26,100
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	191,753	35,000	14,769
Other nonoperating revenues	11,520	-	3,139
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(2,442)	6,696	(14,076)
Increase (decrease) in accounts payable	(71,033)	(3,327)	5,461
Increase in contracts payable	13,886	-	-
Increase in accrued wages and benefits	3,724	614	5,398
Increase in due to other governments	4,806	1,223	6,333
Increase in compensated absences payable	8,020	2,119	5,453
Increase in claims payable	-	-	-
Net cash provided by (used in) operating activities	\$ (9,461)	\$ 59,628	\$ 52,577

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Benefit Fund</u>	<u>Total</u>
\$ 5,800,825	\$ 409,008	\$ 735,729	\$ 3,106,038	\$ 13,850,389
-	-	-	-	14,659
(439,920)	-	-	-	(1,729,942)
-	(439,013)	(763,550)	(3,106,038)	(6,729,283)
<u>(5,515,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,515,358)</u>
<u>(154,453)</u>	<u>(30,005)</u>	<u>(27,821)</u>	<u>-</u>	<u>(109,535)</u>
-	-	-	-	(46,166)
-	-	-	-	(46,166)
(154,453)	(30,005)	(27,821)	-	(155,701)
154,453	30,005	76,604	-	324,846
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,783</u>	<u>\$ -</u>	<u>\$ 169,145</u>
\$ (674,313)	\$ (30,005)	\$ (27,821)	\$ -	\$ (858,431)
-	-	-	-	241,522
-	-	-	-	14,659
-	-	-	-	(9,822)
72,196	-	-	-	3,297
-	-	-	-	13,886
-	-	-	-	9,736
-	-	-	-	12,362
-	-	-	-	15,592
<u>447,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,664</u>
<u>\$ (154,453)</u>	<u>\$ (30,005)</u>	<u>\$ (27,821)</u>	<u>\$ -</u>	<u>\$ (109,535)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GARAGE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,849,088	\$ 1,849,088	\$ 1,794,728	\$ (54,360)
Other	11,278	11,278	11,519	241
Total revenues.	<u>1,860,366</u>	<u>1,860,366</u>	<u>1,806,247</u>	<u>(54,119)</u>
Expenses:				
Personal services.	505,506	425,506	411,512	13,994
Fringe benefits	93,075	93,075	88,723	4,352
Materials and supplies	834,677	1,120,535	1,074,673	45,862
Contractual services	218,602	218,602	208,636	9,966
Utilities	27,000	27,000	27,000	-
Capital outlay	10,000	10,000	6,308	3,692
Total expenses	<u>1,688,860</u>	<u>1,894,718</u>	<u>1,816,852</u>	<u>77,866</u>
Net change in fund equity	171,506	(34,352)	(10,605)	23,747
Fund equity at beginning of year	24,329	24,329	24,329	-
Prior year encumbrances appropriated	10,023	10,023	10,023	-
Fund equity at end of year.	<u>\$ 205,858</u>	<u>\$ -</u>	<u>\$ 23,747</u>	<u>\$ 23,747</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INFORMATION TECHNOLOGY
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 505,660	\$ 505,660	\$ 426,305	\$ (79,355)
Total revenues.	<u>505,660</u>	<u>505,660</u>	<u>426,305</u>	<u>(79,355)</u>
Expenses:				
Personal services.	190,672	190,672	181,115	9,557
Fringe benefits	33,012	33,012	31,097	1,915
Materials and supplies	15,750	15,750	15,327	423
Contractual services	201,172	201,172	155,180	45,992
Capital outlay	74,541	74,541	40,291	34,250
Other	10,000	10,000	551	9,449
Total expenses	<u>525,147</u>	<u>525,147</u>	<u>423,561</u>	<u>101,586</u>
Net change in fund equity	(19,487)	(19,487)	2,744	22,231
Fund equity at beginning of year	11,070	11,070	11,070	-
Prior year encumbrances appropriated	<u>8,417</u>	<u>8,417</u>	<u>8,417</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,231</u>	<u>\$ 22,231</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UTILITY COLLECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,685,270	\$ 1,685,270	\$ 1,577,756	\$ (107,514)
Other	3,060	3,060	3,139	79
Total revenues.	<u>1,688,330</u>	<u>1,688,330</u>	<u>1,580,895</u>	<u>(107,435)</u>
Expenses:				
Personal services.	786,941	736,941	697,394	39,547
Fringe benefits	159,775	159,775	149,826	9,949
Capital outlay	49,292	44,292	29,292	15,000
Materials and supplies	183,659	213,659	199,732	13,927
Contractual services	509,332	509,333	483,034	26,299
Utilities	9,000	14,000	6,705	7,295
Total expenses	<u>1,697,999</u>	<u>1,678,000</u>	<u>1,565,983</u>	<u>112,017</u>
Net change in fund equity	(9,669)	10,330	14,912	4,582
Fund equity at beginning of year	5,510	5,510	5,510	-
Prior year encumbrances appropriated	4,279	4,279	4,279	-
Fund equity at end of year.	<u>\$ 120</u>	<u>\$ 20,119</u>	<u>\$ 24,701</u>	<u>\$ 4,582</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	5,925,462	5,925,462	5,800,825	(124,637)
Total revenues.	<u>5,925,462</u>	<u>5,925,462</u>	<u>5,800,825</u>	<u>(124,637)</u>
Expenses:				
Contractual services	330,000	445,180	439,919	5,261
Claims expense	<u>5,749,912</u>	<u>5,634,732</u>	<u>5,515,356</u>	<u>119,376</u>
Total expenses	<u>6,079,912</u>	<u>6,079,912</u>	<u>5,955,275</u>	<u>124,637</u>
Net change in fund equity	(154,450)	(154,450)	(154,450)	-
Fund equity at beginning of year	<u>154,450</u>	<u>154,450</u>	<u>154,450</u>	<u>-</u>
Fund equity at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OML SELF INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	411,993	411,993	409,006	(2,987)
Total revenues.	411,993	411,993	409,006	(2,987)
Expenses:				
Contractual services	442,000	442,000	439,013	2,987
Total expenses	442,000	442,000	439,013	2,987
Net change in fund equity	(30,007)	(30,007)	(30,007)	-
Fund equity at beginning of year	30,007	30,007	30,007	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS COMPENSATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 743,658	\$ 743,658	\$ 735,729	\$ (7,929)
Total revenues.	743,658	743,658	735,729	(7,929)
Expenses:				
Contractual services	767,684	780,184	763,550	16,634
Total expenses	767,684	780,184	763,550	16,634
Net change in fund equity	(24,026)	(36,526)	(27,821)	8,705
Fund equity at beginning of year	<u>76,603</u>	<u>76,603</u>	<u>76,603</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 52,577</u>	<u>\$ 40,077</u>	<u>\$ 48,782</u>	<u>\$ 8,705</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BENEFIT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 3,350,719	\$ 3,350,719	\$ 3,106,038	\$ (244,681)
Total operating revenues.	<u>3,350,719</u>	<u>3,350,719</u>	<u>3,106,038</u>	<u>(244,681)</u>
Expenses:				
Contractual services	<u>3,298,772</u>	<u>3,298,772</u>	<u>3,106,038</u>	<u>192,734</u>
Total expenses	<u>3,298,772</u>	<u>3,298,772</u>	<u>3,106,038</u>	<u>192,734</u>
Net change in fund equity	51,947	51,947	-	(51,947)
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 51,947</u>	<u>\$ 51,947</u>	<u>\$ -</u>	<u>\$ (51,947)</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

FUND DESCRIPTIONS

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or funds. These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The following are the City's fiduciary fund types:

Agency Funds

OSP Fines Fund

To account for monies collected through Ohio State Patrol fines that are then distributed to the local Law Library organization.

Sewer and Street Opening Fund

To account for monies deposited with the City by individuals who intend to excavate portions of City streets or sidewalks.

Building Security Fund

To account for deposits received from individuals to guarantee proper demolition and removal of structures damaged by fire.

Payroll Agency Fund

To account for monies aggregated from the various operating funds for payroll and payroll-related liabilities. As a pay period closed, the operating funds record the gross pay as expenditures or expenses; the payroll agency fund simultaneously records the various liabilities.

Municipal Court Fund

To account for monies that flow through the Clerk of Courts office.

Transient Occupancy Tax Fund

To account for collections of local tax on hotel/motel guests. Monies collected go to the Richland County Convention & Visitors Bureau, the local Main Street USA, and other miscellaneous agencies.

Internet Auction Fund

To account for the monies collected for the sale of equipment on the internet. Monies collected are to be disbursed to various departments.

Board of Standards Assessments Fund

To account for fees, for the acceptance and approval of building plans.

Utility Deposits Fund

To account for monies deposited with the City by individuals for water and sewer service.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Balance 01/01/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/08</u>
OSP Fines				
Assets:				
Receivables (net of allowances of uncollectibles):				
Accounts	\$ 3,897	\$ 806	\$ -	\$ 4,703
Total assets	<u>\$ 3,897</u>	<u>\$ 806</u>	<u>\$ -</u>	<u>\$ 4,703</u>
Liabilities:				
Due to individuals	\$ 3,897	\$ 806	\$ -	\$ 4,703
Total liabilities.	<u>\$ 3,897</u>	<u>\$ 806</u>	<u>\$ -</u>	<u>\$ 4,703</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 18,489	\$ -	\$ 946	\$ 17,543
Total assets	<u>\$ 18,489</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 17,543</u>
Liabilities:				
Due to individuals	\$ 18,489	\$ -	\$ 946	\$ 17,543
Total liabilities.	<u>\$ 18,489</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 17,543</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 16,566	\$ 44,336	\$ -	\$ 60,902
Total assets	<u>\$ 16,566</u>	<u>\$ 44,336</u>	<u>\$ -</u>	<u>\$ 60,902</u>
Liabilities:				
Due to individuals	\$ 16,566	\$ 44,336	\$ -	\$ 60,902
Total liabilities.	<u>\$ 16,566</u>	<u>\$ 44,336</u>	<u>\$ -</u>	<u>\$ 60,902</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 99,186	\$ 27,852	\$ -	\$ 127,038
Total assets	<u>\$ 99,186</u>	<u>\$ 27,852</u>	<u>\$ -</u>	<u>\$ 127,038</u>
Liabilities:				
Accounts payable	\$ -	\$ 38,510	\$ -	\$ 38,510
Due to other governments	62,717	4,255	-	66,972
Due to individuals	36,469	-	14,913	21,556
Total liabilities.	<u>\$ 99,186</u>	<u>\$ 42,765</u>	<u>\$ 14,913</u>	<u>\$ 127,038</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Balance 01/01/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/08</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 440,617	\$ 86,525	\$ -	\$ 527,142
Investments.	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>270,000</u>
Total assets	<u>\$ 710,617</u>	<u>\$ 86,525</u>	<u>\$ -</u>	<u>\$ 797,142</u>
Liabilities:				
Due to other governments	\$ 60,622	\$ 16,816	\$ -	\$ 77,438
Accounts payable	89,169	43,148	-	132,317
Due to individuals	3,579	1,283	-	4,862
Undistributed monies	<u>557,247</u>	<u>25,278</u>	<u>-</u>	<u>582,525</u>
Total liabilities.	<u>\$ 710,617</u>	<u>\$ 86,525</u>	<u>\$ -</u>	<u>\$ 797,142</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	11,593	-	\$ 11,593
Receivables (net of allowances of uncollectibles):				
Taxes	<u>10,544</u>	<u>-</u>	<u>415</u>	<u>10,129</u>
Total assets	<u>\$ 10,544</u>	<u>\$ 11,593</u>	<u>\$ 415</u>	<u>\$ 21,722</u>
Liabilities:				
Accounts payable	\$ 7,744	\$ 11,705	\$ -	\$ 19,449
Due to individuals	<u>2,800</u>	<u>-</u>	<u>527</u>	<u>2,273</u>
Total liabilities.	<u>\$ 10,544</u>	<u>\$ 11,705</u>	<u>\$ 527</u>	<u>\$ 21,722</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 540	\$ -	\$ 54	\$ 486
Total assets	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 486</u>
Liabilities:				
Due to other governments	\$ 540	\$ -	\$ 54	\$ 486
Total liabilities.	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 486</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Balance 01/01/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/08</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 950	\$ 100	\$ -	\$ 1,050
Total assets	<u>\$ 950</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 1,050</u>
Liabilities:				
Due to individuals	\$ 950	\$ 100	\$ -	\$ 1,050
Total liabilities.	<u>\$ 950</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 1,050</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 477,162	\$ 142,554	\$ 1,000	\$ 618,716
Cash and cash equivalents with fiscal agents	99,186	27,852	-	127,038
Investments.	270,000	-	-	270,000
Receivables (net of allowances of uncollectibles):				
Taxes	10,544	-	415	10,129
Accounts	3,897	806	-	4,703
Total assets	<u>\$ 860,789</u>	<u>\$ 171,212</u>	<u>\$ 1,415</u>	<u>\$ 1,030,586</u>
Liabilities:				
Due to other governments	\$ 123,879	\$ 21,071	\$ 54	\$ 144,896
Accounts payable	96,913	93,363	-	190,276
Due to individuals	82,750	46,525	16,386	112,889
Undistributed monies	557,247	25,278	-	582,525
Total liabilities.	<u>\$ 860,789</u>	<u>\$ 186,237</u>	<u>\$ 16,440</u>	<u>\$ 1,030,586</u>

Statistical Section

This part of the City of Mansfield, Ohio'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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	152
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.	160
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.	169
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.	171

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 2003; schedules presenting government-wide information beginning in that year.

CITY OF MANSFIELD, OHIO

NET ASSETS BY COMPONENT
LAST SIX YEARS
(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 48,572,308	\$ 46,575,580	\$ 45,098,513	\$ 46,367,183
Restricted	7,647,351	12,085,390	15,824,043	15,521,272
Unrestricted	<u>3,618,921</u>	<u>1,118,449</u>	<u>1,740,055</u>	<u>(413,024)</u>
<i>Total Governmental Activities Net Assets</i>	<u>59,838,580</u>	<u>59,779,419</u>	<u>62,662,611</u>	<u>61,475,431</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	37,203,838	37,016,539	37,078,689	37,370,730
Restricted	4,040,936	3,979,276	3,979,276	3,979,276
Unrestricted	<u>8,637,779</u>	<u>8,911,886</u>	<u>12,340,798</u>	<u>10,362,772</u>
<i>Total Business-Type Activities Net Assets</i>	<u>49,882,553</u>	<u>49,907,701</u>	<u>53,398,763</u>	<u>51,712,778</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	85,776,146	83,592,119	82,177,202	83,737,913
Restricted	11,688,287	16,064,666	19,803,319	19,500,548
Unrestricted	<u>12,256,700</u>	<u>10,030,335</u>	<u>14,080,853</u>	<u>9,949,748</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 109,721,133</u>	<u>\$ 109,687,120</u>	<u>\$ 116,061,374</u>	<u>\$ 113,188,209</u>

	<u>2004</u>	<u>2003</u>
\$	47,833,128	\$ 48,523,672
	15,950,708	26,640,679
	<u>(1,266,633)</u>	<u>(11,680,081)</u>
	<u>62,517,203</u>	<u>63,484,270</u>
	36,878,972	39,814,666
	4,070,672	1,457,668
	<u>8,135,785</u>	<u>7,912,220</u>
	<u>49,085,429</u>	<u>49,184,554</u>
	84,712,100	88,338,338
	20,021,380	28,098,347
	<u>6,869,152</u>	<u>(3,767,861)</u>
\$	<u><u>111,602,632</u></u>	<u><u>\$ 112,668,824</u></u>

CITY OF MANSFIELD, OHIO

CHANGES IN NET ASSETS
LAST SIX YEARS
(accrual basis of accounting)

	2008	2007	2006	2005
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 2,743,160	\$ 3,581,833	\$ 3,452,357	\$ 3,490,786
Public safety	1,635,098	1,614,005	1,602,051	1,653,534
Public health and welfare	-	-	400	380
Transportation	900,705	166,360	168,545	295,065
Community environment	188,869	187,974	150,663	258,271
Leisure time activities	35,048	39,236	182,104	315,728
Interest and fiscal charges	-	-	-	-
Operating Grants and Contributions	11,077,411	7,737,309	7,041,641	9,841,045
Capital Grants and Contributions	1,674,288	1,390,445	1,060,076	70,414
<i>Total Governmental Activities Program Revenues</i>	<u>18,254,579</u>	<u>14,717,162</u>	<u>13,657,837</u>	<u>15,925,223</u>
Business-Type Activities:				
Charges for Services:				
Water	8,000,336	8,065,907	8,000,960	8,343,947
Sewer	8,001,563	8,186,664	8,481,960	8,395,183
Airport	66,965	81,693	84,969	88,611
Parking Garage	-	-	33,696	187,696
Capital Grants and Contributions	1,511,417	728,928	1,096,738	1,148,728
<i>Total Business-Type Activities Program Revenues</i>	<u>17,580,281</u>	<u>17,063,192</u>	<u>17,698,323</u>	<u>18,164,165</u>
<i>Total Primary Government Program Revenues</i>	<u>35,834,860</u>	<u>31,780,354</u>	<u>31,356,160</u>	<u>34,089,388</u>
Expenses				
Governmental Activities:				
General government	14,474,385	11,985,745	9,960,681	12,154,838
Public safety	23,624,982	24,205,050	22,958,245	23,850,064
Public health and welfare	128,164	158,475	141,884	137,328
Transportation	9,917,676	10,089,697	10,396,560	10,078,954
Community environment	1,669,302	1,782,621	1,972,480	1,491,159
Leisure time activities	879,341	917,913	1,103,561	488,317
Interest and fiscal charges	288,073	296,853	253,102	253,405
<i>Total Governmental Activities Expenses</i>	<u>50,981,923</u>	<u>49,436,354</u>	<u>46,786,513</u>	<u>48,454,065</u>
Business-Type Activities:				
Water	7,604,723	9,025,320	8,144,636	7,412,809
Sewer	9,821,326	11,075,835	7,695,342	8,158,651
Airport	646,544	1,196,799	774,342	784,276
Parking Garage	251,712	165	12,481	230,928
<i>Total Business-Type Activities Expenses</i>	<u>18,324,305</u>	<u>21,298,119</u>	<u>16,626,801</u>	<u>16,586,664</u>
<i>Total Primary Government Expenses</i>	<u>\$ 69,306,228</u>	<u>\$ 70,734,473</u>	<u>\$ 63,413,314</u>	<u>\$ 65,040,729</u>

<u>2004</u>	<u>2003</u>
\$ 3,608,646	\$ 2,195,188
928,130	625,619
8,446	9,727
209,200	463,892
176,753	209,867
20,626	21,764
-	-
6,849,290	7,547,321
<u>309,775</u>	<u>132,240</u>
<u>12,110,866</u>	<u>11,205,618</u>
8,050,000	7,517,166
8,159,344	6,791,857
143,038	154,987
32,132	44,211
<u>629,261</u>	<u>533,827</u>
<u>17,013,775</u>	<u>15,042,048</u>
<u>29,124,641</u>	<u>26,247,666</u>
10,496,931	8,258,059
21,355,233	20,653,049
156,000	260,946
8,390,900	8,496,196
2,065,065	2,262,008
449,412	505,060
<u>355,645</u>	<u>689,642</u>
<u>43,269,186</u>	<u>41,124,960</u>
7,638,373	7,198,264
8,211,524	7,240,115
736,546	733,102
<u>22,301</u>	<u>28,976</u>
<u>16,608,744</u>	<u>15,200,457</u>
<u>\$ 59,877,930</u>	<u>\$ 56,325,417</u>

(continued)

CITY OF MANSFIELD, OHIO

CHANGES IN NET ASSETS
LAST SIX YEARS
(accrual basis of accounting)

	2008	2007	2006	2005
Net (Expense)/Revenue				
Governmental Activities	\$ (32,727,344)	\$ (34,719,192)	\$ (33,128,676)	\$ (32,528,842)
Business-Type Activities	(744,024)	(4,234,927)	1,071,522	1,577,501
<i>Total Primary Government Net Expense</i>	<u>\$ (33,471,368)</u>	<u>\$ (38,954,119)</u>	<u>\$ (32,057,154)</u>	<u>\$ (30,951,341)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 2,119,802	\$ 2,026,704	\$ 2,301,741	\$ 2,520,948
Debt service	-	-	-	1,062
Special purposes	422,629	403,991	471,426	784,511
Municipal income taxes levied for:				
General purposes	309,108	833,459	642,031	714,984
Special purposes	20,226,017	18,832,225	20,554,764	19,109,121
Capital projects	4,706,268	4,258,507	2,336,710	3,893,063
Grants and entitlements not restricted to specific programs	3,972,491	4,072,562	6,409,483	2,646,945
Investment earnings	932,920	1,259,757	1,548,036	1,029,572
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	97,270	7,204	51,665	174,500
Transfers	-	-	-	-
Special item - donation of land	-	-	-	-
<i>Total Governmental Activities</i>	<u>32,786,505</u>	<u>31,694,409</u>	<u>34,315,856</u>	<u>30,874,706</u>
Business-Type Activities:				
Municipal income taxes levied for:				
Airport	604,380	413,685	421,564	439,395
Grants and entitlements not restricted to specific programs	73,888	194,738	86,433	486,715
Investment earnings	25,545	2,658	7,305	-
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	15,063	59,950	99,161	123,738
Transfers	-	-	-	-
<i>Total Business-Type Activities</i>	<u>718,876</u>	<u>671,031</u>	<u>614,463</u>	<u>1,049,848</u>
<i>Total Primary Government</i>	<u>33,505,381</u>	<u>32,365,440</u>	<u>34,930,319</u>	<u>31,924,554</u>
Change in Net Assets				
Governmental Activities	59,161	(3,024,783)	1,187,180	(1,654,136)
Business-Type Activities	(25,148)	(3,563,896)	1,685,985	2,627,349
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 34,013</u>	<u>\$ (6,588,679)</u>	<u>\$ 2,873,165</u>	<u>\$ 973,213</u>

<u>2004</u>	<u>2003</u>
\$ (31,158,320)	\$ (29,919,342)
405,031	(158,409)
<u>\$ (30,753,289)</u>	<u>\$ (30,077,751)</u>
\$ 1,895,024	\$ 1,956,016
2,522	8,037
368,905	394,563
797,061	295,182
18,116,003	19,085,840
3,062,798	3,297,494
5,169,330	5,520,410
411,338	629,575
89,416	18,581
231,320	134,162
-	337,209
-	(180,484)
<u>30,143,717</u>	<u>31,496,585</u>
256,830	271,518
-	-
44,265	48,750
-	-
32,238	19,182
-	(337,209)
<u>333,333</u>	<u>2,241</u>
<u>30,477,050</u>	<u>31,498,826</u>
(1,014,603)	1,577,243
738,364	(156,168)
<u>\$ (276,239)</u>	<u>\$ 1,421,075</u>

CITY OF MANSFIELD, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund					
Reserved	\$ 439,910	\$ 1,116,618	\$ 359,737	\$ 506,487	\$ 727,717
Unreserved	984,869	509,765	2,014,261	(210,543)	(1,213,843)
<i>Total General Fund</i>	<u>1,424,779</u>	<u>1,626,383</u>	<u>2,373,998</u>	<u>295,944</u>	<u>(486,126)</u>
All Other Governmental Funds					
Reserved	5,372,506	7,821,162	5,886,752	6,479,670	6,010,557
Unreserved, reported in:					
Special revenue funds	1,418,680	1,495,324	3,480,884	3,664,556	2,564,398
Capital project funds	(1,650,762)	(650,979)	1,335,060	1,698,691	2,056,068
<i>Total All Other Governmental Funds</i>	<u>5,140,424</u>	<u>8,665,507</u>	<u>10,702,696</u>	<u>11,842,917</u>	<u>10,631,023</u>
<i>Total Governmental Funds</i>	<u>\$ 6,565,203</u>	<u>\$ 10,291,890</u>	<u>\$ 13,076,694</u>	<u>\$ 12,138,861</u>	<u>\$ 10,144,897</u>

2003	2002	2001	2000	1999
\$ 756,972	\$ 153,728	\$ 395,765	\$ 236,563	\$ 615,241
479,177	73,735	934,823	2,135,747	1,100,056
1,236,149	227,463	1,330,588	2,372,310	1,715,297
7,135,246	8,179,023	10,564,282	8,133,816	7,866,190
1,723,601	2,484,448	378,489	2,083,578	67,036
12,997,592	11,213,435	9,834,395	8,103,437	(775,616)
21,856,439	21,876,906	20,777,166	18,320,831	7,157,610
\$ 23,092,588	\$ 22,104,369	\$ 22,107,754	\$ 20,693,141	\$ 8,872,907

CITY OF MANSFIELD, OHIO

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

(modified accrual basis of accounting)

	2008	2007	2006	2005	2004
Revenues:					
Municipal income taxes	\$ 24,241,438	\$ 24,369,037	\$ 23,449,356	\$ 23,254,583	\$ 22,444,242
Property and other taxes	2,542,983	2,545,865	2,707,079	3,044,029	2,376,280
Charges for services	2,501,935	1,747,742	1,456,616	2,055,269	1,239,855
Licenses, permits and fees	1,009,895	898,192	809,274	954,917	1,805,151
Fines and forfeitures	1,819,253	1,724,413	1,682,073	1,716,546	1,792,353
Intergovernmental	17,757,450	14,866,082	12,612,732	14,082,197	11,687,464
Special assessments	41,680	26,093	24,533	148,266	25,415
Investment income	932,920	1,259,757	1,441,036	1,029,572	411,338
Other	132,868	227,968	1,585,563	1,135,627	314,086
<i>Total revenues</i>	<u>50,980,422</u>	<u>47,665,149</u>	<u>45,768,262</u>	<u>47,421,006</u>	<u>42,096,184</u>
Expenditures:					
Current:					
General government	10,838,867	10,254,320	9,970,709	10,250,858	9,576,262
Public safety	24,477,914	24,230,031	23,679,137	22,892,003	21,695,859
Public health and welfare	129,965	154,251	140,291	132,170	159,014
Transportation	3,895,775	4,454,990	3,580,149	3,681,798	2,753,622
Community environment	1,654,607	1,787,617	1,953,994	1,442,988	2,105,021
Leisure time activities	766,628	1,231,940	1,061,524	474,764	390,776
Capital outlay	12,556,339	8,054,070	3,957,967	5,621,233	4,691,108
Debt service:					
Principal retirement	310,000	305,000	300,430	765,000	11,035,000
Interest and fiscal charges	327,285	242,972	255,687	256,095	504,235
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>54,957,380</u>	<u>50,715,191</u>	<u>44,899,888</u>	<u>45,516,909</u>	<u>52,910,897</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,976,958)</u>	<u>(3,050,042)</u>	<u>868,374</u>	<u>1,904,097</u>	<u>(10,814,713)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	155,939	110,990	42,471	114,467	89,416
Proceeds from sale of note premium	-	-	-	1,303	-
Proceeds of bonds	-	-	-	-	-
Proceeds from capital lease transaction	-	-	-	-	93,572
Transfers in	766,165	1,833,962	849,352	1,501,262	790,958
Transfers out	(686,305)	(1,833,962)	(849,352)	(1,501,262)	(790,958)
<i>Total other financing sources (uses)</i>	<u>235,799</u>	<u>110,990</u>	<u>42,471</u>	<u>115,770</u>	<u>182,988</u>
<i>Net change in fund balances</i>	<u>\$ (3,741,159)</u>	<u>\$ (2,939,052)</u>	<u>\$ 910,845</u>	<u>\$ 2,019,867</u>	<u>\$ (10,631,725)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.5%	1.3%	1.4%	2.6%	23.9%

	2003	2002	2001	2000	1999
\$	22,322,290	\$ 22,319,628	\$ 21,273,925	\$ 21,783,372	\$ 21,275,688
	2,337,097	2,228,152	3,324,866	2,866,596	2,641,204
	499,903	454,980	668,471	627,522	534,367
	975,739	887,891	688,265	519,978	559,211
	1,851,684	2,189,288	2,096,628	1,868,126	1,834,674
	12,195,703	12,346,111	12,896,925	13,126,575	11,573,740
	46,263	53,288	66,133	53,674	53,156
	629,575	905,511	1,354,661	2,135,347	1,141,062
	288,727	434,977	294,253	348,819	266,348
	<u>41,146,981</u>	<u>41,819,826</u>	<u>42,664,127</u>	<u>43,330,009</u>	<u>39,879,450</u>
	9,458,715	11,241,914	10,663,504	9,489,402	9,627,424
	20,501,227	20,870,709	18,992,474	18,337,026	18,013,749
	166,115	131,019	130,533	113,490	112,433
	2,620,323	4,450,234	5,672,129	4,209,468	3,819,723
	2,223,299	2,326,942	2,130,239	1,894,501	2,077,738
	527,494	835,660	1,012,543	1,064,061	1,047,603
	3,771,501	5,289,272	4,998,346	5,691,250	4,881,416
	10,910,000	12,875,000	9,995,000	750,000	885,000
	727,275	551,689	621,897	343,083	244,699
	-	135,530	-	-	-
	<u>50,905,949</u>	<u>58,707,969</u>	<u>54,216,665</u>	<u>41,892,281</u>	<u>40,709,785</u>
	(9,758,968)	(16,888,143)	(11,552,538)	1,437,728	(830,335)
	112,981	118,144	116,123	86,663	129,844
	10,260,000	10,000,000	12,250,000	10,180,000	-
	-	7,068,855	-	-	-
	-	-	-	-	-
	3,395,104	6,122,852	1,748,097	1,512,308	1,040,513
	(3,057,895)	(6,260,956)	(1,511,740)	(1,336,409)	(861,513)
	<u>10,710,190</u>	<u>17,048,895</u>	<u>12,602,480</u>	<u>10,442,562</u>	<u>308,844</u>
	<u>951,222</u>	<u>\$ 160,752</u>	<u>\$ 1,049,942</u>	<u>\$ 11,880,290</u>	<u>\$ (521,491)</u>
	24.7%	25.1%	21.6%	3.0%	3.2%

CITY OF MANSFIELD, OHIO

**ASSESSED VALUE AND ESTIMATED TRUE VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
2008	\$ 611,164,890	\$ 1,746,185,400	\$ 43,950,179	\$ 703,202,864
2007	613,362,160	1,752,463,229	58,600,238	468,801,904
2006	612,365,730	1,749,616,371	110,363,727	588,363,727
2005 (4)	615,981,970	1,759,948,486	145,405,712	605,857,133
2004	553,471,750	1,581,347,857	145,331,157	631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208
2000	512,865,440	1,465,329,830	138,798,968	555,195,870
1999 (4)	425,438,580	1,215,538,800	123,722,561	494,890,244

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update Year

(4) Reappraisal Year

Source: Richland County Auditor

Public Utility (2)		Totals			Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Direct Tax Rate	Estimated Actual	
\$ 13,509,070	\$ 38,597,343	\$ 668,624,139	3.60%	\$ 2,487,985,607	26.87%
13,435,490	38,387,114	685,397,888	3.60%	2,259,652,247	30.33%
19,584,030	55,954,371	742,313,487	3.60%	2,393,934,469	31.01%
22,294,140	63,697,543	783,681,822	3.60%	2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	3.60%	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	3.60%	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	3.60%	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	5.10%	2,065,659,868	32.44%
32,355,880	92,445,400	684,020,288	5.10%	2,112,971,100	32.37%
31,699,550	90,570,143	580,860,691	5.10%	1,800,999,187	32.25%

CITY OF MANSFIELD, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS (1)

Collection Year	Operating (3)	Police and Fire Pension	Debt Retirement (2)	City of Mansfield	Richland County	Mansfield City School District	Total
2008	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 11.40	\$ 69.25	\$ 84.25
2007	3.00	0.60	-	3.60	11.40	60.55	75.55
2006	3.00	0.60	-	3.60	11.40	60.75	75.75
2005	3.00	0.60	-	3.60	11.40	66.05	81.05
2004	3.00	0.60	-	3.60	11.40	66.05	81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25
2000	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1999	3.00	0.60	1.50	5.10	9.00	66.15	80.25

(1) The above are the rates for recent years at which the City and the overlapping taxing subdivisions levied ad valorem property taxes in that area of the City having the highest overlapping tax rate.

(2) The voted tax levies for "Debt Retirement" continue for the life of the bonds authorized by the electors, in annual amounts sufficient to pay debt service on those bonds as they become due.

(3) Includes Mansfield Township portion.

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
PRINCIPAL TAXPAYERS
(EXCLUDING PUBLIC UTILITY)
DECEMBER 31, 2008 AND DECEMBER 31, 1999

December 31, 2008		
Name of Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Newman Technology	\$ 4,924,430	0.81%
Walmart	2,938,920	0.48%
SSI Mansfield	2,818,420	0.46%
Jay Industries	2,786,280	0.46%
Armco, Inc.	2,310,070	0.38%
Willard Rental Properties	2,288,720	0.37%
City of Mansfield	1,895,740	0.31%
Mansfield Commerce Center	1,798,380	0.29%
Therm-O-Disc	1,619,280	0.26%
Johnny Appleseed	1,575,000	0.26%
Totals	<u>\$ 24,955,240</u>	<u>4.08%</u>

December 31, 1999		
Name of Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Armco Inc.	\$ 6,887,660	1.34%
Mansfield Square	3,432,820	0.67%
Gorman Rupp Company	2,556,820	0.50%
Therm-O-Disc	2,110,800	0.41%
Newman Technology	1,994,180	0.39%
Jay Plastics	1,855,170	0.36%
Skilken, Morris B.	1,412,800	0.28%
Mansfield Motel	1,386,490	0.27%
Richland Bank	1,107,380	0.22%
Lumbermans	867,390	0.17%
Totals	<u>\$ 23,611,510</u>	<u>4.61%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

**REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>
2008	\$ 2,186,409	\$ 2,172,251	99.4%	\$ 14,159	\$ 2,186,410	100.0%
2007	2,203,918	1,960,848	89.0%	243,070	2,203,918	100.0%
2006	2,208,475	2,060,648	93.3%	147,827	2,208,475	100.0%
2005	2,005,354	1,715,128	85.5%	290,225	2,005,353	100.0%
2004	2,004,286	2,002,840	99.9%	266,966	2,269,806	113.2%
2003	1,900,247	1,715,056	90.3%	262,544	1,977,600	104.1%
2002 (2)	1,868,997	1,636,801	87.6%	243,604	1,880,405	100.6%
2001	2,671,096	2,634,667	98.6%	316,140	2,950,807	110.5%
2000	2,709,006	2,649,291	97.8%	251,848	2,901,139	107.1%
1999	2,277,372	2,572,404	113.0%	412,503	2,984,907	131.1%

Source: Richland County Auditor

(1) Includes collection of current charges, plus current and delinquent additions less current and delinquent abatements.

(2) The collection for voted tax levies was completed in 2001. This caused a decrease in collections for 2002.

Note: Amounts collected include state shared taxes provided to the City to offset legislatively granted property tax reductions. These amounts have been classified as intergovernmental revenues on the financial statements.

CITY OF MANSFIELD, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes From Withholding</u>	<u>Percentage of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes From Individuals</u>
2008	1.75%	\$ 25,100,403	\$ 19,618,191	78.2%	\$ 3,886,377	15.5%	\$ 1,595,835	6.3%
2007	1.75%	25,952,247	20,333,797	78.4%	4,030,366	15.5%	1,588,084	6.1%
2006	1.75%	24,586,419	19,853,408	80.7%	3,214,402	13.1%	1,518,609	6.2%
2005	1.75%	24,229,207	19,233,753	79.4%	3,460,874	14.3%	1,534,580	6.3%
2004	1.75%	22,855,984	18,651,034	81.6%	2,773,583	12.1%	1,431,367	6.3%
2003	1.75%	23,289,856	19,165,146	82.3%	2,634,031	11.3%	1,490,679	6.4%
2002	1.75%	23,232,422	18,614,963	80.1%	3,106,239	13.4%	1,511,220	6.5%
2001	1.75%	22,679,374	18,585,927	82.0%	2,522,251	11.1%	1,571,196	6.9%
2000	1.75%	22,779,392	18,342,015	80.5%	3,078,089	13.5%	1,359,288	6.0%
1999	1.75%	21,963,531	17,370,326	79.1%	3,304,043	15.0%	1,289,162	5.9%

% Represents percent of total tax collected

Tax rate of 1.75% consists of a 1% permanent levy, a .25% street resurfacing levy, and an additional .50% safety services levy.

Sources: City of Mansfield Income Tax Division - amounts reflect calendar year collections. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding only without filing requirement.

CITY OF MANSFIELD, OHIO

**TOP 10 INCOME TAX WITHHOLDING ACCOUNTS
LAST FIVE YEARS**

Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections	Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections
2008	1	\$ 1,502,047	7.60%	2007	1	\$ 1,496,224	7.56%
2008	2	1,131,253	5.72%	2007	2	1,063,689	5.38%
2008	3	755,505	3.82%	2007	3	734,413	3.71%
2008	4	696,592	3.52%	2007	4	726,067	3.67%
2008	5	544,279	2.75%	2007	5	596,997	3.02%
2008	6	499,176	2.52%	2007	6	532,024	2.69%
2008	7	483,435	2.44%	2007	7	487,347	2.46%
2008	8	458,232	2.32%	2007	8	477,848	2.42%
2008	9	455,986	2.31%	2007	9	472,978	2.39%
2008	10	419,777	2.12%	2007	10	453,490	2.29%
	Total	\$ 6,946,282	35.13%		Total	\$ 7,041,077	35.60%
2006	1	\$ 1,451,196	7.40%	2005	1	\$ 1,359,130	7.05%
2006	2	1,014,812	5.17%	2005	2	1,041,497	5.40%
2006	3	719,457	3.67%	2005	3	706,608	3.66%
2006	4	695,250	3.54%	2005	4	675,728	3.50%
2006	5	663,162	3.38%	2005	5	672,385	3.49%
2006	6	539,103	2.75%	2005	6	525,838	2.73%
2006	7	491,989	2.51%	2005	7	510,825	2.65%
2006	8	488,376	2.49%	2005	8	501,816	2.60%
2006	9	471,966	2.41%	2005	9	468,936	2.43%
2006	10	438,761	2.24%	2005	10	419,234	2.17%
	Total	\$ 6,974,072	35.56%		Total	\$ 6,881,997	35.68%
2004	1	\$ 1,367,230	7.18%				
2004	2	1,021,348	5.37%				
2004	3	657,955	3.46%				
2004	4	656,316	3.45%				
2004	5	653,336	3.43%				
2004	6	554,151	2.91%				
2004	7	525,265	2.76%				
2004	8	505,928	2.66%				
2004	9	428,166	2.25%				
2004	10	426,362	2.24%				
	Total		35.70%				

% Represents percent of total withholding tax collected

Sources: City of Mansfield Income Tax Division - amounts reflect calendar year collections. Company names not provided due to confidentiality regulations.

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CITY OF MANSFIELD, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases
2008	\$ 3,340,000	\$ -	\$ 440,000	\$ 20,473
2007	3,580,000	-	510,000	39,982
2006	3,815,000	-	580,000	58,582
2005	4,040,000	-	655,430	76,309
2004	4,735,000	3,139	730,862	93,572
2003	5,440,000	3,268	11,066,293	-
2002	4,565,000	3,758	10,881,724	38,711
2001	-	37,148	13,207,155	82,988
2000	2,725,000	69,200	10,212,586	125,005
1999	3,445,000	101,687	38,017	164,878

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

See Demographic and Economic Statistics for personal income and population data.

Business-type Activities					
General Obligation Bonds		Notes	Total Debt	Percentage of Personal Income	Per Capita
\$	1,865,000	\$ 2,259,739	\$ 7,925,212	0.87%	\$ 154
	2,165,000	2,154,120	8,449,102	0.92%	164
	2,490,000	2,163,501	9,107,083	1.00%	176
	2,805,000	2,732,881	10,547,830	1.15%	204
	3,100,000	2,742,263	11,643,045	1.27%	226
	3,380,000	2,711,644	22,786,561	2.49%	442
	5,135,000	159,953	20,976,155	2.29%	407
	5,920,000	209,547	19,615,649	2.14%	380
	4,230,000	258,746	17,810,478	1.95%	345
	4,585,000	308,009	8,780,587	1.47%	173

CITY OF MANSFIELD, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
(DOLLARS IN THOUSANDS)

Year	Population (1)	Assessed Value (3)	Gross General Obligation Bonded Debt (2,4)	Less Debt Service Fund Balance (4)	Less Debt Payable from Enterprise Revenues
2008	51,600	\$ 668,624	\$ 5,205	\$ 72	\$ 1,865
2007	51,600	685,398	5,745	62	2,165
2006	51,600	742,313	6,305	178	2,490
2005	51,600	783,682	6,845	1,202	2,805
2004	51,600	720,973	7,835	1,946	3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910
2000	51,600	684,020	6,955	2,946	4,230
1999	50,627	580,860	8,030	1,938	4,893

(1) Source: U.S. Census Bureau, Census 2000

(2) Includes general obligation bonds supported by enterprise activities because they are backed by the full faith and credit of the City.

(3) Source: Richland County Auditor

(4) Source: City of Mansfield, Ohio; Finance Department

(5) The net general obligation bonded debt is a negative amount because too much tax revenue was collected by the County and given to the City. This inflated the Debt Service Fund Balance.

Less Debt Payable from Municipal Income Taxes	Net General Obligation Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$ -	\$ 3,268	0.49%	\$ 63.33
-	3,518	0.51%	68.20
-	3,637	0.49%	70.48
-	2,838	0.36%	55.00
-	2,789	0.39%	54.05
-	4,723	0.67%	91.53
-	4,863	0.72%	94.24
-	(1,498) (5)	0.00%	-
-	(221) (5)	0.00%	-
-	1,199	0.21%	23.68

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2008

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable to City (1)</u>	<u>City's Share</u>
Direct:			
City of Mansfield	\$ 3,268,000	100.00%	\$ 3,268,000
Overlapping Debt:			
Richland County	22,822,276	31.58%	7,207,275
Mansfield City School District	16,042,072	65.18%	10,456,223
Crestview Local School District	4,191,072	0.45%	18,860
Madison Local School District	345,000	18.62%	64,239
Ontario Local School District	17,312,324	0.02%	3,462
Pioneer Career and Technology Center	12,405,000	16.20%	2,009,610
Total Direct and Overlapping Debt	\$ 76,385,744		\$ 23,027,669

Source: Richland County Auditor

(1) Calculated by total valuation in respective taxing districts compared to total City valuation.

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CITY OF MANSFIELD, OHIO

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Value	\$ 668,624,139	\$ 685,397,888	\$ 742,313,487	\$ 783,681,822
Overall Debt Limitation				
10 1/2 Percent of Assessed Valuation	<u>70,205,535</u>	<u>71,966,778</u>	<u>77,942,916</u>	<u>82,286,591</u>
Total Voted and Unvoted Debt Outstanding at December 31st	5,205,000	5,745,000	6,305,000	6,845,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water system revenues	(1,865,000)	(2,165,000)	(2,490,000)	(2,805,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 10 1/2 Percent Limitation	3,340,000	3,580,000	3,815,000	4,040,000
Less: Debt Service Fund Balance	<u>(71,917)</u>	<u>(61,604)</u>	<u>(177,796)</u>	<u>(1,202,435)</u>
Net Debt Subject to 10 1/2 Percent Limitation	<u>3,268,083</u>	<u>3,518,396</u>	<u>3,637,204</u>	<u>2,837,565</u>
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$ 66,937,452</u>	<u>\$ 68,448,382</u>	<u>\$ 74,305,712</u>	<u>\$ 79,449,026</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.34%	95.11%	95.33%	96.55%
Assessed Value	\$ 668,624,139	\$ 685,397,888	\$ 742,313,487	\$ 783,681,822
Unvoted Debt Limitation				
5 1/2 Percent of Assessed Valuation	<u>36,774,328</u>	<u>37,696,884</u>	<u>40,827,242</u>	<u>43,102,500</u>
Total Unvoted Debt Outstanding at December 31st	5,205,000	5,745,000	6,305,000	6,845,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water system revenues	(1,865,000)	(2,165,000)	(2,490,000)	(2,805,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 5 1/2 Percent Limitation	3,340,000	3,580,000	3,815,000	4,040,000
Less: Debt Service Fund Balance	<u>(71,917)</u>	<u>(61,604)</u>	<u>(177,796)</u>	<u>(1,202,435)</u>
Net Debt Subject to 5 1/2 Percent Limitation	<u>3,268,083</u>	<u>3,518,396</u>	<u>3,637,204</u>	<u>2,837,565</u>
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$ 33,506,245</u>	<u>\$ 34,178,488</u>	<u>\$ 37,190,038</u>	<u>\$ 40,264,935</u>
Legal Debt Margin as a Percentage of the Debt Limit	91.11%	90.67%	91.09%	93.42%

Source: City of Mansfield, Ohio; Finance Department

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691
<u>75,702,200</u>	<u>74,107,100</u>	<u>70,876,178</u>	<u>70,351,586</u>	<u>71,822,130</u>	<u>60,990,373</u>
7,838,139	11,093,268	5,138,758	5,957,148	7,024,200	8,131,687
(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)
<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>
4,735,000	7,710,000	1,485,000	2,010,000	2,725,000	3,445,000
<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>(3,507,606)</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>
<u>2,789,121</u>	<u>4,722,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,506,897</u>
<u>\$ 72,913,079</u>	<u>\$ 69,384,409</u>	<u>\$ 70,876,178</u>	<u>\$ 70,351,586</u>	<u>\$ 71,822,130</u>	<u>\$ 59,483,476</u>
96.32%	93.63%	100.00%	100.00%	100.00%	97.53%
\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691
<u>39,653,534</u>	<u>38,818,005</u>	<u>37,125,617</u>	<u>36,850,831</u>	<u>37,621,116</u>	<u>31,947,338</u>
7,358,139	10,118,268	10,718,758	3,947,148	4,474,200	5,026,687
(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)
<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>
4,255,000	6,735,000	7,065,000	-	175,000	340,000
<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>-</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>
<u>2,309,121</u>	<u>3,747,691</u>	<u>3,378,213</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 37,344,413</u>	<u>\$ 35,070,314</u>	<u>\$ 33,747,404</u>	<u>\$ 36,850,831</u>	<u>\$ 37,621,116</u>	<u>\$ 31,947,338</u>
94.18%	90.35%	90.90%	100.00%	100.00%	100.00%

CITY OF MANSFIELD, OHIO
SPECIAL ASSESSMENT BONDS
PLEDGED-REVENUE COVERAGE
LAST TEN YEARS

Year	Special Assessment Collections (1)	Debt Service (2)			Coverage
		Principal	Interest	Total	
2008	\$ 53,316	\$ -	\$ -	\$ -	-
2007	32,941	-	-	-	-
2006	34,109	-	-	-	-
2005	29,714	3,139	-	3,139	9.47
2004	37,359	129	245	374	99.89
2003	61,697	490	282	772	79.92
2002	66,195	33,390	2,813	36,203	1.83
2001	85,266	32,052	5,625	37,677	2.26
2000	67,600	32,487	15,454	47,941	1.41
1999	65,350	37,156	18,267	55,423	1.18

(1) Source: Richland County Auditor

(2) Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (3)</u>
2008	51,600 a	\$ 914,661,600	17,726 a	30,176 a	7.4%
2007	51,600 a	914,661,600	17,726 a	30,176 a	6.5%
2006	51,600 a	914,661,600	17,726 a	30,176 a	6.1%
2005	51,600 a	914,661,600	17,726 a	30,176 a	6.5%
2004	51,600 a	914,661,600	17,726 a	30,176 a	7.2%
2003	51,600 a	914,661,600	17,726 a	30,176 a	7.2%
2002	51,600 a	914,661,600	17,726 a	30,176 a	6.7%
2001	51,600 a	914,661,600	17,726 a	30,176 a	5.2%
2000	51,600 a	914,661,600	17,726 a	30,176 a	5.1%
1999	50,627 b	596,082,298	11,774 b	22,591 b	6.5%

(1) Source: U.S. Census Bureau, Census 2000 (a)
U.S. Census Bureau, Census 1990 (b)

(2) Computation of per capita personal income multiplied by population

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics

CITY OF MANSFIELD, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2008 AND DECEMBER 31, 1999

2008			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,400	4.14%
Richland County Government	2	1,450	2.50%
Newman Technology	3	950	1.64%
Jay Industries, Inc.	4	920	1.59%
Gorman Rupp Company	5	809	1.39%
Embarq	6	800	1.38%
Therm-O-Disc, Inc.	7	717	1.24%
Mansfield Board of Education	8	700	1.21%
Mansfield Correctional (MANCI)	9	621	1.07%
City of Mansfield Government	10	595	1.03%
	Total	9,962	17.17%

1999			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	1,900	3.29%
Therm-O-Disc, Inc.	2	1,550	2.69%
Richland County Government	3	1,300	2.25%
Jay Industries, Inc.	4	1,000	1.73%
AK Steel	5	800	1.39%
School Specialty, Inc.	6	800	1.39%
Mansfield Board of Education	7	750	1.30%
State of Ohio Government	8	700	1.21%
City of Mansfield Government	9	610	1.06%
Newman Technology	10	575	1.00%
	Total	9,985	17.31%

(1) Source: City of Mansfield, Ohio, Department of Economic Development - amounts are estimates

(2) Source: U.S. Department of Labor, Bureau of Labor Statistics - total city employment figures

CITY OF MANSFIELD, OHIO

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government:										
Council	12	12	11	11	11	11	11	11	11	11
Administration	4	5	4	6	6	6	6	10	10	10
Finance	27	28	26	23	22	20	20	25	27	23
Law	14	13	13	15	14	13	13	13	12	12
Courts	54	54	53	49	54	54	53	58	50	46
General Government	7	8	8	7	7	8	9	9	8	9
Economic/Community Development	6	6	6	8	7	7	7	8	7	8
Engineering	10	11	11	8	8	8	8	10	10	9
Maintenance	4	4	5	4	4	4	4	4	4	4
Codes/Permits	10	9	11	9	9	9	11	13	13	13
Litter Control	2	2	1	2	2	2	2	2	2	2
Regional Community Advancement	26	16	23	24	27	26	35	36	34	21
Parks/Recreation	11	12	9	10	9	12	16	18	19	19
Street/Highway	34	35	35	32	33	33	37	50	44	46
Police	144	150	148	142	139	145	154	162	160	165
Fire	102	98	100	102	95	98	102	108	107	108
Water	68	67	62	54	54	53	55	52	51	49
Sewer	41	40	41	50	56	56	56	61	58	60
Airport	6	5	5	6	6	5	7	8	9	9
Repair Garage	9	9	9	9	9	9	11	12	12	11
Information Technology	4	4	4	3	4	4	4	4	4	4
Total	595	588	585	574	576	583	621	674	652	639

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government:										
Building permits issued	174	207	231	288	331	332	313	366	367	273
Code enforcements	4,633	5,519	4,195	2,922	3,301	3,921	4,533	2,678	-	-
Police										
Calls for service	42,062	42,072	44,417	43,876	47,328	48,348	51,729	55,185	53,174	51,757
Traffic violations	6,221	6,741	5,958	4,760	7,056	6,104	10,703	8,370	6,650	6,744
Parking violations	7,684	5,896	9,530	9,337	10,639	9,671	12,112	14,740	9,664	9,851
Physical arrests	4,987	4,924	4,840	4,328	4,476	4,269	4,610	4,666	4,641	5,355
Fire										
Emergency responses	6,441	6,109	6,079	6,290	5,787	5,662	5,459	-	-	-
Fire responses	1,653	1,470	1,304	1,543	1,732	1,784	1,682	-	-	-
Street/Highway										
Street resurfacing mileage (1)	20	19	18	24	26	26	28	26	29	31
Number of streets resurfaced (1)	81	96	95	127	145	143	147	131	130	189
Tons of salt used	14,355	6,240	6,498	10,528	7,590	9,647	7,901	4,641	10,079	7,905
Leaf removal (cubic yards)	9,288	11,642	11,438	11,500	11,984	15,536	17,059	15,708	15,033	13,289
Water										
Number of customers	20,448	20,394	20,335	20,329	20,152	20,152	19,546	19,929	19,816	19,654
Average daily consumption (thousands of gallons)	8,920	8,480	9,000	10,000	10,000	10,000	9,430	10,180	10,000	9,610
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,348	9,870	10,360	9,130	9,580	10,520	9,400	9,250	9,320	10,340

Sources: Various city departments - some amounts may be estimates

(-) Not available

(1) Funded by income tax dollars only

CITY OF MANSFIELD, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of offices	2	2	2	2	2	2	2	2	2	2
Number of police vehicles	42	45	42	38	39	40	38	38	39	40
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of fire trucks	8	7	5	5	5	5	5	5	5	5
Number of rescue squads	6	5	5	6	5	5	5	5	5	5
Streets/Highways										
Mileage	295	295	295	295	295	295	295	295	295	295
Street signs	13,300	13,270	13,262	13,203	13,147	13,125	13,045	12,976	12,848	12,740
Parks/Recreation										
Number of Parks	33	33	33	33	33	33	33	33	33	33
Acreage	435	435	435	435	435	435	435	435	435	435
Playgrounds	20	20	20	20	20	20	20	20	20	20
Swimming pools	3	3	3	3	3	3	3	4	4	4
Water										
Miles of water mains	250	250	250	250	250	250	250	250	250	250
Storage capacity (thousands of gallons)	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Wastewater										
Miles of sanitary sewer	200	200	200	200	200	200	200	200	200	200
Treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500

Sources: Various city departments

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City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

Prepared By
Department of Finance

Kelly G. Blankenship
Director of Finance

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CITY OF MANSFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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City of Mansfield, Ohio

KELLY BLANKENSHIP, FINANCE DIRECTOR

30 N. Diamond Street
Mansfield, Ohio 44902

Phone (419) 755-9781
Fax (419) 755-9405

June 30, 2011,

Citizens of Mansfield
Mayor Donald Culliver
Members of Council
City of Mansfield, Ohio

As the Finance Director for the City of Mansfield (the "City"), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2010. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

Responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the Finance Director. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Mansfield.

OVERVIEW AND INTRODUCTION TO THE CITY

The City of Mansfield is located in Richland County in north central Ohio, approximately 65 miles northeast of the City of Columbus and 75 miles southwest of the City of Cleveland. It has a population of 47,821, is the county seat, and is the county's largest city. The City is an important industrial and marketing center located strategically between Cleveland and Columbus. It is the largest populated city between the two cities off Interstate 71 making it a desirable crossroads for business.

The Miss Ohio Pageant is held in Mansfield each June. The pageant is a source of community wide support and pride, from the Miss Ohio festival, parade, and to the crowning of Miss Ohio at the historic grand Renaissance Theater, a 1920's grand baroque theater.

The downtown Richland Carousel Park provides entertainment for children and adults. Other local entertainment options include theatrical productions at the Mansfield Playhouse, shows at the Mansfield Art Center, and classes at the Richland Academy of Arts and Sciences. The Mansfield Motorsports Speedway, north of town, is a fast half-mile asphalt racetrack where fans can enjoy great racing. Mansfield has 34 parks covering 435 acres. Those looking for exercise can try bicycling or in-line skating on the 18 mile B&O Bike Trail, which begins at North Lake Park in the City, running south through Lexington. Mansfield is also home to North Central State College and a branch campus of The Ohio State University. The two schools share the campus in Mansfield.

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2010 to development possibilities. The City was able to assist two companies in 2010. The involvement of the City of Mansfield was crucial to ensure that the companies not only stayed in business through tough economic times, but

were able to take advantage of opportunities for growth. Revolving loan funds totaling \$60,000 were granted which have leveraged approximately \$320,000 in additional investments in the projects. Loan recipients project the retention of eight jobs and the creation of six new jobs over the next two years.

The Enterprise Zone program was utilized to assist one company during 2010. Investment in the project is estimated to be approximately \$1,125,000. The company will retain 48 full time employees.

The Ohio Department of Development awarded the City a clean Ohio assistance fund grant in the amount of \$233,500 for phase II environmental assessment of the former Rable Machine property on Touby Court. This project will be complete by the end of 2011.

Environmental remediation of the former Mansfield Foundry property began during the fourth quarter of 2010 and is projected to be complete by the end of 2011. The projected cost of the remediation is \$5,000,000 and is covered by an insurance claim with ACE Insurance.

Other 2010 project highlights are as follows:

- 1) Therm-O-Disc received a \$1,000,000 grant from the Ohio Department of Development for the research and development of a new sensor technology for the HVAC industry. Total investment is projected to be \$2,000,000.
- 2) Jay Industries broke ground on an 8,600 square foot addition which will house the research, development and production of a proprietary metalized plastic product. Total investment is projected to be \$6,500,000 and the project will create 10 to 15 full time jobs. The project was funded in part by a low interest loan from the Ohio Department of Development.
- 3) Rable Machine purchased the former Kerry Foods facility on Paragon Parkway to accommodate future expansion opportunities. The total investment is projected to be \$2,000,000 and will create 20 full time jobs.
- 4) Columbia Gas will construct a new facility to house its local offices and equipment maintenance department. The new location will also serve as their local construction yard. The total investment is \$1,125,000 and will result in the retention of 46 full time jobs.
- 5) Edge Plastics received a \$651,540 energy efficiency grant from the Ohio Department of Development to purchase new state of the art injection molding equipment which will enable the company to increase production to meet growing customer needs. The investment is projected to be \$1,500,000 and will create 44 new full time jobs.
- 6) Enman Manufacturing broke ground on a 12,000 square foot addition to their Mansfield Industrial Park facility. The investment is projected to be \$1,000,000 and will create 20 jobs.
- 7) Whitey's Auto Mall completed construction of a 4,000 square foot addition for their Mercedes' dealership. The investment is projected to be \$694,000 and will result in the retention of 12 full time jobs.
- 8) North Central State College began renovations to an existing building on North Main Street in Mansfield which will house their new Urban Center. The center will be a satellite learning location with distance learning capabilities. The total investment is \$1,200,000.
- 9) North Central State College announced plans to expand the Fallerius Center on their main campus to accommodate a growing enrollment. The project should be complete in 2011 with a total investment of \$1,650,000.

- 10) Mechanics Bank announced plans to renovate two buildings adjacent to their Main Street facility for the purpose of expanding their operations. The expansion will consist of renovating 14,000 square foot of existing space and the façade of each building. The completion date is scheduled for 2012. The total investment ranges between \$3,000,000 and \$5,000,000. The final budget will be determined upon completion of phase I.

MAJOR INITIATIVES

The revitalization of downtown will continue in 2011 through the City's participation in the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP). The City intends to allocate NSP funds to address abandoned and foreclosed properties through a program of demolition, rehabilitation and redevelopment. The City has approximately 60 to 80 uninhabitable properties identified for demolition. An additional 12 properties will be redeveloped and sold at a lower cost to the general public.

The City continues to rejuvenate an area adjacent to downtown known as the Chamber District by building new homes. In conjunction with a local non-profit, the City is building single family housing units in an effort to bring homeowners back to the downtown area with a mixture of low-to-moderate to upper income families.

North Central State College announced their plans to offer college courses and services in downtown Mansfield. The new Urban Higher Education Center will be housed in the main floors of 134 through 140 North Main Street in the Carrousel District. The \$1.2 million, 7,700 square foot downtown center, funded primarily by donors, will make higher education and career job training more accessible and attainable for many more in the community.

The Economic Development Administration awarded the City of Mansfield a grant in the amount of \$1,016,933 to be used in conjunction with State grant and loan funds to construct the third and final phase of the Reid Industrial Park. The investment in phase three is projected to be \$2,500,000 with construction to be complete by the end of 2011. The new industrial park should encourage further commercial development in the area.

The military base expansion is moving forward and should be complete by the end of 2011. The first building was completed and is now occupied by the Red Horse Company. The total projected investment is approximately \$50,000,000. The expansion will house 450 troops from multiple units.

FINANCIAL INFORMATION

Basis of Accounting

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units and is consistent with GASB Cod. Sec. 1600, *Basis of Accounting*. All governmental funds are accounted for using a current financial resources-current asset and current liabilities-measurement focus.

The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus on the City's proprietary funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the City in its proprietary and agency funds.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available for governmental funds), and encumbrances are included as expenditures in the budgetary statements.

The City complies with GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental

activities, in order to comply with GASB Statement Number 34, are presented on the full accrual basis of accounting. As part of this reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the City's finances for 2010. Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

Development of the City's accounting system included consideration of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or deposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation and that the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department manager is furnished a monthly report showing the status of the budget account for which he/she is responsible. The report details monthly transactions and summarizes the budget balance available to be spent for goods and services.

INDEPENDENT AUDIT

An audit team from Auditor of State Dave Yost's office has performed the City's 2010 audit. The results of their audit are disclosed in the Independent Accountants' Report included in the Financial Section. The Auditor of State has expressed an unqualified opinion on the Basic Financial Statements. The City also had a "single audit", which includes all federally funded programs administered by the City, performed for 2010 by the Auditor of State. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 and was amended in 1996 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). The contents of this report must conform to program standards and must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City of Mansfield has received a Certificate of Achievement for the last twenty-five years (years ended 1985-2009). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I would like to give a special thank you to Scott Arnett who prepared the CAFR for 2010. I would also like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

Finally, I would like to send my appreciation to the City administration, department heads, and employees who have contributed in the effort to achieve excellence in financial reporting.

A handwritten signature in blue ink that reads "Kelly Blankenship". The signature is written in a cursive style with a large initial "K".

Kelly Blankenship
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

CITY OF MANSFIELD, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2010**

ELECTED OFFICIALS

EXECUTIVE:

Mayor Donald R. Culliver
Director of Finance Kelly G. Blankenship
Director of Law David L. Remy
Municipal Court Judge Frank Ardis
Municipal Court Judge..... Jerry E. Ault
Clerk of Court Daniel F. Smith

LEGISLATIVE:

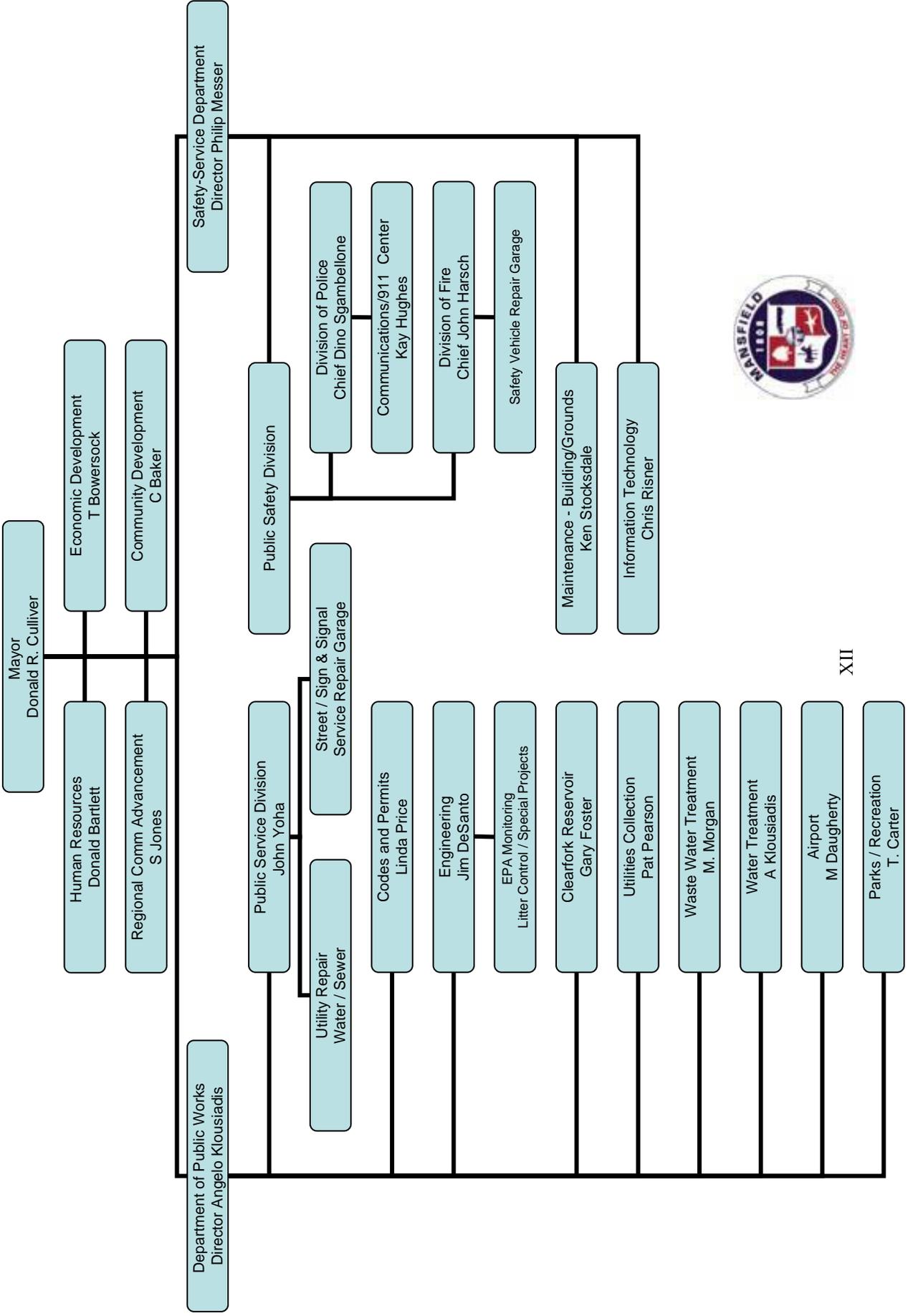
President of Council Phillip E. Scott
Council Members
 Ward 1 Michael N. Hill
 Ward 2 Jeffrey W. Rock
 Ward 3 Scott E. Hazen
 Ward 4 Walden A. Jefferson
 Ward 5 Ethel M. (Pat) Hightower
 Ward 6 Sandra G. Carmichael
 At Large Ellen K. Haring
 At Large Douglas P. Versaw

APPOINTED OFFICIALS

Director of Service Safety..... Philip Messer
Director of Public Works..... Angelo Klousiadis
Director of Human Resources.....Donald R. Bartlett
Director of Industrial Development..... Timothy R. Bowersock
Director of Community Development..... Cynthia Baker
Director of Regional Community Advancement..... Sherri R. Jones
Chief of Police..... Dino Sgambellone
Chief of Fire..... John C. Harsch

The present terms of the executive branch and the President of Council will expire November 30, 2011. The present terms of the legislative branch will expire November 30, 2011, or November 30, 2013. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

Office of the Mayor Department Organizational Structure City of Mansfield, Ohio





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Mansfield
Richland County
30 North Diamond Street
Mansfield, Ohio 44902

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio (the City), as of and for the year ended December 31, 2010, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The Auditor of State served during a portion of the year ended December 31, 2010 as the City's financial supervisor under Ohio Rev. Code Section 118.05(G). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the City because the Auditor of State may assume broad management powers, duties and functions under Ohio Rev. Code Section 118.04. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Rev. Code Section 118.05(G) requires the Auditor of State to provide these supervisory services, and Ohio Rev. Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Development Fund, Safety Services Fund and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the City will continue as a going concern. As discussed in Note 22 to the basic financial statements, the City has suffered recurring losses from operations and has a deficiency that raises substantial doubt about its ability to continue as a going concern. In addition, the Auditor of State has determined a fiscal emergency exists, and a financial planning and supervision commission has assumed certain management responsibilities for the duration of this emergency pursuant to Chapter 3316 of the Ohio Rev. Code. Note 22 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Additionally, as further described in Note 9 to the basic financial statements, the City restated its January 1, 2010 remaining fund information (other governmental funds') fund balance, and governmental activities, business-type activities, and water and sewer enterprise funds' net assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 30, 2011

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

The discussion and analysis of the City of Mansfield's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total net assets of the City increased \$10,570,496. Net assets of governmental activities increased \$5,574,806 or 9.34% from 2009 and net assets of business-type activities increased \$4,995,690 or 10.51% from 2009.
- General revenues accounted for \$28,200,851 of total governmental activities revenue. Program specific revenues accounted for \$21,360,627 or 43.10% of total governmental activities revenue.
- The City had \$43,223,382 in expenses related to governmental activities; \$21,360,627 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$21,862,755 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$28,200,851.
- The City's major governmental funds are the general fund, community development fund, safety services fund and grant fund. The general fund had revenues and other financing sources of \$9,769,874 in 2010. This represents an increase of \$1,041,645 from 2009. The expenditures and other financing uses of the general fund, which totaled \$8,921,805 in 2010, decreased \$1,233,812 from 2009. The net increase in fund balance for the general fund was \$848,069.
- The community development fund had revenues of \$2,594,993 in 2010. The expenditures and other financing uses of the community development fund totaled \$2,646,774 in 2010. The net decrease in fund balance for the community development fund was \$51,781 or 2.96%.
- The safety services fund had revenues of \$20,083,353 in 2010. The expenditures and other financing uses for the safety services fund totaled \$20,539,749 in 2010. The net decrease in fund balance for the safety services fund was \$456,396.
- The grant fund had revenues and other financing sources of \$8,641,132 in 2010. The expenditures for the grant fund totaled \$9,085,289 in 2010. The net decrease in fund balance for the grant fund was \$444,157 or 81.93%.
- Net assets for the business-type activities, which are made up of the water, sewer and airport operating enterprise funds, increased in 2010 by \$4,995,690.
- In the general fund, the actual revenues came in \$266,912 higher than they were in the final budget and actual expenditures were \$360,561 less than the amount in the final budget. These positive variances are the result of the City's conservative revenue estimates and expenditure reductions. Budgeted revenues and expenditures increased \$1,242,000 from the original to the final budget due to an increase in public safety needs.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities (except fiduciary funds) using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property and income tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, and airport operations are reported here.

Reporting the City's Most Significant Funds

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.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the 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, the 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 a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, community development fund, safety services fund, and grant fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-30 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. 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 water, sewer, and airport functions. The City's major enterprise funds are the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 31-34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page 35 of this report.

Notes to the Basic 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. These notes to the basic financial statements can be found on pages 37-70 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2010 compared to 2009:

Net Assets

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009 (Restated)</u>	Business-Type Activities <u>2010</u>	Business-Type Activities <u>2009 (Restated)</u>	Total <u>2010</u>	Total <u>2009 (Restated)</u>
<u>Assets</u>						
Current and other assets	\$ 26,740,796	\$ 26,161,451	\$ 14,894,925	\$ 11,464,479	\$ 41,635,721	\$ 37,625,930
Capital assets	<u>55,044,425</u>	<u>51,159,332</u>	<u>42,796,985</u>	<u>40,997,785</u>	<u>97,841,410</u>	<u>92,157,117</u>
Total assets	<u>81,785,221</u>	<u>77,320,783</u>	<u>57,691,910</u>	<u>52,462,264</u>	<u>139,477,131</u>	<u>129,783,047</u>
<u>Liabilities</u>						
Long-term liabilities	11,579,749	12,678,332	4,656,850	3,895,336	16,236,599	16,573,668
Other liabilities	<u>4,954,466</u>	<u>4,966,251</u>	<u>484,670</u>	<u>1,012,228</u>	<u>5,439,136</u>	<u>5,978,479</u>
Total liabilities	<u>16,534,215</u>	<u>17,644,583</u>	<u>5,141,520</u>	<u>4,907,564</u>	<u>21,675,735</u>	<u>22,552,147</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	49,379,425	45,218,744	39,214,411	38,192,427	88,593,836	83,411,171
Restricted	17,794,871	8,528,084	3,231,968	2,998,376	21,026,839	11,526,460
Unrestricted	<u>(1,923,290)</u>	<u>5,929,372</u>	<u>10,104,011</u>	<u>6,363,897</u>	<u>8,180,721</u>	<u>12,293,269</u>
Total net assets	<u>\$ 65,251,006</u>	<u>\$ 59,676,200</u>	<u>\$ 52,550,390</u>	<u>\$ 47,554,700</u>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$117,801,396. Net assets were \$65,251,006 and \$52,550,390 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 70.15% of total assets. Capital assets include land, buildings, improvements other than buildings (IOTB), machinery and equipment, construction in progress (CIP) and infrastructure. Capital assets, net of related debt to acquire the assets, were \$49,379,425 and \$39,214,411 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and 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 to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2010, the City is able to report positive balances in all three categories of net assets for the business-type activities.

A portion of the City's net assets, \$21,026,839, represents resources that are subject to external restriction on how they may be used.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The next table shows the changes in net assets for fiscal year 2010 and 2009.

Changes in Net Assets

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-Type Activities <u>2010</u>	Business-Type Activities <u>2009</u>	Total <u>2010</u>	Total <u>2009</u>
Revenues						
Program revenues:						
Charges for services	\$ 6,334,752	\$ 5,380,553	\$ 15,412,320	\$ 14,968,295	\$ 21,747,072	\$ 20,348,848
Operating grants and contributions	9,097,678	6,807,761	-	-	9,097,678	6,807,761
Capital grants and contributions	<u>5,928,197</u>	<u>1,424,961</u>	<u>1,821,086</u>	<u>1,916,402</u>	<u>7,749,283</u>	<u>3,341,363</u>
Total program revenues	<u>21,360,627</u>	<u>13,613,275</u>	<u>17,233,406</u>	<u>16,884,697</u>	<u>38,594,033</u>	<u>30,497,972</u>
General revenues:						
Property taxes	2,441,748	2,304,037	-	-	2,441,748	2,304,037
Income taxes	21,626,757	21,463,776	257,365	263,384	21,884,122	21,727,160
Unrestricted grants and entitlements	3,719,190	8,094,480	53,198	73,888	3,772,388	8,168,368
Investment earnings	326,473	413,969	15,600	20,670	342,073	434,639
Gain on sale of capital assets	84,756	167,581	-	-	84,756	167,581
Miscellaneous	<u>1,927</u>	<u>68,484</u>	<u>18,366</u>	<u>34,337</u>	<u>20,293</u>	<u>102,821</u>
Total general revenues	<u>28,200,851</u>	<u>32,512,327</u>	<u>344,529</u>	<u>392,279</u>	<u>28,545,380</u>	<u>32,904,606</u>
Total revenues	<u>49,561,478</u>	<u>46,125,602</u>	<u>17,577,935</u>	<u>17,276,976</u>	<u>67,139,413</u>	<u>63,402,578</u>
Program expenses:						
General government	12,724,498	11,198,654	-	-	12,724,498	11,198,654
Public safety	25,028,107	23,263,250	-	-	25,028,107	23,263,250
Public health and welfare	69,089	110,876	-	-	69,089	110,876
Transportation	2,196,791	8,313,893	-	-	2,196,791	8,313,893
Community environment	2,697,080	2,623,592	-	-	2,697,080	2,623,592
Leisure time activities	215,429	500,889	-	-	215,429	500,889
Interest and fiscal charges	292,388	276,828	-	-	292,388	276,828
Water	-	-	6,100,219	8,238,470	6,100,219	8,238,470
Sewer	-	-	6,672,653	10,683,047	6,672,653	10,683,047
Airport operating	-	-	572,663	683,312	572,663	683,312
Total program expenses	<u>43,223,382</u>	<u>46,287,982</u>	<u>13,345,535</u>	<u>19,604,829</u>	<u>56,568,917</u>	<u>65,892,811</u>
Excess (Deficiency) before transfers	6,338,096	(162,380)	4,232,400	(2,327,853)	10,570,496	(2,490,233)
Transfers	<u>(763,290)</u>	<u>-</u>	<u>763,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	5,574,806	(162,380)	4,995,690	(2,327,853)	10,570,496	(2,490,233)
Net assets, January 1 (Restated)	<u>59,676,200</u>	<u>59,838,580</u>	<u>47,554,700</u>	<u>49,882,553</u>	<u>107,230,900</u>	<u>109,721,133</u>
Net assets, December 31	<u>\$ 65,251,006</u>	<u>\$ 59,676,200</u>	<u>\$ 52,550,390</u>	<u>\$ 47,554,700</u>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$5,574,806 in 2010. This increase is the result of an increase in operating and capital grants.

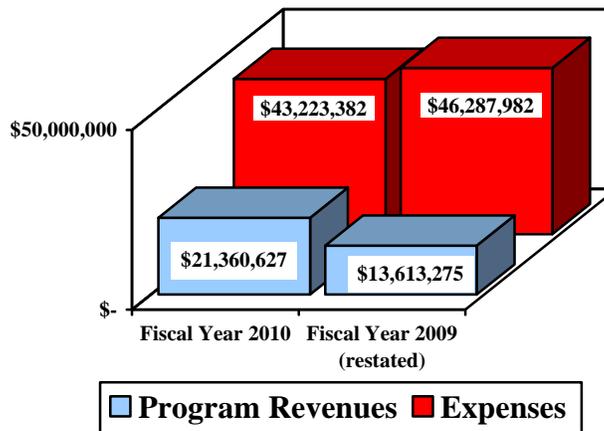
Public safety, which primarily supports the operations of the police and fire departments accounted for \$25,028,107 of the total expenses of the City. These expenses were partially funded by \$1,816,016 in direct charges to users of the services, and \$2,307,879 in operating grants and contributions. Transportation expenses totaled \$2,196,791. Transportation expenses were partially funded by \$147,242 in direct charges to users of the services, \$2,652,174 in operating grants and contributions, and \$5,928,197 in capital grants and contributions.

The state and federal government contributed to the City a total of \$9,097,678 in operating grants and contributions and \$5,928,197 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$28,200,851 and amounted to 56.90% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$24,068,505. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funds making up \$3,719,190.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State and Federal grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF MANSFIELD, OHIO

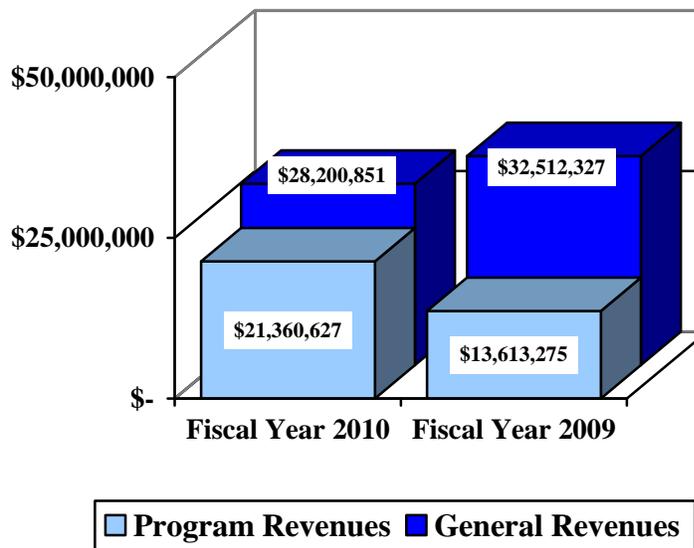
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009 (Restated)</u>	Net Cost of Services <u>2009 (Restated)</u>
Program Expenses:				
General government	\$ 12,724,498	\$ 6,931,094	\$ 11,198,654	\$ 6,432,827
Public safety	25,028,107	20,904,212	23,263,250	20,404,878
Public health and welfare	69,089	46,938	110,876	(13,159)
Transportation	2,196,791	(6,530,822)	8,313,893	4,148,648
Community environment	2,697,080	21,016	2,623,592	943,846
Leisure time activities	215,429	197,929	500,889	480,839
Interest and fiscal charges	<u>292,388</u>	<u>292,388</u>	<u>276,828</u>	<u>276,828</u>
Total	<u>\$ 43,223,382</u>	<u>\$ 21,862,755</u>	<u>\$ 46,287,982</u>	<u>\$ 32,674,707</u>

The dependence upon general revenues for governmental activities is apparent, with 65.24% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

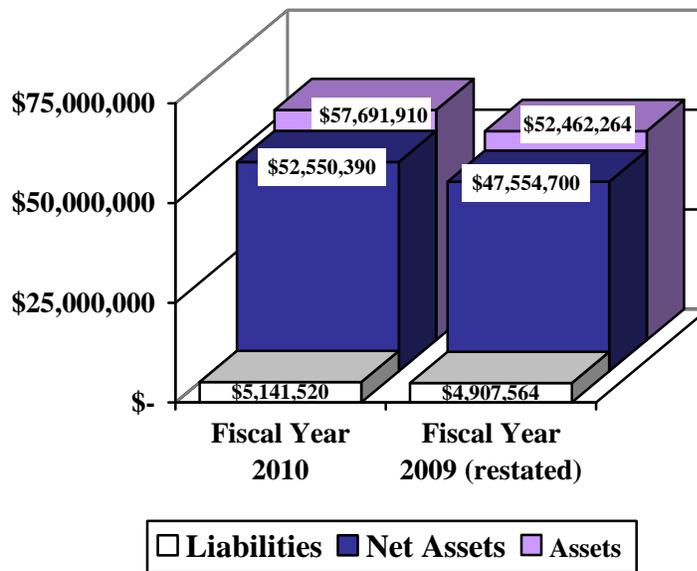


CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

Business-Type Activities

Business-type activities include the water, sewer, and airport enterprise funds. These programs had program revenues of \$17,233,406, general revenues of \$344,529 and expenses of \$13,345,535 for 2010. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City'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's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 20-21) reported a combined fund balance of \$8,787,032 which is \$240,552 above last year's total of \$8,546,480.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2010 and December 31, 2009 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/10</u>	<u>Fund Balances</u> <u>12/31/09 (restated)</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 839,328	\$ (8,006)	\$ 847,334
Community development	1,695,827	1,747,798	(51,971)
Safety services	(1,510,049)	(1,047,214)	(462,835)
Grant fund	112,909	542,126	(429,217)
Other nonmajor governmental funds	<u>7,649,017</u>	<u>7,311,776</u>	<u>337,241</u>
Total	<u>\$ 8,787,032</u>	<u>\$ 8,546,480</u>	<u>\$ 240,552</u>

General Fund

The City's general fund balance increased \$847,334 primarily due to an increase in revenues. The following table assists in illustrating the revenues of the general fund.

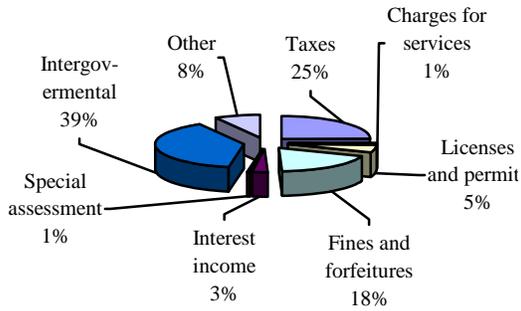
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,398,916	\$ 2,345,761	2.27 %
Charges for services	78,639	31,637	148.57 %
Licenses, permits and fees	516,509	624,126	(17.24) %
Fines and forfeitures	1,805,757	1,317,272	37.08 %
Investment income	271,134	321,491	(15.66) %
Special assessments	49,359	56,273	(12.29) %
Intergovernmental	3,762,864	3,861,875	(2.56) %
Other	<u>808,158</u>	<u>90,264</u>	<u>795.33 %</u>
Total	<u>\$ 9,691,336</u>	<u>\$ 8,648,699</u>	<u>12.06 %</u>

Tax revenue, which is a combination of property and income tax, represents 24.75% of all general fund revenue. Tax revenue increased by 2.27% from the prior year because of a modest increase in both property and income taxes. Charges for services dramatically increased 148.57% due to an additional processing fee charged by the clerk of courts. A decline in rent income led to the decrease in fee collections. The implementation of a utility collections late fee resulted in the increase to fine and forfeiture collections. Interest income continued to decline in 2010 as a result of lower interest rates. Lower special assessment receipts are from a decrease in delinquent assessment collections. Intergovernmental revenue, which represents 38.83% of all general fund revenue, dropped 2.56% because of a decline in estate and inheritance receipts. The largest increase in revenue came from an electrical aggregation service agreement voted on by the residents of Mansfield. This one-time payment in the amount of \$648,000 significantly increased other income for 2010.

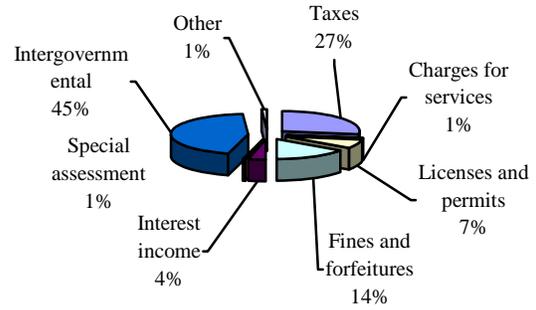
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Revenues – Fiscal Year 2010



Revenues – Fiscal Year 2009

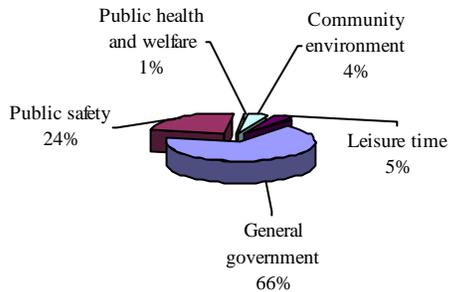


The following table assists in illustrating the expenditures of the general fund.

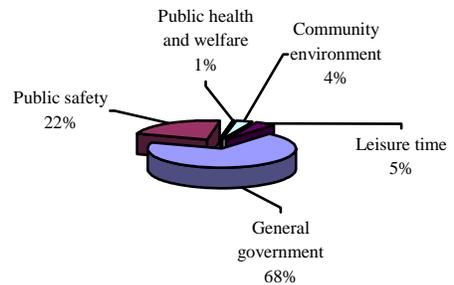
	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percentage Change</u>
<u>Expenditures</u>			
General government	\$ 5,851,801	\$ 6,501,283	(9.99) %
Public safety	2,072,513	2,108,585	(1.71) %
Public health and welfare	9,450	29,159	(67.59) %
Community environment	383,716	339,994	12.86 %
Leisure time activities	415,071	418,129	(0.73) %
Total	<u><u>\$ 8,732,551</u></u>	<u><u>\$ 9,397,150</u></u>	<u><u>(7.07) %</u></u>

An increase in federal funding for the demolition of abandoned or unsafe properties led to an increase in community environment expenditures. All other expenditures declined due to city-wide staff reductions.

Expenditures - Fiscal Year 2010



Expenditures - Fiscal Year 2009



CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Community Development Fund

In 2010, the community development fund had revenues of \$2,594,993 and expenditures of \$2,396,774. The net decrease in fund balance of \$51,971 for the community development fund is attributable to the timing of receipts from the U.S. Department of Housing and Urban Development.

Safety Services Fund

The safety services fund had revenues of \$20,083,353 and expenditures of \$19,640,511 in 2010. The net decrease in fund balance for the safety services fund was \$462,835. The combination of a relatively small increase in income tax receipts and the City's responsibility to pay contractual obligations led to another decline in the safety services fund balance.

Grant Fund

In 2010, the grant fund had revenues of \$7,891,793 and expenditures of \$9,085,289. The net decrease in fund balance of \$429,217 is primarily due to the timing of receipts from the various federal awards and local matches.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government-wide financial statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. The water enterprise fund had operating revenues of \$8,041,727, which was more than operating expenses of \$6,032,025 by \$2,009,702. The sewer enterprise fund had operating revenues of \$7,301,003, which was more than operating expenses of \$6,453,597 by \$847,406.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the City's appropriations which are restricted by the amounts of anticipated resources certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted resources are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, community development fund, safety services fund, and grant fund. For the general fund, actual revenues of \$9,633,994 exceeded final budgeted revenues by \$266,912 because of a conservative estimate. Actual expenditures came in \$360,561 lower than the final budgeted amounts because of cost cutting methods implemented by the City's department heads. Budgeted revenues and expenditures increased \$1,242,000 from the original to the final budget due to an increase in public safety needs.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2010, the City had \$97,841,410 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings (IOTB), machinery and equipment, infrastructure and construction in progress (CIP). Of this total, \$55,044,425 was reported in governmental activities and \$42,796,985 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

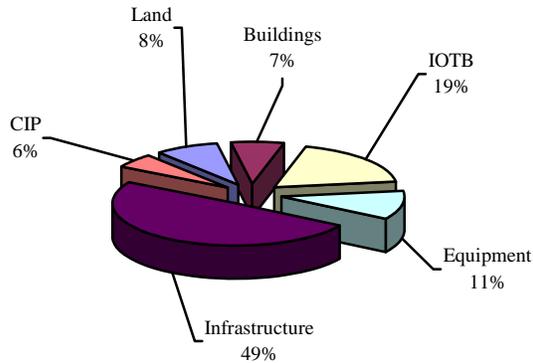
2010 balances compared to 2009:

**Capital Assets at December 31
(Net of Depreciation)**

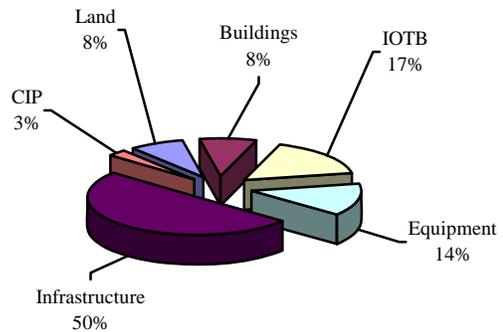
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 4,560,996	\$ 4,186,109	\$ 2,093,705	\$ 2,093,705	\$ 6,654,701	\$ 6,279,814
Buildings	3,871,992	4,142,450	2,267,286	2,471,783	6,139,278	6,614,233
IOTB	10,272,907	8,574,143	8,985,406	9,064,087	19,258,313	17,638,230
Machinery & Equipment	6,052,367	7,055,638	1,942,072	1,427,004	7,994,439	8,482,642
Infrastructure	27,252,741	25,847,784	25,245,653	25,941,206	52,498,394	51,788,990
CIP	3,033,422	1,353,208	2,262,863	-	5,296,285	1,353,208
Totals	\$ 55,044,425	\$ 51,159,332	\$ 42,796,985	\$ 40,997,785	\$ 97,841,410	\$ 92,157,117

The following graphs show the breakdown of governmental activities capital assets by category for 2010 and 2009.

Capital Assets - Governmental Activities 2010



Capital Assets - Governmental Activities 2009



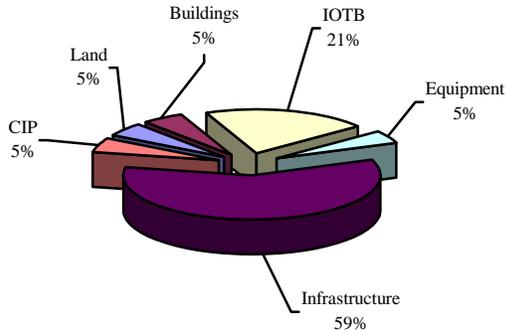
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 49% of the City's total governmental activities capital assets.

The following graphs show the breakdown of business-type activities capital assets by category for 2010 and 2009.

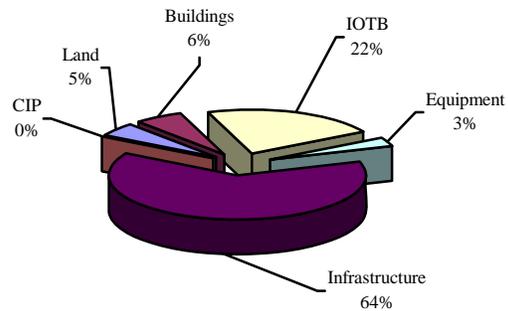
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Capital Assets - Business-Type Activities 2010



Capital Assets - Business-Type Activities 2009



The City's largest business-type activities capital asset category is infrastructure that primarily includes water lines, sanitary sewer lines, and storm sewers. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 59% of the City's total business-type activities capital assets.

Debt Administration

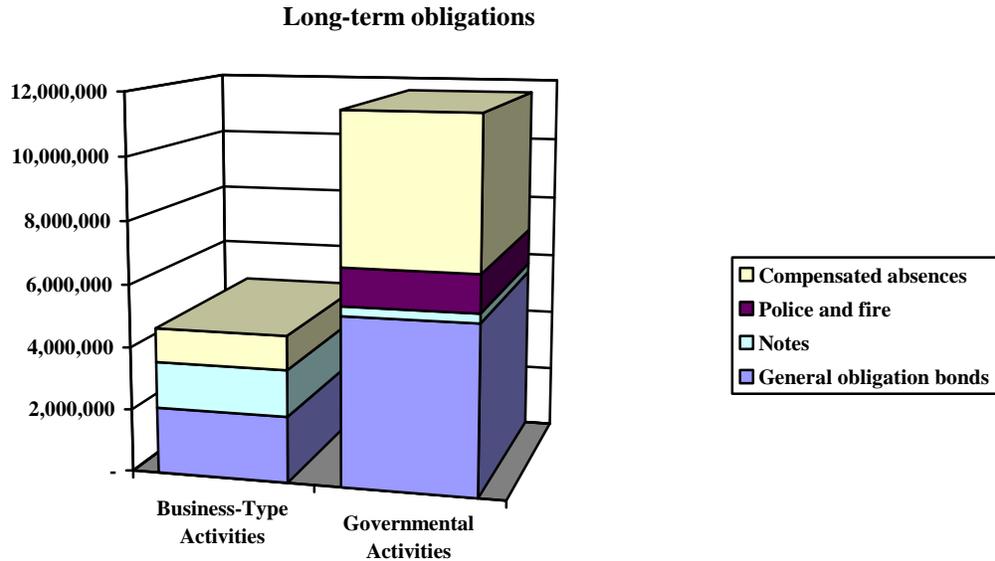
The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 5,365,000	\$ 5,710,000
Notes payable	300,000	370,000
Police and fire pension liability	1,186,338	1,213,531
Capital lease obligation	-	100,000
Compensated absences	<u>4,728,411</u>	<u>5,284,801</u>
Total long-term obligations	<u>\$ 11,579,749</u>	<u>\$ 12,678,332</u>
	Business-type Activities	
	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 2,105,000	\$ 2,550,000
Compensated absences	1,074,276	1,089,978
Notes payable	<u>1,477,574</u>	<u>255,358</u>
Total long-term obligations	<u>\$ 4,656,850</u>	<u>\$ 3,895,336</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

A comparison of the long-term obligations by category is depicted in the chart below. For additional information regarding long-term obligations, see Note 15.



Economic Factors and Next Year's Budgets and Rates

The annual unemployment rate for the City in 2010 was 11.8%, which decreased from an annual rate of 12.6% in 2009. This rate exceeds the state's average unemployment rate of 10.1% and the national average of 9.6%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2011 fiscal year. At the end of the 2010 fiscal year, the budgetary basis fund balance of the general fund was a \$1,488,195 deficit. This balance takes into consideration encumbrances for 2010 activity.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kelly Blankenship, Finance Director, City of Mansfield, 30 North Diamond Street, Mansfield, Ohio 44902.

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,771,374	\$ 5,747,649	\$ 12,519,023
Cash and cash equivalents with fiscal agents	-	57,267	57,267
Receivables (net of allowances for uncollectibles):			
Taxes	6,173,239	31,808	6,205,047
Accounts	580,360	2,795,444	3,375,804
Accrued interest	135,595	-	135,595
Special assessments	91,645	839	92,484
Loans	2,348,516	-	2,348,516
Internal balances	(1,931,683)	1,931,683	-
Due from other governments	12,210,037	969,056	13,179,093
Materials and supplies inventory	361,713	129,211	490,924
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	3,231,968	3,231,968
Capital assets:			
Land and construction in progress	7,594,418	4,356,568	11,950,986
Depreciable capital assets, net	47,450,007	38,440,417	85,890,424
Total capital assets, net	<u>55,044,425</u>	<u>42,796,985</u>	<u>97,841,410</u>
Total assets	<u>81,785,221</u>	<u>57,691,910</u>	<u>139,477,131</u>
Liabilities:			
Accounts payable	464,972	113,397	578,369
Contracts payable	164,946	798	165,744
Retainage payable	-	57,267	57,267
Accrued wages and benefits	466,047	108,867	574,914
Due to other governments	1,627,100	196,763	1,823,863
Unearned revenue	1,514,412	-	1,514,412
Accrued interest payable	36,128	7,578	43,706
Claims payable	680,861	-	680,861
Long-term liabilities:			
Due within one year	1,951,630	993,944	2,945,574
Due in more than one year	9,628,119	3,662,906	13,291,025
Total liabilities	<u>16,534,215</u>	<u>5,141,520</u>	<u>21,675,735</u>
Net assets:			
Invested in capital assets, net of related debt	49,379,425	39,214,411	88,593,836
Restricted for:			
Capital projects	3,713,872	-	3,713,872
Community development	4,271,879	-	4,271,879
Grants	3,474,359	-	3,474,359
Public safety	4,916,735	-	4,916,735
Replacement and improvement	-	3,231,968	3,231,968
Transportation projects	1,127,371	-	1,127,371
Other purposes	290,655	-	290,655
Unrestricted	<u>(1,923,290)</u>	<u>10,104,011</u>	<u>8,180,721</u>
Total net assets	<u>\$ 65,251,006</u>	<u>\$ 52,550,390</u>	<u>\$ 117,801,396</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 12,724,498	\$ 4,218,337	\$ 1,575,067	\$ -
Public safety	25,028,107	1,816,016	2,307,879	-
Public health and welfare	69,089	9,792	12,359	-
Transportation	2,196,791	147,242	2,652,174	5,928,197
Community environment.	2,697,080	125,865	2,550,199	-
Leisure time activities	215,429	17,500	-	-
Interest and fiscal charges	292,388	-	-	-
Total governmental activities	<u>43,223,382</u>	<u>6,334,752</u>	<u>9,097,678</u>	<u>5,928,197</u>
Business-Type Activities:				
Water	6,100,219	8,041,727	-	336,107
Sewer	6,672,653	7,301,003	-	1,420,077
Nonmajor:				
Airport operating	572,663	69,590	-	64,902
Total business-type activities	<u>13,345,535</u>	<u>15,412,320</u>	<u>-</u>	<u>1,821,086</u>
Total	<u>\$ 56,568,917</u>	<u>\$ 21,747,072</u>	<u>\$ 9,097,678</u>	<u>\$ 7,749,283</u>

General Revenues:

Property taxes levied for:	
General purposes	
Special purposes	
Income taxes levied for:	
General purposes	
Special purposes	
Capital projects	
Airport	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Gain on sale of capital assets.	
Miscellaneous	
Total general revenues.	
Transfers	
Total general revenues and transfers	
Change in net assets.	
Net assets at beginning of year (restated)	
Net assets at 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
\$ (6,931,094)	\$ -	\$ (6,931,094)
(20,904,212)	-	(20,904,212)
(46,938)	-	(46,938)
6,530,822	-	6,530,822
(21,016)	-	(21,016)
(197,929)	-	(197,929)
(292,388)	-	(292,388)
<u>(21,862,755)</u>	<u>-</u>	<u>(21,862,755)</u>
-	2,277,615	2,277,615
-	2,048,427	2,048,427
-	(438,171)	(438,171)
-	<u>3,887,871</u>	<u>3,887,871</u>
<u>(21,862,755)</u>	<u>3,887,871</u>	<u>(17,974,884)</u>
2,024,365	-	2,024,365
417,383	-	417,383
365,730	-	365,730
18,211,023	-	18,211,023
3,050,004	-	3,050,004
-	257,365	257,365
3,719,190	53,198	3,772,388
326,473	15,600	342,073
84,756	-	84,756
1,927	18,366	20,293
<u>28,200,851</u>	<u>344,529</u>	<u>28,545,380</u>
<u>(763,290)</u>	<u>763,290</u>	<u>-</u>
<u>27,437,561</u>	<u>1,107,819</u>	<u>28,545,380</u>
5,574,806	4,995,690	10,570,496
<u>59,676,200</u>	<u>47,554,700</u>	<u>107,230,900</u>
<u>\$ 65,251,006</u>	<u>\$ 52,550,390</u>	<u>\$ 117,801,396</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ 392,215	\$ 290,770
Receivables (net of allowance for uncollectibles):			
Taxes	2,168,756	-	3,475,186
Accounts	470,499	-	51,010
Accrued interest	53,659	70,019	-
Loans	-	1,226,243	-
Special assessments	91,645	-	-
Due from other governments	2,406,400	4,295,656	37,172
Loans to other funds	2,053,644	-	-
Materials and supplies inventory	42,336	747	40,013
Total assets	<u>\$ 7,286,939</u>	<u>\$ 5,984,880</u>	<u>\$ 3,894,151</u>
Liabilities:			
Accounts payable	\$ 83,913	\$ 105,650	\$ 24,006
Contracts payable	-	-	-
Accrued wages and benefits	84,389	8,051	315,671
Compensated absences	67,340	7,670	18,119
Loans from other funds	540,000	-	1,994,476
Due to other governments	211,987	19,680	1,127,799
Interfund payable	1,497,665	-	-
Deferred revenue	3,962,317	4,148,002	1,924,129
Total liabilities	<u>6,447,611</u>	<u>4,289,053</u>	<u>5,404,200</u>
Fund Balances:			
Reserved for materials and supplies inventory	42,336	747	40,013
Reserved for loans receivable	-	1,226,243	-
Reserved for loans to other funds	2,053,644	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	(1,278,516)	-	-
Special revenue funds	-	468,837	(1,550,062)
Debt service fund	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>839,328</u>	<u>1,695,827</u>	<u>(1,510,049)</u>
Total liabilities and fund balances	<u>\$ 7,286,939</u>	<u>\$ 5,984,880</u>	<u>\$ 3,894,151</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ 124	\$ 5,988,812	\$ 6,671,921
-	529,297	6,173,239
-	58,851	580,360
-	11,917	135,595
-	1,122,273	2,348,516
-	-	91,645
3,665,961	1,804,848	12,210,037
-	-	2,053,644
59,664	203,764	346,524
<u>\$ 3,725,749</u>	<u>\$ 9,719,762</u>	<u>\$ 30,611,481</u>
\$ 6,875	\$ 106,246	\$ 326,690
-	41,553	41,553
11,017	24,939	444,067
-	29,200	122,329
59,168	-	2,593,644
131,784	81,698	1,572,948
-	-	1,497,665
3,403,996	1,787,109	15,225,553
<u>3,612,840</u>	<u>2,070,745</u>	<u>21,824,449</u>
59,664	203,764	346,524
-	1,122,273	2,348,516
-	-	2,053,644
-	71,917	71,917
-	-	21,864
-	-	(1,278,516)
53,245	2,947,802	1,919,822
-	129,128	129,128
-	3,174,133	3,174,133
<u>112,909</u>	<u>7,649,017</u>	<u>8,787,032</u>
<u>\$ 3,725,749</u>	<u>\$ 9,719,762</u>	<u>\$ 30,611,481</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances \$ 8,787,032

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

Capital assets used in governmental activities (excluding internal service funds capital assets)
are not financial resources and therefore are not reported in the funds. 54,866,174

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

Property taxes	558,357	
Income taxes	1,801,215	
Special assessments	91,645	
Intergovernmental revenues	<u>11,259,924</u>	
Total		13,711,141

Internal service funds are used by management to charge the costs of the repair garage,
information technology, utility collections, health insurance, OML self-insurance, workers'
compensation and benefit fund to individual funds. The assets and liabilities of the internal
service funds are included in governmental activities on the statement of net assets. (827,448)

Long-term liabilities are not due and payable in the current period and therefore are not
reported in the funds. The long-term liabilities (excluding amounts reported in the internal
service funds) are as follows:

Accrued interest payable	(36,128)	
Notes payable	(300,000)	
Compensated absences	(4,398,427)	
Police and fire pension liability	(1,186,338)	
General obligation bonds	<u>(5,365,000)</u>	
Total		<u>(11,285,893)</u>

Net assets of governmental activities \$ 65,251,006

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 365,864	\$ -	\$ 17,968,504
Property and other taxes	2,033,052	-	412,435
Charges for services	78,639	-	1,384,980
Licenses, permits and fees	516,509	-	79,320
Fines and forfeitures	1,805,757	-	128,524
Intergovernmental	3,762,864	2,550,199	96,467
Special assessments	49,359	-	-
Investment income	271,134	44,794	-
Other	808,158	-	13,123
Total revenues	<u>9,691,336</u>	<u>2,594,993</u>	<u>20,083,353</u>
Expenditures:			
Current:			
General government	5,851,801	-	7,469
Public safety	2,072,513	-	19,633,042
Public health and welfare	9,450	-	-
Transportation	-	-	-
Community environment	383,716	2,394,845	-
Leisure time activities	415,071	-	-
Capital outlay	-	1,929	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,732,551</u>	<u>2,396,774</u>	<u>19,640,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>958,785</u>	<u>198,219</u>	<u>442,842</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	78,538	-	-
Transfers in	-	-	-
Transfers out	(189,254)	(250,000)	(899,238)
Total other financing sources (uses)	<u>(110,716)</u>	<u>(250,000)</u>	<u>(899,238)</u>
Net change in fund balances	848,069	(51,781)	(456,396)
Fund balances (deficit) at beginning of year (restated)	(8,006)	1,747,798	(1,047,214)
Increase (decrease) in reserve for inventory . .	(735)	(190)	(6,439)
Fund balances (deficit) at end of year	\$ 839,328	\$ 1,695,827	\$ (1,510,049)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,261,084	\$ 21,595,452
-	2	2,445,489
124,577	425,996	2,014,192
-	1,220	597,049
-	896,494	2,830,775
7,757,424	4,621,785	18,788,739
-	-	49,359
-	10,545	326,473
9,792	12,302	843,375
<u>7,891,793</u>	<u>9,229,428</u>	<u>49,490,903</u>
460,066	2,296,293	8,615,629
3,344,245	283,468	25,333,268
66,901	-	76,351
-	2,300,961	2,300,961
-	-	2,778,561
4,873	-	419,944
5,209,204	2,974,155	8,185,288
-	415,000	415,000
-	307,533	307,533
<u>9,085,289</u>	<u>8,577,410</u>	<u>48,432,535</u>
<u>(1,193,496)</u>	<u>652,018</u>	<u>1,058,368</u>
-	6,218	84,756
749,339	835,305	1,584,644
-	(1,009,442)	(2,347,934)
<u>749,339</u>	<u>(167,919)</u>	<u>(678,534)</u>
(444,157)	484,099	379,834
542,126	7,311,776	8,546,480
14,940	(146,858)	(139,282)
<u>\$ 112,909</u>	<u>\$ 7,649,017</u>	<u>\$ 8,787,032</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balances - total governmental funds \$ 379,834

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$13,230,770) exceeded depreciation expense (\$6,861,535) in the current period. Both amounts are exclusive of internal service fund activity. 6,369,235

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins and donations) is to decrease net assets. (2,054,018)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed. (139,282)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (16,108)

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of bonds, leases and police and fire pension liability principal consumes the current financial resources of governmental funds. 542,193

In the statement of activities, interest is accrued on outstanding bonds, notes and the police and fire pension liability, whereas in governmental funds, an interest expenditure is reported when due. 15,145

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are exclusive of internal service funds activity. 556,390

Internal service funds are used by management to charge the costs of the repair garage, information technology, utility collections, health insurance, OML self-insurance, workers' compensation and the benefit fund to individual funds and are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (78,583)

Change in net assets of governmental activities \$ 5,574,806

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,296,208	\$ 2,296,208	\$ 2,409,169	\$ 112,961
Charges for services	5,000	5,000	3,435	(1,565)
Licenses, permits and fees	519,300	552,300	591,201	38,901
Fines and forfeitures	1,213,200	1,343,200	1,396,706	53,506
Intergovernmental	3,701,475	3,971,035	3,942,944	(28,091)
Special assessments	22,000	49,000	49,359	359
Investment income	211,750	241,706	293,052	51,346
Other	156,149	908,633	948,128	39,495
Total revenues	<u>8,125,082</u>	<u>9,367,082</u>	<u>9,633,994</u>	<u>266,912</u>
Expenditures:				
Current:				
Public safety	519,927	2,076,142	2,072,513	3,629
Public health and welfare	35,089	14,500	9,450	5,050
Community environment	435,739	428,661	377,388	51,273
Leisure time activities	107,592	465,985	458,637	7,348
General government	<u>6,806,350</u>	<u>6,077,106</u>	<u>5,783,845</u>	<u>293,261</u>
Total expenditures	<u>7,904,697</u>	<u>9,062,394</u>	<u>8,701,833</u>	<u>360,561</u>
Excess of revenues over expenditures	<u>220,385</u>	<u>304,688</u>	<u>932,161</u>	<u>627,473</u>
Other financing sources (uses):				
Loan to other funds	(2,053,644)	(2,053,644)	(2,053,644)	-
Payment on loan from other funds	(260,000)	(260,000)	(260,000)	-
Repayment on loan to other funds	2,199,191	2,199,191	2,199,191	-
Transfers out	<u>(260,988)</u>	<u>(345,291)</u>	<u>(189,252)</u>	<u>156,039</u>
Total other financing sources (uses)	<u>(375,441)</u>	<u>(459,744)</u>	<u>(303,705)</u>	<u>156,039</u>
Net change in fund balance	(155,056)	(155,056)	628,456	783,512
Fund balance (deficit) at beginning of year	(2,164,866)	(2,164,866)	(2,164,866)	-
Prior year encumbrances appropriated	<u>48,215</u>	<u>48,215</u>	<u>48,215</u>	-
Fund balance (deficit) at end of year	<u>\$ (2,271,707)</u>	<u>\$ (2,271,707)</u>	<u>\$ (1,488,195)</u>	<u>\$ 783,512</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,713,988	\$ 2,359,140	\$ 2,304,618	\$ (54,522)
Investment income	75,000	75,000	54,432	(20,568)
Other	260,000	260,000	194,548	(65,452)
Total revenues.	<u>4,048,988</u>	<u>2,694,140</u>	<u>2,553,598</u>	<u>(140,542)</u>
Expenditures:				
Current:				
Community environment	<u>4,118,537</u>	<u>2,763,689</u>	<u>2,231,861</u>	<u>531,828</u>
Total expenditures	<u>4,118,537</u>	<u>2,763,689</u>	<u>2,231,861</u>	<u>531,828</u>
Excess (deficiency) of revenues over (under) expenditures	(69,549)	(69,549)	321,737	391,286
Other financing uses:				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(319,549)	(319,549)	71,737	391,286
Fund balance at beginning of year	299,640	299,640	299,640	-
Prior year encumbrances appropriated	<u>20,789</u>	<u>20,789</u>	<u>20,789</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 880</u>	<u>\$ 880</u>	<u>\$ 392,166</u>	<u>\$ 391,286</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 16,443,356	\$ 18,672,371	\$ 18,658,007	\$ (14,364)
Licenses, permits and fees	97,000	104,515	96,500	(8,015)
Charges for services	1,180,000	1,380,000	1,375,761	(4,239)
Fines and forfeitures	120,000	120,000	123,999	3,999
Intergovernmental	45,500	45,500	44,567	(933)
Other	77,000	69,485	140,794	71,309
Total revenues	<u>17,962,856</u>	<u>20,391,871</u>	<u>20,439,628</u>	<u>47,757</u>
Expenditures:				
Current:				
Public safety	15,059,508	17,388,954	19,816,234	(2,427,280)
Total expenditures	<u>15,059,508</u>	<u>17,388,954</u>	<u>19,816,234</u>	<u>(2,427,280)</u>
Excess of revenues over expenditures	2,903,348	3,002,917	623,394	(2,379,523)
Other financing sources (uses):				
Loan from other funds	1,994,476	1,994,476	1,994,476	-
Repayment of loan from other funds	(1,764,198)	(1,764,198)	(1,764,198)	-
Transfers out	(949,693)	(999,542)	(899,238)	100,304
Total other financing sources (uses)	<u>(719,415)</u>	<u>(769,264)</u>	<u>(668,960)</u>	<u>100,304</u>
Net change in fund balance	2,183,933	2,233,653	(45,566)	(2,279,219)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>45,566</u>	<u>45,566</u>	<u>45,566</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,229,499</u>	<u>\$ 2,279,219</u>	<u>\$ -</u>	<u>\$ (2,279,219)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 44,347	\$ 44,347	\$ 44,347	\$ -
Intergovernmental	9,764,722	11,328,812	7,638,731	(3,690,081)
Other	343	4,925	9,839	4,914
Total revenues	<u>9,809,412</u>	<u>11,378,084</u>	<u>7,692,917</u>	<u>(3,685,167)</u>
Expenditures:				
Current:				
Public safety	3,611,958	4,061,185	3,303,205	757,980
Public health and welfare.	69,392	77,538	69,882	7,656
General government	7,386,109	8,522,689	5,676,430	2,846,259
Total expenditures	<u>11,067,459</u>	<u>12,661,412</u>	<u>9,049,517</u>	<u>3,611,895</u>
Deficiency of revenues under expenditures	(1,258,047)	(1,283,328)	(1,356,600)	(73,272)
Other financing sources:				
Loan from other funds	59,168	59,168	59,168	-
Transfers in	714,678	751,140	749,339	(1,801)
Total other financing sources	<u>773,846</u>	<u>810,308</u>	<u>808,507</u>	<u>(1,801)</u>
Net change in fund balance	(484,201)	(473,020)	(548,093)	(75,073)
Fund balance at beginning of year	503,539	503,539	503,539	-
Prior year encumbrances appropriated	44,554	44,554	44,554	-
Fund balance at end of year	<u>\$ 63,892</u>	<u>\$ 75,073</u>	<u>\$ -</u>	<u>\$ (75,073)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010

	Business-Type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 3,866,298	\$ 1,878,220	\$ 3,131	\$ 5,747,649	\$ 99,453
Cash and cash equivalents with fiscal agent	-	57,267	-	57,267	-
Receivables (net of allowance for uncollectibles)					
Accounts	1,643,196	1,137,574	14,674	2,795,444	-
Special assessments	-	839	-	839	-
Taxes	-	-	31,808	31,808	-
Due from other governments	2,808	966,248	-	969,056	-
Interfund receivable	-	1,497,665	-	1,497,665	-
Loans to other funds	-	540,000	-	540,000	-
Materials and supplies inventory	77,101	26,341	25,769	129,211	15,189
Restricted Assets:					
Equity in pooled cash and cash equivalents	-	3,231,968	-	3,231,968	-
Total current assets	<u>5,589,403</u>	<u>9,336,122</u>	<u>75,382</u>	<u>15,000,907</u>	<u>114,642</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	393,853	2,469,086	1,493,629	4,356,568	-
Depreciable capital assets, net	<u>10,536,411</u>	<u>26,688,829</u>	<u>1,215,177</u>	<u>38,440,417</u>	<u>178,251</u>
Total capital assets, net	<u>10,930,264</u>	<u>29,157,915</u>	<u>2,708,806</u>	<u>42,796,985</u>	<u>178,251</u>
Total assets	<u>16,519,667</u>	<u>38,494,037</u>	<u>2,784,188</u>	<u>57,797,892</u>	<u>292,893</u>
Liabilities:					
Current liabilities:					
Accounts payable	64,757	44,658	3,982	113,397	138,282
Contracts payable	-	798	-	798	123,393
Retainage payable	-	57,267	-	57,267	-
Accrued wages and benefits	52,419	51,883	4,565	108,867	21,980
Due to other governments	90,217	98,705	7,841	196,763	54,152
Claims payable	-	-	-	-	680,861
Current portion of notes payable	9,691	-	-	9,691	-
Current portion of bonds	420,000	35,000	-	455,000	-
Accrued interest payable	3,092	4,486	-	7,578	-
Total current liabilities	<u>640,176</u>	<u>292,797</u>	<u>16,388</u>	<u>949,361</u>	<u>1,018,668</u>
Long-term liabilities:					
General obligation bonds	640,000	1,010,000	-	1,650,000	-
Notes payable	600,131	867,752	-	1,467,883	-
Compensated absences	<u>519,407</u>	<u>486,223</u>	<u>68,646</u>	<u>1,074,276</u>	<u>207,655</u>
Total long-term liabilities	<u>1,759,538</u>	<u>2,363,975</u>	<u>68,646</u>	<u>4,192,159</u>	<u>207,655</u>
Total liabilities	<u>2,399,714</u>	<u>2,656,772</u>	<u>85,034</u>	<u>5,141,520</u>	<u>1,226,323</u>
Net assets:					
Invested in capital assets, net of related debt	9,260,442	27,245,163	2,708,806	39,214,411	178,251
Restricted for replacement and improvement	-	3,231,968	-	3,231,968	-
Unrestricted (deficit)	<u>4,859,511</u>	<u>5,360,134</u>	<u>(9,652)</u>	<u>10,209,993</u>	<u>(1,111,681)</u>
Total net assets (deficit)	<u>\$ 14,119,953</u>	<u>\$ 35,837,265</u>	<u>\$ 2,699,154</u>	<u>52,656,372</u>	<u>\$ (933,430)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(105,982)	
Net assets of business-type activities				<u>\$ 52,550,390</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 8,041,727	\$ 7,301,003	\$ 69,590	\$ 15,412,320	\$ 13,420,641
Total operating revenues	<u>8,041,727</u>	<u>7,301,003</u>	<u>69,590</u>	<u>15,412,320</u>	<u>13,420,641</u>
Operating expenses:					
Personal services	1,726,640	1,788,852	192,503	3,707,995	1,083,567
Fringe benefits	-	-	657	657	892
Contractual services	2,558,759	2,254,417	151,720	4,964,896	5,072,138
Materials and supplies	604,935	292,755	46,274	943,964	972,256
Depreciation	672,187	1,585,868	131,587	2,389,642	382,050
Utilities	469,461	476,920	49,822	996,203	3,096
Claims expense	-	-	-	-	5,706,181
Other	43	54,785	100	54,928	5,499
Total operating expenses	<u>6,032,025</u>	<u>6,453,597</u>	<u>572,663</u>	<u>13,058,285</u>	<u>13,225,679</u>
Operating income (loss)	<u>2,009,702</u>	<u>847,406</u>	<u>(503,073)</u>	<u>2,354,035</u>	<u>194,962</u>
Nonoperating revenues (expenses):					
Other nonoperating revenue	2,068	-	7,034	9,102	1,927
Other nonoperating expenses	(13,329)	(60,302)	-	(73,631)	-
Loss on disposal of assets	(1,937)	-	-	(1,937)	-
Interest Income	-	15,600	-	15,600	-
Municipal income tax	-	-	257,365	257,365	-
Tap and license fees	9,264	-	-	9,264	-
Intergovernmental	-	-	53,198	53,198	-
Interest expense and fiscal charges	(52,928)	-	-	(52,928)	-
Total nonoperating revenues (expenses)	<u>(56,862)</u>	<u>(44,702)</u>	<u>317,597</u>	<u>216,033</u>	<u>1,927</u>
Income (loss) before transfers in and capital contributions	1,952,840	802,704	(185,476)	2,570,068	196,889
Transfers in	527,882	235,408	-	763,290	-
Capital contributions	336,107	1,420,077	64,902	1,821,086	(275,472)
Changes in net assets	2,816,829	2,458,189	(120,574)	5,154,444	(78,583)
Net assets (deficit) at beginning of year (restated)	<u>11,303,124</u>	<u>33,379,076</u>	<u>2,819,728</u>		<u>(854,847)</u>
Net assets (deficit) at end of year	<u>\$ 14,119,953</u>	<u>\$ 35,837,265</u>	<u>\$ 2,699,154</u>		<u>\$ (933,430)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(158,754)	
Changes in net assets of business-type activities				<u>\$ 4,995,690</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 7,872,860	\$ 7,066,488	\$ 73,406	\$ 15,012,754	\$ 13,420,641
Cash received from other operating revenues.	11,332	-	7,034	18,366	1,927
Cash payments to employees.	(1,810,161)	(1,763,880)	(180,073)	(3,754,114)	(1,083,373)
Cash payments to suppliers	(3,705,300)	(3,463,071)	(239,203)	(7,407,574)	(6,314,584)
Cash payments for claims expense.	-	-	-	-	(5,608,860)
Cash payments for other operating expenses.	(16,809)	(52,613)	(7,829)	(77,251)	(8,790)
Net cash provided by (used in) operating activities	<u>2,351,922</u>	<u>1,786,924</u>	<u>(346,665)</u>	<u>3,792,181</u>	<u>406,961</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	260,000	-	260,000	-
Repayment of loans to other funds	-	702,296	-	702,296	-
Repayment of loans from other funds	-	-	(3,223)	(3,223)	-
Intergovernmental	-	-	53,198	53,198	-
Transfers in	527,882	235,408	-	763,290	-
Municipal income tax	-	-	309,038	309,038	-
Net cash provided by noncapital financing activities	<u>527,882</u>	<u>1,197,704</u>	<u>359,013</u>	<u>2,084,599</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(33,958)	(2,262,908)	(15,560)	(2,312,426)	(410,931)
Proceeds from notes	373,845	867,752	-	1,241,597	-
Principal paid on general obligation debt	(410,000)	(35,000)	-	(445,000)	-
Interest paid on general obligation debt.	(51,450)	(54,212)	-	(105,662)	-
Principal paid on notes	(19,381)	-	-	(19,381)	-
Interest paid on notes.	(2,674)	(6,207)	-	(8,881)	-
Net cash used in capital and related financing activities	<u>(143,618)</u>	<u>(1,490,575)</u>	<u>(15,560)</u>	<u>(1,649,753)</u>	<u>(410,931)</u>
Cash flows from investing activities:					
Cash received from interfund loan interest	-	15,600	-	15,600	-
Net increase (decrease) in cash and cash equivalents	<u>2,736,186</u>	<u>1,509,653</u>	<u>(3,212)</u>	<u>4,242,627</u>	<u>(3,970)</u>
Cash and cash equivalents at beginning of year (restated)	<u>1,130,112</u>	<u>3,657,802</u>	<u>6,343</u>	<u>4,794,257</u>	<u>103,423</u>
Cash and cash equivalents at end of year.	<u>\$ 3,866,298</u>	<u>\$ 5,167,455</u>	<u>\$ 3,131</u>	<u>\$ 9,036,884</u>	<u>\$ 99,453</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash used for operating activities:					
Operating income (loss)	\$ 2,009,702	\$ 847,406	\$ (503,073)	\$ 2,354,035	\$ 194,962
Adjustments:					
Depreciation	672,187	1,585,868	131,587	2,389,642	382,050
Other nonoperating expenses	(13,329)	-	-	(13,329)	-
Other nonoperating revenues	2,068	-	7,034	9,102	1,927
Tap and license fees	9,264	-	-	9,264	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(168,851)	336,042	(3,676)	163,515	-
Decrease in special assessments	-	9,902	-	9,902	-
Decrease in inventory of supplies	41,857	737	7,145	49,739	5,048
(Increase) in due from other governments	(16)	(580,459)	-	(580,475)	-
Increase (decrease) in accounts payable	(101,273)	(137,634)	1,468	(237,439)	(369,707)
Increase (decrease) in contracts payable	(14,802)	(309,384)	-	(324,186)	103,064
Increase in accrued wages and benefits	2,945	9,541	1,047	13,533	1,546
Increase (decrease) in due to other governments	(25,977)	(9,863)	420	(35,420)	(10,819)
Increase (decrease) in compensated absences payable	(61,853)	34,768	11,383	(15,702)	1,569
Increase in claims payable	-	-	-	-	97,321
Net cash provided by (used in) operating activities	<u>\$ 2,351,922</u>	<u>\$ 1,786,924</u>	<u>\$ (346,665)</u>	<u>\$ 3,792,181</u>	<u>\$ 406,961</u>

During the year, land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$1,821,086.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 822,934
Cash and cash equivalents with fiscal agent	447,171
Receivables:	
Taxes	9,999
Accounts	4,507
	<hr/>
Total assets.	<u>\$ 1,284,611</u>
Liabilities:	
Due to other governments	\$ 358,180
Accounts payable	190,762
Due to individuals	216,718
Undistributed monies	518,951
	<hr/>
Total liabilities	<u>\$ 1,284,611</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE CITY

The City of Mansfield (the "City") was incorporated as a city in 1857 under the laws of the State of Ohio. In 1982 the voters of Mansfield adopted a charter, which was amended in 1988, 1992, 1996, 2000, 2004, 2008, and again in 2009 to govern the operations of the City. The charter provides for an elected mayor, council (6 wards, 2 at-large and a president), finance director, and law director. In addition, 2 judges and a clerk of the municipal court are elected. Council members serve 4 year, staggered terms; the president of council, the mayor, finance director, clerk of courts, and law director serve 4 year terms, and judicial officials serve 6 year terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City's basic financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit or imposing a financial burden of the City. Based on these criteria, there are no component units for the City.

The City provides various services and consists of many different activities and smaller accounting entities. Among those included are a police force, a fire fighting force, a municipal court system, a sewage treatment plant, a water treatment plant, an airport, a street maintenance force, a park and recreation system, and a staff to provide the necessary support to these service providers. Each of these activities and entities is under the direct control of City Council, which appropriates for, and finances, their operation. Each is therefore included as part of the reporting entity.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. 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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. 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 governmental or business-type activity is self-financing or draw 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. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

C. 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 - To account for all financial resources except those required to be accounted for in another fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Community Development Fund - To account for monies received from the Federal Government under the Community Development Block Grant Program, the Home Grant Program, and the Economic Development Loan Repayment Program.

Safety Services Fund - To account for monies collected for police and fire department operations.

Grant Fund - To account for federal, state, and/or local grants received by the City.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating revenues, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - The 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:

Water Fund - To account for the City's provision of water treatment and distribution to the residential and commercial users of the City.

Sewer Fund - To account for the City's provision of sanitary sewer service to the residents and commercial users of the City.

The other enterprise fund of the City is used to account for the operations of the City's airport facility.

Internal Service Funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of garage services, data processing, utility collections, health insurance, OML self-insurance, workers' compensation, and benefit fund.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. They report on the assets and liabilities of Ohio State Patrol (OSP) fines, sewer and street openings, building security, payroll, municipal court, transient occupancy tax, internet auction, board of standards assessments, and utility deposits.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 financial statements for governmental funds.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service funds include personnel costs, claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

E. 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 agency 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 thirty-one 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 (see Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 7).

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance), and reimbursements due from federally funded projects for which corresponding expenditures have been made.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Deferred revenue includes both, “unearned” and “earned, but unavailable” revenues.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance fiscal year 2011 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 been reported as deferred revenue.

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.

F. Budgetary Process

An annual appropriated budget is legally required to be prepared on the budgetary basis for all funds of the City other than agency funds. However, only general fund and major special revenue funds are required to be reported in the basic financial statements. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements.

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources which states the projected revenue of each fund. Prior to December 31, the City

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the Certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts from the original and final amended Certificates of Estimated Resources issued in 2010.

Appropriations - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by Council by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year only by action of Council as new information becomes available, but fund appropriations may not exceed estimated resources. Supplemental appropriation measures were legally enacted during 2010.

Budgeted Level of Expenditures - Appropriations are made by fund, function or department and object, including personal services, contract services, materials and supplies, capital outlay, debt service, and other. Funds appropriated may not be expended for purposes other than those designated in the appropriation measure.

Only Council may alter amounts allocated to various departments and objects during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the original and final amounts appropriated for 2010.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control.

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

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the balance sheet and statement of net assets. Investments are in accordance with the City's Investment Policy.

During 2010, investments were limited to STAR Ohio, U.S. Treasury securities, repurchase agreements, federal agency securities and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and certificates of deposit, are reported at cost.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

Money held on behalf of the City by a fiscal and escrow agent represents money earmarked for retainage for construction projects, payroll withholdings, or payment of state shared road project costs. These amounts have been reported as "Cash and cash equivalents with fiscal agent" on the balance sheet and statement of net assets.

Under existing Ohio Statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2010 amounted to \$271,134 which was assigned from other City funds.

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

An analysis of the City's investment accounts at year-end is provided in Note 5.

H. Inventories of Materials and Supplies

On the 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.

On the governmental fund financial statements, recorded inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Restricted Assets

The City, in accordance with bond indentures, federal regulations, and state statutes, has restricted assets within enterprise funds for replacement and improvement of its capital assets. Monies which represent debt proceeds are also restricted for use in constructing enterprise fund assets. As of December 31, 2010, the total restricted cash in the enterprise funds was \$3,231,968. It is in the Sewer fund and is a result of the City receiving construction grant monies for the Wastewater Treatment Plant. A separate account was established to receive and disburse these monies for replacement and improvement purchases of major equipment at the Wastewater Treatment Plant. The funds can never be used to offset deficits or shortfalls in the sewer user charge system. Per the consulting engineer's estimate, the City has sufficient funds in the Reserved for Replacement and Improvement account to meet current needs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2011 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred. There were no material prepaid assets to report at December 31, 2010.

K. 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 enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$500. The City's governmental activities infrastructure consists of streets, bridges, and traffic signals. The City's business-type activities infrastructure consists of water lines, sanitary sewer lines, and storm 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 capital assets is also capitalized for business-type activities. During fiscal 2010, no interest capitalization occurred.

L. Depreciation

As used in this section, the term depreciation (and related forms of the term) includes amortization of intangible assets. 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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	25 years	25 years
Improvements other than buildings:		
Land improvements	7 - 25 years	7 - 25 years
Machinery and equipment	2 - 50 years	2 - 50 years
Infrastructure:		
Streets	34 years	-
Bridges	30 - 200 years	-
Traffic signals	5 - 12 years	-
Storm sewer	-	50 years
Water and sewer lines	-	30 - 50 years

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave, and compensatory time to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements", 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 City 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 liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability includes the employees who are currently eligible to receive termination benefits and the employees who are at least 40 years old with at least 20 years of service and will reach full retirement eligibility in the future.

The total liability for vacation leave, sick leave, and compensatory time has been calculated using the pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, compensatory time and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. 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.

O. Interfund Balances

On the fund financial statements, long-term interfund loans are classified as "loans to/from other funds" on the governmental balance sheet and proprietary statement of net assets. On the governmental

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

fund financial statements, loans to other funds are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

P. 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 basic financial statements.

Q. Fund Balance Reserves

On the governmental fund financial statements, reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund balance reflected on the governmental fund financial statements are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing materials and supplies inventory, debt service, loans receivable, loans to other funds, and unclaimed monies in the governmental fund financial statements.

R. Estimates

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

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, grants restricted for capital construction, donations by developers, contributions made by the City and assets whose construction was financed through special assessments. Capital contributions are reported as revenue in the proprietary fund financial statements.

T. 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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

through the enabling legislation, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities. The City's net assets restricted for other purposes include public safety and capital improvement projects limited by federal grant requirements and contractual obligations. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 3 – ACCOUNTABILITY

Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2010:

	<u>Deficit Balance</u>
Governmental funds:	
Major:	
Safety-Services	\$ 1,510,049
Internal service funds:	
Garage Operating	85,452
Information Technology	2,935
Utility Collections	149,884
Health Insurance	681,966
OML Self Insurance	112,396

The deficits in these funds are caused by the application of generally accepted accounting principles (GAAP). The general fund is liable for any deficit in these funds and provides transfers/loans when cash is required, not when accruals occur.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While 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 Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) are presented in the basic financial statements for the General Fund and Major Special Revenue Funds. The major differences between the budget basis and GAAP basis are that:

- A. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING – (Continued)

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

	General	Community Development	Safety Services	Grant Fund
GAAP Basis	\$848,069	(\$51,781)	(\$456,396)	(\$444,157)
Adjustments:				
Revenue accruals	2,063,311	(41,395)	2,350,751	(139,708)
Expenditure accruals	(2,282,924)	164,913	(1,939,921)	35,772
Budget Basis	<u>\$628,456</u>	<u>\$71,737</u>	<u>(\$45,566)</u>	<u>(\$548,093)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City of Mansfield into three categories.

Active deposits are public deposits necessary to meet current demands on the City. Such monies must be maintained either as cash by the City, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Finance Director has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies to be deposited or invested shall be in accordance with the City’s Investment Policy. This policy, in conjunction with the City Charter, and the ordinances adopted by the City Council, will govern the investments and the investment activities of the City. It is reviewed periodically for compliance and to assure the flexibility necessary to effectively manage the interim monies.

The interim monies to be deposited or invested will observe the following guidelines:

1. The City is permitted to invest in any security specifically authorized by the Ohio Revised Code including, but not limited to the following: the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Company, Government National Mortgage Association, and Student Loan Marketing Association.
2. Investments may only be made through specified dealers and institutions.
3. Investments in United States Treasury securities and those instruments completely guaranteed by the United States Treasury as to payment of principal and interest may be made in any dollar amount.
4. Investments in Repurchase Agreements and in Certificates of Deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total investment portfolio at the time of purchase in any one institution.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

5. Investments may be made in the State Treasurer’s investment pool (STAR Ohio).
6. No security will be purchased that has a remaining term to final maturity of more than five years.
7. Investments in eligible securities may be made in either coupon or discount instruments.
8. Investment portfolio liquidity is defined as the ability to sell a security on short notice near the par value of the security. To help retain desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids. Additionally, total portfolio liquidity shall be assured by keeping an adequate amount of short term (usually 30 days or less) investments in the portfolio to accommodate unexpected cash needs of the City.

Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by surety company bonds deposited with the City by the financial institution, or by a single collateral pool held by a financial institution securing all public funds on deposit with the specific depository institution.

A. Cash on Hand

At year-end, the City had \$335,900 in undeposited cash on hand which is included on the financial statements of the City as part of “Equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits, including certificate of deposits, was \$16,603,691. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2010, \$6,102,495 of the City’s bank balance of \$16,852,881 was exposed to custodial risk as discussed below, while \$10,750,386 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in the amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository and pledged as a pool of collateral against all of the public deposits it holds or as specified collateral held at the Federal Reserve Bank in the name of the City.

C. Investments

As of December 31, 2010, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities of Six Months or Less</u>
REPO	\$ 58,556	\$ 58,556
STAR OHIO	80,216	80,216
Total	<u>\$ 138,772</u>	<u>\$ 138,772</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the City’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City’s investments were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. STAR Ohio carries a rating of AAAM by Standard and Poor’s. The City’s investment policy does not address credit risk.

Custodial Credit Risk: For an investment, 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 investment or collateral securities that are in the possession of an outside party. The City’s investment policy does not address custodial credit risk.

Concentration of Credit Risk: The City’s investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
REPO	\$ 58,556	42.20%
STAR OHIO	<u>80,216</u>	<u>57.80%</u>
Total	<u>\$ 138,772</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Assets as of December 31, 2010.

<u>Cash and Investments per note</u>	
Carrying amount of deposits	\$ 16,603,691
Investments	138,772
Cash on hand	<u>335,900</u>
Total	<u>\$ 17,078,363</u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$ 6,771,374
Business-type activities	9,036,884
Agency funds	<u>1,270,105</u>
Total	<u>\$ 17,078,363</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund payable / receivable

As of December 31, 2010 the General Fund had overdrawn its share of the City's pooled cash by \$1,497,665. The overdraft was reflected as an interfund payable rather than a credit balance in the cash account (negative cash). The equivalent amount of these liabilities was reported as an interfund receivable in the Sewer fund.

B. Interfund transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>				<u>Total</u>
	<u>General</u>	<u>Community development</u>	<u>Safety services</u>	<u>Other governmental funds</u>	
Grant fund	\$ 189,254	\$ -	\$ 560,085	\$ -	\$ 749,339
Other governmental funds	-	250,000	339,153	246,152	835,305
Water fund	-	-	-	527,882	527,882
Sewer fund	-	-	-	235,408	235,408
Total	<u>\$ 189,254</u>	<u>\$ 250,000</u>	<u>\$ 899,238</u>	<u>\$ 1,009,442</u>	<u>\$ 2,347,934</u>

Transfers are used (1) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (2) to move matching monies to finance the City's share of grant expenses, and (3) to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

On October 19, 2010, Council passed legislation to close the City's Fixed Asset Acquisition fund as the need for this capital projects fund diminished. Council also authorized the remaining cash balance of \$763,290 be returned to the Water and Sewer funds. As a result, \$527,882 was transferred to the Water fund and \$235,408 was transferred to the Sewer fund.

C. Interfund loans

Loans to / from other funds consisted of the following at December 31, 2010, as reported in the fund financial statements:

<u>Loans from other funds</u>	<u>Loans to other funds</u>		
	<u>General</u>	<u>Sewer</u>	<u>Total</u>
General fund	\$ -	\$ 540,000	\$ 540,000
Safety services fund	1,994,476	-	1,994,476
Grant fund	59,168	-	59,168
Total	<u>\$ 2,053,644</u>	<u>\$ 540,000</u>	<u>\$ 2,593,644</u>

In 2002, the City declared it necessary to issue internal bonds between the General fund and the Sewer fund for the purpose of providing temporary funds to the City's General fund. \$1,300,000 of internal bonds was issued to pay police officer and firefighter employer contributions to the Ohio Police and

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 6 - INTERFUND TRANSACTIONS – (Continued)

Fire Pension Fund. \$1,200,000 of internal bonds was issued to provide funds to pay the cost of the City's self-insurance program for health care. These internal bonds were sold at par value to the Sewer fund of the City using the restricted sewer replacement and improvement cash. They are due to mature in a period of at least five (5) years or a maximum of twenty (20) years bearing an interest rate of 1.95%. The City will appropriate annually from available income taxes the amount necessary to pay the debt on the internal bonds. The bonds will mature and be payable on December 1, 2022. Interest on the bonds shall be payable on June 1 and December 1 of each year. At December 31, 2010, the balance of this loan is \$540,000.

In order to cover annual operating expenses, the General Fund issued loans to the Safety Services Fund in the amount of \$1,994,476, and to the Grant Fund in the amount of \$59,168. These loans will be repaid in 2011.

NOTE 7 - TAXES

A. Property Tax

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property taxes received in 2010 are levied after October 1, 2009 on the assessed value listed as of January 1, 2009, the lien date. Assessed values are established by State laws at 35% of appraised market value. All property is required to be revalued every six years. 2010 real property taxes are collected in and intended to finance 2011. Public utility property taxes are assessed on tangible personal property at 100% of true (market) value and on land and improvements at 88% of true value. Public utilities property taxes received in 2010 became a lien December 31, 2008, were levied after October 1, 2009, and were collected in 2010 with real property taxes. The assessed value upon which the 2010 taxes were collected was \$601,577,670. The full tax rate for all City operations for the fiscal year ended December 31, 2010 was \$3.60 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established. Tangible personal property taxes are also payable annually or semi-annually. If paid annually, payment is due April 30. If paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Multi-county corporations may pay the entire tax due in one payment by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits the collections to the City. Property taxes receivables represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2010 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

The City levies an income tax of 1.75% on substantially all earned income arising from employment, residency or business activities inside the City. The first 1.00% of income tax is a permanent levy. An additional .25% of the income tax for street resurfacing became effective July 1, 1985, and was renewed in November 1988, in May of 1993, in May of 1997, in May 2001, in May 2005, and again in May of 2009. It is scheduled to expire June 30, 2013. Effective April 1, 1988, an additional .50% was levied for

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 – TAXES – (Continued)

police and fire activities and was renewed in November of 1991, in May of 1995, in May of 1999, in May of 2003 and again in May 2007. It is scheduled to expire December 31, 2011.

As of December 31, 2010, the City had income taxes receivable of \$3,885,443 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$311,522 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, safety services fund, industrial development fund, street resurfacing fund and airport fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2010, consisted of taxes, accounts (billings for user charged services), special assessments, accrued interest, loans, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “Due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2010, as well as intended to finance fiscal 2010 operations.

A summary of the principal items of receivables reported on the Statement of Net Assets follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
Taxes	\$ 6,173,239	Taxes	\$ 31,808
Accounts	580,360	Accounts	2,795,444
Special assessments	91,645	Special assessments	839
Accrued interest	135,595	Due from other governments	969,056
Loans	2,348,516	Total	<u><u>\$ 3,797,147</u></u>
Due from other governments	<u>12,210,037</u>		
Total	<u><u>\$ 21,539,392</u></u>		

Receivables have been disaggregated on the face of the basic financial statements. Intergovernmental receivables have been further disaggregated in Note 20. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable will be collected annually for a varying number of years. Allowances for uncollectible accounts represent estimates of uncollectible receivables in the accounts classification. An allowance for uncollectible accounts in the amount of \$762,422 and \$32,017 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR’S FUND BALANCE AND NET ASSETS

A. Change in Accounting Principles

The City adopted GASB Statements No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, for the year ended December 31, 2010. Implementation of these provisions had no material effect on the City’s financial statements.

The City adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for the year ended December 31, 2010. The City reported an additional \$542,525 to construction in progress as a result of this provision.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR’S FUND BALANCE AND NET ASSETS – (Continued)

B. Restatement of Prior Year’s Fund Balance and Net Assets

During 2010, it was determined the expenses related to the Ohio Water Development Authority (OWDA) project for the water and sewer line extensions at the new Reid Industrial Park should have been included in the business-type activities/water and sewer enterprise funds rather than the governmental activities/Miller Park governmental fund. The restatement amounts are as follows:

	Other Governmental	Water	Sewer	Governmental	Business-type
	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Activities</u>	<u>Activities</u>
Fund Balance/Net Assets					
at December 31, 2009	\$ 6,048,133	\$ 11,782,531	\$ 34,163,312	\$ 58,412,557	\$ 48,818,343
Restatement Amount	<u>1,263,643</u>	<u>(479,407)</u>	<u>(784,236)</u>	<u>1,263,643</u>	<u>(1,263,643)</u>
Adjusted Fund Balance/Net					
Assets at January 1, 2010	<u>\$ 7,311,776</u>	<u>\$ 11,303,124</u>	<u>\$ 33,379,076</u>	<u>\$ 59,676,200</u>	<u>\$ 47,554,700</u>

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance 01/01/10	<u>Additions</u>	<u>Reductions</u>	Balance 12/31/10
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,186,109	\$ 374,887	\$ -	\$ 4,560,996
Construction in progress	<u>1,353,208</u>	<u>5,332,416</u>	<u>(3,652,202)</u>	<u>3,033,422</u>
Total capital assets, not being depreciated	<u>5,539,317</u>	<u>5,707,303</u>	<u>(3,652,202)</u>	<u>7,594,418</u>
<i>Capital assets, being depreciated:</i>				
Buildings	15,938,019	-	-	15,938,019
Improvements other than buildings	10,273,595	2,676,036	(672,037)	12,277,594
Machinery and equipment	23,857,958	5,880,773	(9,875,418)	19,863,313
Infrastructure	<u>118,646,197</u>	<u>2,570,786</u>	<u>(271,035)</u>	<u>120,945,948</u>
Total capital assets, being depreciated	<u>168,715,769</u>	<u>11,127,595</u>	<u>(10,818,490)</u>	<u>169,024,874</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(11,795,569)	(270,458)	-	(12,066,027)
Improvements other than buildings	(1,699,452)	(305,235)	-	(2,004,687)
Machinery and equipment	(16,802,320)	(5,502,063)	8,493,437	(13,810,946)
Infrastructure	<u>(92,798,413)</u>	<u>(1,165,829)</u>	<u>271,035</u>	<u>(93,693,207)</u>
Total accumulated depreciation	<u>(123,095,754)</u>	<u>(7,243,585)</u>	<u>8,764,472</u>	<u>(121,574,867)</u>
Total capital assets, being depreciated, net	<u>45,620,015</u>	<u>3,884,010</u>	<u>(2,054,018)</u>	<u>47,450,007</u>
Governmental activities capital assets, net	<u>\$ 51,159,332</u>	<u>\$ 9,591,313</u>	<u>\$ (5,706,220)</u>	<u>\$ 55,044,425</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - CAPITAL ASSETS - (Continued)

	Balance			Balance
<u>Business-Type Activities:</u>	<u>01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,093,705	\$ -	\$ -	\$ 2,093,705
Construction in progress	-	2,262,863	-	2,262,863
Total capital assets, not being depreciated	<u>2,093,705</u>	<u>2,262,863</u>	<u>-</u>	<u>4,356,568</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,379,012	-	-	13,379,012
Improvements other than buildings	30,895,303	672,037	-	31,567,340
Machinery and equipment	8,670,042	4,676,621	(108,831)	13,237,832
Infrastructure	62,851,044	513,489	-	63,364,533
Total capital assets, being depreciated	<u>115,795,401</u>	<u>5,862,147</u>	<u>(108,831)</u>	<u>121,548,717</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,907,229)	(204,497)	-	(11,111,726)
Improvements other than buildings	(21,831,216)	(750,718)	-	(22,581,934)
Machinery and equipment	(7,243,038)	(4,158,595)	105,873	(11,295,760)
Infrastructure	(36,909,838)	(1,209,042)	-	(38,118,880)
Total accumulated depreciation	<u>(76,891,321)</u>	<u>(6,322,852)</u>	<u>105,873</u>	<u>(83,108,300)</u>
Total capital assets, being depreciated, net	<u>38,904,080</u>	<u>(460,705)</u>	<u>(2,958)</u>	<u>38,440,417</u>
Business-type activities capital assets, net	<u>\$ 40,997,785</u>	<u>\$ 1,802,158</u>	<u>\$ (2,958)</u>	<u>\$ 42,796,985</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 2,260,116
Public safety	903,237
Public health and welfare	136
Transportation	3,592,222
Community environment	30,311
Leisure time activities	75,513

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets 382,050

Total depreciation expense - governmental activities \$ 7,243,585

Business -type activities:

Water	\$ 2,195,473
Sewer	3,553,519
Other enterprise fund	<u>573,860</u>

Total depreciation expense - business-type activities \$ 6,322,852

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. For sworn police and fire personnel, vacation leave is accrued on January 1 of every year regardless of employee's anniversary date. Vacation time valued at \$132,304 will accrue on January 1, 2011 and is not reflected in the financial statements. Under the current contract with the sworn police officers, vacation balances unused at December 31 can be carried over until May 31, upon request. This amount is reflected in the basic financial statements. Any unused prior year vacation balance at May 31 is lost. For all other City employees, vacation leave is accrued on their anniversary date and the vacation earned must be used in the next year. Any unused vacation is eliminated from the employee's vacation balance. Upon separation from the City, the employee (or their estate) is paid for their accumulated unused vacation leave balance.

B. Accumulated Unpaid Sick Leave

All City employees, excluding firefighters, earn .05769 hours of sick leave for each non-overtime hour in active pay status. Firefighters, except the fire chief and assistant fire chiefs, earn .0769 hours of sick leave for each non-overtime hour in active pay status (excluding paid sick leave). The fire chief earns .05769 and the assistant fire chiefs earn .0928 hours of sick leave for each non-overtime hour in active pay status. Employees may accrue and carry over all sick leave earned with no limits.

Upon separation from the City, employees with at least eight years of service are paid a pro-rata amount of their accumulated unused sick leave. The pro-rata amount is determined in each negotiated work agreement with the City. Portions of sick leave for eligible employees are accrued within the year of eligibility. Otherwise the cost of sick leave is recorded at the time it is used.

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

In February 2009, the City entered into a \$100,000 capitalized lease for an equipped SWAT vehicle. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease was capitalized in the City's governmental activities capital assets at the present value of the future minimum lease payments at lease inception. In January 2010 the City paid the remaining lease payments of \$100,000 plus an additional interest payment of \$4,160.

NOTE 13 - OPERATING LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's basic financial statements. Total costs for such leases were \$108,736 for the year ended December 31, 2010. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms as of December 31, 2010:

<u>Year Ended December 31</u>	<u>Amount</u>
2011	\$ 52,220
2012	49,629
2013	<u>35,201</u>
Total minimum payments required	<u>\$ 137,050</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 – POLLUTION REMEDIATION ACTIVITIES

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield in May of 2003. Environmental remediation began during the fourth quarter of 2010 and is projected to be completed by year end 2011. The projected cost of the remediation is \$5,000,000 and is covered by an insurance claim with ACE Insurance.

The Ohio Department of Development awarded the City a grant in the amount of \$233,500 for the phase II environmental assessment of the former Rable Machine property on Touby Court. This project will be completed by year end 2011.

Environmental assessments were completed for the NextStep project in September 2008. The project includes the former Globe Steel and Tappan properties. Grant applications will be submitted for funds to conduct the identified environmental remediation of the properties with cleanup to begin in 2011. The total cost of this project has not been determined.

NOTE 15 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During 2010, the following changes occurred in the City’s long-term obligations:

<i>Governmental Activities:</i>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/10</u>	<u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds</u>							
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	\$ 3,090,000	\$ -	\$ (260,000)	\$ 2,830,000	\$ 270,000
Series 2009 Various Purpose Bonds	4.00 - 6.00%	2029	<u>2,620,000</u>	<u>-</u>	<u>(85,000)</u>	<u>2,535,000</u>	<u>85,000</u>
Total general obligation bonds			<u>5,710,000</u>	<u>-</u>	<u>(345,000)</u>	<u>5,365,000</u>	<u>355,000</u>
<u>Other Long-Term Obligations</u>							
Notes payable	0.64 - 2.78%	2011-2015	370,000	-	(70,000)	300,000	70,000
Capital lease obligation			100,000	-	(100,000)	-	-
Police and Fire Pension Liability	4.30%	2035	1,213,531	-	(27,193)	1,186,338	28,361
Compensated absences			<u>5,284,801</u>	<u>870,768</u>	<u>(1,427,158)</u>	<u>4,728,411</u>	<u>1,498,269</u>
Total other long-term obligations			<u>6,968,332</u>	<u>870,768</u>	<u>(1,624,351)</u>	<u>6,214,749</u>	<u>1,596,630</u>
Total governmental activities long-term obligations			<u>\$ 12,678,332</u>	<u>\$ 870,768</u>	<u>\$ (1,969,351)</u>	<u>\$ 11,579,749</u>	<u>\$ 1,951,630</u>

The voted general obligation bond issues will be paid through the debt service fund from general property tax revenue. The unvoted general obligation bond issues will be paid from available income tax revenue and community development block grant revenue. The police and fire pension liability is paid through the police and fire special revenue fund using unvoted general property tax revenue. The compensated absences liability will be paid from the fund in which the employees’ salaries are paid.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

The Various Purpose Bonds issued in 2002 in the amount of \$4,565,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: furnishing and equipping fire stations, acquiring fire equipment, fire trucks and emergency squad vehicles; constructing, furnishing and equipping a building for the Service Departments; constructing a new fire station; paying costs of constructing water and sewer lines in the Piper Road Industrial Park; and constructing three public streets in and around the Airport Industrial Complex, including grading, draining, paving, constructing curbs, water, storm sewer and sanitary sewer lines. These bonds are being repaid from the safety services, community development, and street construction maintenance and repair funds.

The Various Purpose Bonds issued in 2009 in the amount of \$2,620,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: constructing, furnishing and equipping the new fire station and improving the City’s courtroom security system. These bonds are being repaid from the safety services and court costs funds.

The City issued \$1,000,000 in Section 108 Improvement Project notes in 1999. The notes are paid from the section 108 improvement fund.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2010 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 28,361	\$ 50,121	\$ 78,482
2012	29,579	48,903	78,482
2013	30,849	47,633	78,482
2014	32,174	46,308	78,482
2015	33,556	44,926	78,482
2016 - 2020	190,680	86,560	277,240
2021 - 2025	235,301	157,108	392,409
2026 - 2030	290,364	102,044	392,408
2031 - 2035	<u>315,474</u>	<u>34,168</u>	<u>349,642</u>
Total	<u>\$ 1,186,338</u>	<u>\$ 617,771</u>	<u>\$ 1,804,109</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 70,000	\$ 3,733	\$ 73,733
2012	70,000	3,240	73,240
2013	70,000	2,638	72,638
2014	70,000	1,700	71,700
2015	<u>20,000</u>	<u>440</u>	<u>20,440</u>
Total	<u>\$ 300,000</u>	<u>\$ 11,751</u>	<u>\$ 311,751</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 355,000	\$ 264,504	\$ 619,504
2012	375,000	250,035	625,035
2013	270,000	234,463	504,463
2014	285,000	223,125	508,125
2015	295,000	210,870	505,870
2016 - 2020	1,735,000	837,646	2,572,646
2021 - 2025	1,295,000	384,197	1,679,197
2026 - 2029	755,000	106,700	861,700
Total	<u>\$ 5,365,000</u>	<u>\$ 2,511,540</u>	<u>\$ 7,876,540</u>

At December 31, 2010, the City's legal voted and unvoted debt margin was \$58,001,700 and \$27,922,817, respectively.

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type activities long-term obligations during 2010:

	Interest	Maturity	Balance			Balance	Due in
	Rate	Date	1/1/10	Additions	Reductions	12/31/10	One Year
<i>Business-Type Activities:</i>							
<u>General Obligation Bonds:</u>							
Series 2008 Waterworks Refunding	3.50%	2013	\$ 1,470,000	\$ -	\$ (410,000)	\$ 1,060,000	\$ 420,000
Series 2009 Various Purpose Bonds	4.00 - 6.00%	2029	<u>1,080,000</u>	<u>-</u>	<u>(35,000)</u>	<u>1,045,000</u>	<u>35,000</u>
Total general obligation bonds			2,550,000	-	(445,000)	2,105,000	455,000
<u>Other long-term obligations:</u>							
Notes payable	0.00% - 1.00%	2017	255,358	1,241,597	(19,381)	1,477,574	9,691
Compensated absences			<u>1,089,978</u>	<u>513,552</u>	<u>(529,254)</u>	<u>1,074,276</u>	<u>529,253</u>
Total other long-term obligations			<u>1,345,336</u>	<u>1,755,149</u>	<u>(548,635)</u>	<u>2,551,850</u>	<u>538,944</u>
Total business-type activities long-term obligations			<u>\$ 3,895,336</u>	<u>\$ 1,755,149</u>	<u>\$ (993,635)</u>	<u>\$ 4,656,850</u>	<u>\$ 993,944</u>

The 2008 Waterworks Bonds were issued in the amount of \$2,230,000 to pay the cost of issuance and refund the outstanding bonds issued in 1992 and 1993 for the following purposes: installation of instrumentation facilities, construction of an elevated water storage reservoir and other improvements at the water treatment plant. These bonds are being repaid from the City's water fund.

The 2009 Various Purpose Bonds were issued in the amount of \$1,080,000 to pay and retire outstanding notes issued in anticipation of bonds for the purpose of improving the City's wastewater treatment plant. These bonds are being repaid from the City's sewer fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

In 1997, the City issued \$187,620 in Ohio Public Works Commission Notes for the North Wells water line replacement. In 2008, the City issued \$200,000 in Ohio Public Works Commission Notes for the Bowman Street and Cairns Road water lines. These notes are being repaid from the water fund.

In 2010, the City issued \$1,241,597 in Ohio Water Development Authority Notes for water and sewer line extensions at the new Reid Industrial Park. The City is expecting an additional \$534,598 in note proceeds for this project. Repayments of these notes are interest only until January 1, 2016. These notes will be repaid from the water and sewer funds. A complete amortization schedule will not be available until all note proceeds have been disbursed.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2010 are as follows:

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 455,000	\$ 90,931	\$ 545,931
2012	450,000	74,831	524,831
2013	265,000	58,906	323,906
2014	40,000	49,432	89,432
2015	40,000	47,831	87,831
2016 - 2020	235,000	212,032	447,032
2021 - 2025	310,000	141,400	451,400
2026 - 2029	<u>310,000</u>	<u>44,000</u>	<u>354,000</u>
Total	<u>\$ 2,105,000</u>	<u>\$ 719,363</u>	<u>\$ 2,824,363</u>

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2011	\$ 9,691	\$ -	\$ 9,691
2012	19,381	-	19,381
2013	19,381	-	19,381
2014	19,381	-	19,381
2015	19,381	-	19,381
2016 - 2020	68,762	-	68,762
2021 - 2025	50,000	-	50,000
2026 - 2028	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total	<u>\$ 235,977</u>	<u>\$ -</u>	<u>\$ 235,977</u>

NOTE 16 - RISK MANAGEMENT

The City is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the "Pool"). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty self-insurance for its member organizations throughout the State of Ohio. The Pool's general objectives are to formulate, develop, and administer a program of self-insurance, to obtain lower costs for coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - RISK MANAGEMENT - (Continued)

well as current members, are subject to a supplemental assessment or a refund, at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessments or refunds.

The City obtained insurance coverage from the Pool for general liability, public officials' error and omissions, law enforcement liability, property, automobile liability, inland marine, boiler and machinery, and EMS liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has not been a reduction in coverage.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to build the Pool's retained earning account to fund the activities of the Pool. During 2009 and 2010, the City made contributions in the amounts of \$435,752 and \$390,594, and surplus contributions to the Pool in the amounts of \$48,417 and \$43,399, respectively.

In the ordinary course of business, the Pool grants a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks. Treaty basis casualty excess of loss contracts in force at December 31, 2001 currently protect the Pool against individual losses over \$150,000.

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of \$50,000 per occurrence. Previously the deductible was the lesser of \$50,000 per location or \$100,000 per occurrence.

The Pool is, and ultimately the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

The aviation liability is purchased from a commercial insurance company.

A review board of City Council members analyzes all accidents such as damage to mailboxes, sewer backups, and personal injury on City property claims for determination of City liability before payments are made or claims filed.

The City pays the Workers' Compensation System a premium based on accident history and administrative costs.

The City has elected to provide Medical, Dental, and Life Insurance as benefits to all full-time employees. A \$25,000 Life, Accidental Death and Dismemberment policy is carried on the employees under the union contracts (AFSCME, FOP, and IAFF). The remaining non-bargaining employees are carried on a policy at an amount equal to their annual salary rounded to the nearest thousand. This policy is effective one month from the date of hire, at no cost to the employee. This coverage is provided by the Standard Insurance Company.

Medical and Dental insurance is provided through a self-insured program. An internal service fund was established to account for and finance this program. This plan provides medical coverage with a \$200 single deductible, \$400 family deductible, and a dental plan that pays 100% preventive maintenance costs for employees only. A third party administrator, E.S. Beveridge & Associates, Inc., reviews all claims which are paid by the City. The City pays into the self-insurance internal service fund an amount equal to \$511 single coverage and \$1,243 family coverage per employee per month. A portion of the amount paid into the self-insurance internal service fund is paid by the employees through payroll deduction. The amount depends on the employee's type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - RISK MANAGEMENT - (Continued)

The liability for unpaid claims costs of \$680,861 reported in the internal service fund at December 31, 2010 is based on the requirements of GASB Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. Estimates for unpaid claims are based on available information.

Changes in the self-insurance fund's claims liability amount for 2009 and 2010 were as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ 583,540	\$ 5,706,181	\$ (5,608,860)	\$ 680,861
2009	\$ 1,004,251	\$ 5,981,763	\$ (6,402,474)	\$ 583,540

NOTE 17 - DEFINED BENEFIT PENSION PLANS

All employees of the City are required to participate in one of two pension plans administered and controlled by the State of Ohio. The majority of City employees participate in the statewide Ohio Public Employees Retirement System (OPERS). Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (OP&F). Both OPERS and OP&F are cost-sharing, multiple-employer defined benefit public employee retirement systems.

A. Ohio Public Employees Retirement System

OPERS has provided the following disclosures in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27).

OPERS administers three separate pension plans as described below:

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 17 - DEFINED BENEFIT PENSION PLANS – (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. Members in the state and local divisions may participate in all three plans. The 2010 member contribution rates were 10.00% for members in state and local classifications. The 2010 employer contribution rates were 14.00% of covered payroll.

The City's contributions to OPERS for the years ending December 31, 2010, 2009 and 2008 were \$1,770,305, \$1,863,328, and \$2,139,557, respectively. The full amount has been contributed for 2008 and 2009, and 92.55% has been contributed for 2010 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

OP&F has provided the following disclosures in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27).

OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Authority to establish and amend benefits is provided by state statute per Chapter 742 of the Ohio Revised Code.

OP&F issues a stand alone financial report. Interested parties may obtain a copy by making a written request to OP&F at: 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614)228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.00% of their annual salary, while employers are required to contribute 19.50% and 24.00% respectively for police officers and firefighters.

Contributions by the City to the OP&F for police officers for the year ended December 31, 2010, 2009, and 2008 were \$950,627, \$1,001,762, and \$1,051,960, respectively, and for firefighters the contributions were \$1,443,540, \$1,449,014, and \$1,493,992, respectively. The full amount has been contributed for 2008 and 2009. For police officers and firefighters, 72.03% and 70.82%, respectively, have been contributed for 2010 with the remainder being reported as a liability in the respective funds.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police officers and firefighters in 1967. As of December 31, 2010, the unfunded liability of the City was \$1,186,338 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as a component of governmental activities long-term obligations.

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS

In addition to the pension benefits described previously, both OPERS and OP&F provide post-retirement health care coverage commonly referred to as OPEB. The health care coverage provided is considered an

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

OPEB under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension* (GASB 45). For both systems, the Ohio Revised Code provides the authority for public employers to fund post-retirement health care through their contributions.

A. Ohio Public Employees Retirement System

1. Plan Description

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, the 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.

2. 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 2010, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. 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 Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010, and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

3. Contributions

The City's total contributions to OPERS for the years ended December 31, 2010, 2009, and 2008 were \$1,770,305, \$1,863,328, and \$2,139,557 respectively, of which \$642,257, \$931,664, and \$1,069,779 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2009, and 92.55% has been contributed for 2010.

4. Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

1. Plan Description

The City of Mansfield contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care 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 health care 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 health care 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 health care coverage to eligible participants, and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

2. Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% 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 an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered 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.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

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 the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

3. Contributions

The City of Mansfield's contributions to the OP&F for police officers for the years ended December 31, 2010, 2009, and 2008 were \$950,627, \$1,001,762, and \$1,051,960 respectively, of which \$328,917, \$346,610, and \$363,978 was allocated to the healthcare plan. Total contributions by the City to the OP&F for firefighters for the year ended December 31, 2010, 2009, and 2008 were \$1,443,540, \$1,449,014, and \$1,493,992 respectively, of which \$405,635, \$407,173, and \$419,812 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2009. For police officers and firefighters, 72.03% and 70.82%, respectively, have been contributed for 2010.

NOTE 19 - CONTINGENCIES

A. Grants

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will not have a material adverse effect on the City's financial position.

B. Litigation

The City is a defendant in several lawsuits, the outcome of which cannot be determined. It is the opinion of the City's Law Director that any judgment against the City would not have a material adverse effect on the City's financial position.

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES

A summary of the intergovernmental receivables as reported on the fund financial statements as "Due from other governments" are as follows:

Water fund:	
County water samples	\$ 2,808
Total Water fund	\$ 2,808

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Sewer fund:	
City of Ontario sewer agreement	\$ 181,634
Richland County sewer agreement	<u>784,614</u>
 Total Sewer fund	 <u><u>\$ 966,248</u></u>
 General fund:	
Court apportionment	\$ 25,000
Estate and inheritance tax	581,431
Federal reimbursements	750
Homestead/Rollback	115,000
Local government funds	1,401,227
Public defenders reimbursement	35,447
Richland County share of judges salaries	193,838
State liquor permit fees	52,060
Trailer tax	<u>1,647</u>
 Total General fund	 <u><u>\$ 2,406,400</u></u>
 Safety Services fund:	
Homestead/Rollback	\$ 22,500
Police fees	14,342
Trailer tax	<u>330</u>
 Total Safety Services fund	 <u><u>\$ 37,172</u></u>
 Community Development fund:	
CDBG and HOME grants	<u>\$ 4,295,656</u>
 Total Community Development fund	 <u><u>\$ 4,295,656</u></u>
 Other governmental funds:	
Federal reimbursements	\$ 4,918
Gasoline tax	664,541
Indigent drivers treatment	8,326
Motor vehicle registration	211,618
Nutrition grant	86,423
Ohio Department of Development grants	301,662
Permissive sales tax	406,852
Regional Community Advancement contracts	59,840
Richland County share of judges salaries	<u>60,668</u>
 Total other governmental funds	 <u><u>\$ 1,804,848</u></u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Grant fund:	
Airport improvement grant	\$ 102,144
Airport west industrial park grant	1,073
Bulletproof vest grant	8,398
Byrne grants	210,966
Community corrections grant	49,124
COPS hiring recovery grant	830,083
COPS officer retention grant	334,659
Coverdell forensic grant	29,018
Crime victims grant	38,421
DNA Backlog grants	421,027
Drug prevention grant	9,411
Family violence grant	47,920
High visability grant	23,850
Homeland security grant	25,380
JAG grant	13,902
Landfill grading/drainage grant	80,877
Law enforcement training grant	1,680
Litter control grant	10,359
Metrich grant	103,121
Metrich grant match from various agencies	66,115
Metrich retention grant	85,021
PAL recovery grant	23,887
Reid industrial park grant	1,016,933
Safe neighborhoods grant	10,000
Safe routes to school grant	41,688
Sewer inflow/infiltration grant	25,231
Sex offender tracking grant	34,153
Streetscape grant	<u>21,520</u>
Total Grant fund	<u>\$ 3,665,961</u>

NOTE 21 – BUDGETARY NONCOMPLIANCE

At December 31, 2010, contrary to Ohio Revised Code Section 5705.10(H), the City had deficit cash balances in its General fund of \$1,488,195.

At December 31, 2010, contrary to Ohio Revised Code Section 5705.41(B), the City had actual expenditures exceed appropriations in the Safety services fund by \$2,427,280.

At December 31, 2010, contrary to Ohio Revised Code Section 5705.39, original and final appropriations exceeded estimated resources in the General and Local Law Enforcement Block Grant funds by \$2,271,707 and \$38,142, respectively.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 22 – FISCAL EMERGENCY

On August 19, 2010, the Auditor of State declared the City of Mansfield to be in a state of fiscal emergency in accordance with section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a financial planning and supervision commission. The commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the mayor, president of city council, and three individuals appointed by the Governor who are residents of the City and meet certain criteria.

In accordance with Section 118.06 of the Ohio Revised Code, the City is required to submit to the Commission a financial recovery plan for the City which outlines the measures to be taken to eliminate the fiscal emergency conditions. The City adopted its initial financial recovery plan in February 2011. This plan was subsequently updated in April 2011.

The more significant steps taken by the City to alleviate the fiscal emergency conditions include staff reductions, voluntary and involuntary furlough days, union contract concessions and the installation of a net based software system. Future plans include the implementation of a street light fee, license plate fee and storm water runoff fee. The City also hopes to stabilize safety forces personnel by passing an additional one quarter of one percent income tax levy.

As of December 31, 2010, the City has not determined when the situation will be resolved.

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Mansfield operates:

Street Construction Maintenance and Repair:

To account for state-levied and controlled gasoline tax and vehicle license fees remitted to the City for routine street maintenance.

State Highway:

To account for state-levied and controlled gasoline tax and vehicle license fees for routine maintenance of state highways within the City.

Regional Community Advancement:

To account for grants and other miscellaneous contracts used in the operation of the City's Regional Community Advancement building on Bowman Street. Individual programs are controlled by separate program numbers.

Drug Law Enforcement:

To account for the deposit and expenditure of mandatory fines for drug trafficking offenses.

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

To account for distribution of sales tax collected by Richland County. Monies are to be used solely for road improvements on state highways, county roads entering the City, or streets with a common border with another entity.

Industrial Development:

To account for the activities associated with the promotion and development of the local industrial environment.

Indigent Drivers Alcohol Treatment:

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

Court Computerization:

To account for an increase in court fees for the purpose of funding the acquisition and maintenance of computerized legal research services for the courts.

Local Law Enforcement Block Grant:

To account for monies received from the federal government under the Local Law Enforcement Block Grant program. The purpose is to underwrite projects to reduce crime and improve public safety.

Probation Services:

To account for monies received by the Municipal Court Department of Probation for monthly probation supervision fees.

Court Costs:

To account for additional fees and costs imposed by the Mansfield Municipal Court to assist in improvements and maintenance of the City's court facilities.

Nonmajor Debt Service Fund

Debt Service:

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or permanent funds. The following is a description of all the City's nonmajor capital projects funds:

Street Resurfacing:

To account for the extra one quarter percent income tax collections used solely for the resurfacing of City streets.

Issue II Improvement:

To account for the construction and improvement of projects which have been granted State Issue II monies.

Section 108 Improvement:

To account for monies collected for the construction of a new fire station, expansion of the Central Fire Station, and infrastructure improvements for the City's industrial parks.

Fixed Asset Acquisition:

To account for a motor pool of non-safety motor vehicles owned by the City with the operation under the control of the Repair Garage Division.

Miller Park Project:

To account for loan proceeds and grant funds from the Ohio Department of Development and the Ohio Air National Guard for infrastructure improvements to a new industrial park near the Mansfield Lahm Airport.

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,893,194	\$ 201,045	\$ 2,894,573	\$ 5,988,812
Receivables (net of allowances of uncollectibles):				
Taxes	18,584	-	510,713	529,297
Accounts	51,927	-	6,924	58,851
Accrued interest	11,917	-	-	11,917
Loans	1,122,273	-	-	1,122,273
Due from other governments	1,503,186	-	301,662	1,804,848
Materials and supplies inventory	203,764	-	-	203,764
Total assets	<u>\$ 5,804,845</u>	<u>\$ 201,045</u>	<u>\$ 3,713,872</u>	<u>\$ 9,719,762</u>
Liabilities:				
Accounts payable	\$ 106,246	\$ -	\$ -	\$ 106,246
Contracts payable	41,553	-	-	41,553
Accrued wages and benefits	24,939	-	-	24,939
Compensated absences	29,200	-	-	29,200
Due to other governments	81,698	-	-	81,698
Deferred revenue	1,247,370	-	539,739	1,787,109
Total liabilities	<u>1,531,006</u>	<u>-</u>	<u>539,739</u>	<u>2,070,745</u>
Fund Balances:				
Reserved for materials and supplies inventory	203,764	-	-	203,764
Reserved for loans	1,122,273	-	-	1,122,273
Reserved for debt service	-	71,917	-	71,917
Unreserved, undesignated, reported in:				
Special revenue funds	2,947,802	-	-	2,947,802
Debt service fund	-	129,128	-	129,128
Capital projects funds	-	-	3,174,133	3,174,133
Total fund balances	<u>4,273,839</u>	<u>201,045</u>	<u>3,174,133</u>	<u>7,649,017</u>
Total liabilities and fund balances	<u>\$ 5,804,845</u>	<u>\$ 201,045</u>	<u>\$ 3,713,872</u>	<u>\$ 9,719,762</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway</u>	<u>Regional Community Advancement</u>	<u>Drug Law Enforcement</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 358,018	\$ 15,689	\$ 85,781	\$ 30,352
Receivables (net of allowances of uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	810,446	65,713	146,263	-
Materials and supplies inventory	181,845	-	-	-
Total assets.	<u>\$ 1,350,309</u>	<u>\$ 81,402</u>	<u>\$ 232,044</u>	<u>\$ 30,352</u>
Liabilities:				
Accounts payable.	\$ 98,243	\$ -	\$ 5,891	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	10,819	-	11,118	-
Compensated absences	27,960	-	1,240	-
Due to other governments	29,591	-	34,569	-
Deferred revenue	662,239	53,696	101,984	-
Total liabilities.	<u>828,852</u>	<u>53,696</u>	<u>154,802</u>	<u>-</u>
Fund Balances:				
Reserved for materials and supplies inventory	181,845	-	-	-
Reserved for loans	-	-	-	-
Unreserved, undesignated	339,612	27,706	77,242	30,352
Total fund balances	<u>521,457</u>	<u>27,706</u>	<u>77,242</u>	<u>30,352</u>
Total liabilities and fund balances	<u>\$ 1,350,309</u>	<u>\$ 81,402</u>	<u>\$ 232,044</u>	<u>\$ 30,352</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ 74,554	\$ 1,129,702	\$ 250,184	\$ 96,613	\$ 277,814	\$ 56,587
-	-	18,584	-	-	-
-	-	252	1,074	4,499	-
-	-	11,917	-	-	-
-	-	1,122,273	-	-	-
4,918	406,852	-	8,326	-	-
-	-	-	-	15,964	-
<u>\$ 79,472</u>	<u>\$ 1,536,554</u>	<u>\$ 1,403,210</u>	<u>\$ 106,013</u>	<u>\$ 298,277</u>	<u>\$ 56,587</u>
\$ 1,320	\$ -	\$ 452	\$ -	\$ -	\$ -
-	-	41,553	-	-	-
-	-	1,340	-	892	-
-	-	-	-	-	-
235	-	10,550	-	1,981	-
-	351,007	9,450	8,326	-	-
<u>1,555</u>	<u>351,007</u>	<u>63,345</u>	<u>8,326</u>	<u>2,873</u>	<u>-</u>
-	-	-	-	15,964	-
-	-	1,122,273	-	-	-
<u>77,917</u>	<u>1,185,547</u>	<u>217,592</u>	<u>97,687</u>	<u>279,440</u>	<u>56,587</u>
<u>77,917</u>	<u>1,185,547</u>	<u>1,339,865</u>	<u>97,687</u>	<u>295,404</u>	<u>56,587</u>
<u>\$ 79,472</u>	<u>\$ 1,536,554</u>	<u>\$ 1,403,210</u>	<u>\$ 106,013</u>	<u>\$ 298,277</u>	<u>\$ 56,587</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 57,242	\$ 460,658	\$ 2,893,194
Receivables (net of allowances of uncollectibles):			
Taxes	-	-	18,584
Accounts	5,905	40,197	51,927
Accrued interest.	-	-	11,917
Loans	-	-	1,122,273
Due from other governments	-	60,668	1,503,186
Materials and supplies inventory	5,761	194	203,764
Total assets.	<u>\$ 68,908</u>	<u>\$ 561,717</u>	<u>\$ 5,804,845</u>
Liabilities:			
Accounts payable.	\$ -	\$ 340	\$ 106,246
Contracts payable	-	-	41,553
Accrued wages and benefits	-	770	24,939
Compensated absences	-	-	29,200
Due to other governments	-	4,772	81,698
Deferred revenue	-	60,668	1,247,370
Total liabilities.	<u>-</u>	<u>66,550</u>	<u>1,531,006</u>
Fund Balances:			
Reserved for materials and supplies inventory	5,761	194	203,764
Reserved for loans	-	-	1,122,273
Unreserved, undesignated	63,147	494,973	2,947,802
Total fund balances	<u>68,908</u>	<u>495,167</u>	<u>4,273,839</u>
Total liabilities and fund balances	<u>\$ 68,908</u>	<u>\$ 561,717</u>	<u>\$ 5,804,845</u>

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CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2010

	Street Resurfacing	Miller Park Project	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,315,481	\$ 579,092	\$ 2,894,573
Receivables (net of allowances of uncollectibles):			
Taxes	510,713	-	510,713
Accounts	6,924	-	6,924
Due from other governments	-	301,662	301,662
Total assets	\$ 2,833,118	\$ 880,754	\$ 3,713,872
Liabilities:			
Deferred revenue	\$ 259,705	\$ 280,034	\$ 539,739
Total liabilities	259,705	280,034	539,739
Fund Balances:			
Unreserved, undesignated	2,573,413	600,720	3,174,133
Total fund balances	2,573,413	600,720	3,174,133
Total liabilities and fund balances	\$ 2,833,118	\$ 880,754	\$ 3,713,872

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 216,084	\$ -	\$ 3,045,000	\$ 3,261,084
Property and other taxes	-	2	-	2
Charges for services	425,996	-	-	425,996
Licenses, permits and fees	1,220	-	-	1,220
Fines and forfeitures	896,494	-	-	896,494
Intergovernmental	3,675,809	-	945,976	4,621,785
Investment income	10,545	-	-	10,545
Other	10,312	1,990	-	12,302
Total revenues	<u>5,236,460</u>	<u>1,992</u>	<u>3,990,976</u>	<u>9,229,428</u>
Expenditures:				
Current:				
General government	2,296,293	-	-	2,296,293
Public safety	283,468	-	-	283,468
Transportation	2,300,961	-	-	2,300,961
Capital outlay	-	-	2,974,155	2,974,155
Debt service:				
Principal retirement	-	415,000	-	415,000
Interest and fiscal charges	-	307,533	-	307,533
Total expenditures	<u>4,880,722</u>	<u>722,533</u>	<u>2,974,155</u>	<u>8,577,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>355,738</u>	<u>(720,541)</u>	<u>1,016,821</u>	<u>652,018</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	6,218	-	-	6,218
Transfers in	-	835,305	-	835,305
Transfers out	(117,630)	-	(891,812)	(1,009,442)
Total other financing sources (uses)	<u>(111,412)</u>	<u>835,305</u>	<u>(891,812)</u>	<u>(167,919)</u>
Net change in fund balances	244,326	114,764	125,009	484,099
Fund balances at beginning of year (restated)	4,176,371	86,281	3,049,124	7,311,776
Increase (decrease) in reserve for inventory	<u>(146,858)</u>	<u>-</u>	<u>-</u>	<u>(146,858)</u>
Fund balances at end of year	<u><u>\$ 4,273,839</u></u>	<u><u>\$ 201,045</u></u>	<u><u>\$ 3,174,133</u></u>	<u><u>\$ 7,649,017</u></u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	137,666	-	112,200	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	3,004
Intergovernmental	1,827,532	148,098	965,369	-
Investment income	-	-	-	-
Other	9,576	-	736	-
Total revenues	<u>1,974,774</u>	<u>148,098</u>	<u>1,078,305</u>	<u>3,004</u>
Expenditures:				
Current:				
General government	-	-	1,133,504	-
Public safety	-	-	-	5,172
Transportation	1,891,464	171,285	-	-
Total expenditures	<u>1,891,464</u>	<u>171,285</u>	<u>1,133,504</u>	<u>5,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,310</u>	<u>(23,187)</u>	<u>(55,199)</u>	<u>(2,168)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers out	(84,415)	-	-	-
Total other financing sources (uses):	<u>(84,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,105)	(23,187)	(55,199)	(2,168)
Fund balances at beginning of year	683,361	50,893	132,441	32,520
Increase (decrease) in reserve for inventory	<u>(160,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 521,457</u>	<u>\$ 27,706</u>	<u>\$ 77,242</u>	<u>\$ 30,352</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ -	\$ -	\$ 216,084	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
48,034	-	-	34,452	69,635	-
4,918	676,544	-	24,488	-	28,860
-	-	10,545	-	-	-
-	-	-	-	-	-
<u>52,952</u>	<u>676,544</u>	<u>226,629</u>	<u>58,940</u>	<u>69,635</u>	<u>28,860</u>
-	-	214,554	-	223,070	-
152,425	-	-	14,036	-	111,835
-	238,212	-	-	-	-
<u>152,425</u>	<u>238,212</u>	<u>214,554</u>	<u>14,036</u>	<u>223,070</u>	<u>111,835</u>
<u>(99,473)</u>	<u>438,332</u>	<u>12,075</u>	<u>44,904</u>	<u>(153,435)</u>	<u>(82,975)</u>
-	-	6,218	-	-	-
-	-	-	-	-	-
-	-	6,218	-	-	-
<u>(99,473)</u>	<u>438,332</u>	<u>18,293</u>	<u>44,904</u>	<u>(153,435)</u>	<u>(82,975)</u>
177,390	747,215	1,321,572	52,783	438,314	139,562
-	-	-	-	10,525	-
<u>\$ 77,917</u>	<u>\$ 1,185,547</u>	<u>\$ 1,339,865</u>	<u>\$ 97,687</u>	<u>\$ 295,404</u>	<u>\$ 56,587</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 216,084
Charges for services	176,130	-	425,996
Licenses, permits and fees	529	691	1,220
Fines and forfeitures	-	741,369	896,494
Intergovernmental	-	-	3,675,809
Investment income	-	-	10,545
Other	-	-	10,312
Total revenues	<u>176,659</u>	<u>742,060</u>	<u>5,236,460</u>
Expenditures:			
Current:			
General government	180,436	544,729	2,296,293
Public safety	-	-	283,468
Transportation	-	-	2,300,961
Total expenditures	<u>180,436</u>	<u>544,729</u>	<u>4,880,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,777)</u>	<u>197,331</u>	<u>355,738</u>
Other financing sources:			
Proceeds from sale of capital assets	-	-	6,218
Transfers out	-	(33,215)	(117,630)
Total other financing sources (uses):	<u>-</u>	<u>(33,215)</u>	<u>(111,412)</u>
Net change in fund balances	(3,777)	164,116	244,326
Fund balances at beginning of year	69,463	330,857	4,176,371
Increase (decrease) in reserve for inventory . .	<u>3,222</u>	<u>194</u>	<u>(146,858)</u>
Fund balances at end of year	<u>\$ 68,908</u>	<u>\$ 495,167</u>	<u>\$ 4,273,839</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Section 108 Improvement</u>	<u>Fixed Asset Acquisition</u>
Revenues:				
Municipal income taxes	\$ 3,045,000	\$ -	\$ -	\$ -
Intergovernmental	-	900,816	-	-
Total revenues	<u>3,045,000</u>	<u>900,816</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	1,714,134	900,816	82,892	-
Total expenditures	<u>1,714,134</u>	<u>900,816</u>	<u>82,892</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,330,866	-	(82,892)	-
Other financing uses:				
Transfers out	-	-	(128,522)	(763,290)
Total other financing uses:	-	-	(128,522)	(763,290)
Net change in fund balances	1,330,866	-	(211,414)	(763,290)
Fund balances at beginning of year (restated) .	<u>1,242,547</u>	<u>-</u>	<u>211,414</u>	<u>763,290</u>
Fund balances at end of year	<u>\$ 2,573,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Miller Park Project</u>	<u>Total</u>
\$ -	\$ 3,045,000
45,160	945,976
45,160	3,990,976
276,313	2,974,155
276,313	2,974,155
(231,153)	1,016,821
-	(891,812)
-	(891,812)
(231,153)	125,009
831,873	3,049,124
\$ 600,720	\$ 3,174,133

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,296,208	\$ 2,296,208	\$ 2,409,169	\$ 112,961
Charges for services	5,000	5,000	3,435	(1,565)
Licenses, permits and fees.	519,300	552,300	591,201	38,901
Fines and forfeitures.	1,213,200	1,343,200	1,396,706	53,506
Intergovernmental	3,701,475	3,971,035	3,942,944	(28,091)
Special assessments	22,000	49,000	49,359	359
Investment income	211,750	241,706	293,052	51,346
Other	156,149	908,633	948,128	39,495
Total revenues	8,125,082	9,367,082	9,633,994	266,912
Expenditures:				
Current:				
Public safety				
Safety town				
Personal services.	10,212	10,212	7,111	3,101
Materials and supplies	2,173	2,173	1,645	528
Street lighting				
Contractual services	482,542	659,882	659,882	-
Housing of prisoners				
Contractual services	25,000	1,403,875	1,403,875	-
Total public safety	519,927	2,076,142	2,072,513	3,629
Public health and welfare				
Human relations				
Other.	21,089	500	500	-
Humane society				
Other.	5,000	5,000	-	5,000
Indigent burial				
Other.	9,000	9,000	8,950	50
Total public health and welfare.	35,089	14,500	9,450	5,050
Leisure time activities				
Parks				
Personal services	-	210,399	210,399	-
Materials and supplies	817	92,739	92,739	-
Contractual services	46,284	84,396	84,396	-
Adopt-a-park				
Other.	5,158	5,158	771	4,387
Recreation				
Personal services.	49,178	67,138	67,138	-
Materials and supplies	1,790	1,790	534	1,256
Contractual services	4,365	4,365	2,660	1,705
Total leisure time activities.	107,592	465,985	458,637	7,348

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community environment				
Codes and permits				
Personal services.	\$ 268,000	\$ 260,922	\$ 258,765	\$ 2,157
Materials and supplies	7,686	7,686	7,280	406
Contractual services	84,568	84,568	82,771	1,797
Other.	1,451	1,451	331	1,120
Regional planning				
Other.	24,100	24,100	24,100	-
Chamber district				
Other.	4,141	4,141	4,141	-
Sub-division fees				
Other.	45,793	45,793	-	45,793
Total community environment	435,739	428,661	377,388	51,273
General government				
Council				
Personal services.	170,770	170,770	166,784	3,986
Materials and supplies	634	734	655	79
Contractual services	15,498	15,498	15,488	10
Other.	2,600	2,500	1,550	950
Human resource director				
Personal services.	147,785	136,618	131,993	4,625
Materials and supplies	3,000	2,200	1,414	786
Contractual services	87,825	86,662	85,589	1,073
Other.	7,480	10,280	3,991	6,289
Mayor				
Personal services.	131,984	131,984	129,464	2,520
Materials and supplies	3,000	3,000	1,074	1,926
Contractual services	25,842	25,842	25,803	39
Other.	11,500	11,260	6,378	4,882
Finance director				
Personal services.	607,954	569,045	564,471	4,574
Materials and supplies	11,730	11,730	7,382	4,348
Contractual services	321,028	325,085	269,251	55,834
Other.	1,000	1,000	305	695
Law director				
Personal services.	461,719	441,265	417,839	23,426
Materials and supplies	13,000	13,000	8,600	4,400
Contractual services	88,997	88,997	81,795	7,202
Other.	24,514	23,880	10,133	13,747
Municipal court				
Personal services.	628,234	594,895	591,415	3,480
Materials and supplies	9,042	8,925	8,868	57
Contractual services	555,874	504,515	500,741	3,774
Other.	3,400	2,479	1,102	1,377
Clerk of court				
Personal services.	975,985	830,525	819,524	11,001
Materials and supplies	41,000	51,300	49,863	1,437
Contractual services	122,067	129,024	128,767	257
Other	4,000	4,000	3,047	953

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil service commission				
Personal services	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Contractual services	50,855	-	-	-
Safety/service director				
Personal services	167,784	101,784	100,810	974
Materials and supplies	1,200	2,700	1,178	1,522
Contractual services	22,651	19,609	18,657	952
Other	5,000	1,500	-	1,500
Engineering				
Personal services	415,212	348,058	347,633	425
Materials and supplies	1,000	4,000	2,988	1,012
Contractual services	90,400	85,123	83,366	1,757
Other	5,828	240	240	-
City building and public lands				
Personal services	203,388	181,858	152,922	28,936
Materials and supplies	46,110	37,151	37,151	-
Contractual services	706,479	547,228	537,511	9,717
Income tax administration				
Personal services	303,025	303,025	302,048	977
Materials and supplies	55,100	32,581	24,714	7,867
Capital outlay	1,000	1,000	-	1,000
Contractual services	71,149	71,949	68,186	3,763
Other	450	450	450	-
Miscellaneous				
Fringe benefits	56,100	29,042	29,042	-
Festivals	25,000	11,638	11,187	451
Other	2,000	2,000	1,890	110
Unclaimed money				
Other	73,615	73,615	6,838	66,777
Special assessments				
Other	6,042	6,042	4,248	1,794
Total general government	6,806,350	6,077,106	5,783,845	293,261

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	\$ 7,904,697	\$ 9,062,394	\$ 8,701,833	\$ 360,561
Excess of revenues over expenditures	220,385	304,688	932,161	627,473
Other financing sources (uses):				
Loan to other funds	(2,053,644)	(2,053,644)	(2,053,644)	-
Payment on loan from other funds	(260,000)	(260,000)	(260,000)	-
Repayment of loan to other funds	2,199,191	2,199,191	2,199,191	-
Transfers out	(260,988)	(345,291)	(189,252)	156,039
Total other financing sources (uses)	(375,441)	(459,744)	(303,705)	156,039
Net change in fund balance	(155,056)	(155,056)	628,456	783,512
Fund balance (deficit) at beginning of year	(2,164,866)	(2,164,866)	(2,164,866)	-
Prior year encumbrances appropriated	48,215	48,215	48,215	-
Fund balance (deficit) at end of year.	<u>\$ (2,271,707)</u>	<u>\$ (2,271,707)</u>	<u>\$ (1,488,195)</u>	<u>\$ 783,512</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,713,988	\$ 2,359,140	\$ 2,304,618	\$ (54,522)
Investment income	75,000	75,000	54,432	(20,568)
Other	260,000	260,000	194,548	(65,452)
	<u>4,048,988</u>	<u>2,694,140</u>	<u>2,553,598</u>	<u>(140,542)</u>
Expenditures:				
Current:				
Community environment				
Personal services	351,883	329,772	279,772	50,000
Materials and supplies	82,231	20,231	9,960	10,271
Contractual services	3,678,145	2,407,099	1,936,298	470,801
Other	6,278	6,587	5,831	756
	<u>4,118,537</u>	<u>2,763,689</u>	<u>2,231,861</u>	<u>531,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,549)</u>	<u>(69,549)</u>	<u>321,737</u>	<u>391,286</u>
Other financing uses:				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(319,549)	(319,549)	71,737	391,286
Fund balance at beginning of year	299,640	299,640	299,640	-
Prior year encumbrances appropriated	<u>20,789</u>	<u>20,789</u>	<u>20,789</u>	<u>-</u>
Fund balance at end of year	<u>\$ 880</u>	<u>\$ 880</u>	<u>\$ 392,166</u>	<u>\$ 391,286</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 16,443,356	\$ 18,672,371	\$ 18,658,007	\$ (14,364)
Charges for services	1,180,000	1,380,000	1,375,761	(4,239)
Licenses, permits and fees.	97,000	104,515	96,500	(8,015)
Fines and forfeitures.	120,000	120,000	123,999	3,999
Intergovernmental	45,500	45,500	44,567	(933)
Other	77,000	69,485	140,794	71,309
	<hr/>	<hr/>	<hr/>	
Total revenues	17,962,856	20,391,871	20,439,628	47,757
Expenditures:				
Current:				
Public safety				
Personal services.	6,474,983	9,444,472	11,907,690	(2,463,218)
Fringe benefits.	3,016,397	2,880,150	2,867,332	12,818
Materials and supplies	442,557	204,997	197,475	7,522
Contractual services	4,828,946	4,783,853	4,772,018	11,835
Capital outlay	223,925	42,117	42,117	-
Other.	72,700	33,365	29,602	3,763
	<hr/>	<hr/>	<hr/>	
Total expenditures	15,059,508	17,388,954	19,816,234	(2,427,280)
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	2,903,348	3,002,917	623,394	(2,379,523)
Other financing sources (uses):				
Loans from other funds	1,994,476	1,994,476	1,994,476	-
Repayment of loan from other funds	(1,764,198)	(1,764,198)	(1,764,198)	-
Transfers out	(949,693)	(999,542)	(899,238)	100,304
	<hr/>	<hr/>	<hr/>	
Total other financing sources (uses)	(719,415)	(769,264)	(668,960)	100,304
Net change in fund balance	2,183,933	2,233,653	(45,566)	(2,279,219)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	45,566	45,566	45,566	-
	<hr/>	<hr/>	<hr/>	
Fund balance at end of year.	<u>\$ 2,229,499</u>	<u>\$ 2,279,219</u>	<u>\$ -</u>	<u>\$ (2,279,219)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 9,764,722	\$ 11,328,812	\$ 7,638,731	\$ (3,690,081)
Charges for services	44,347	44,347	44,347	-
Other	343	4,925	9,839	4,914
	<u>9,809,412</u>	<u>11,378,084</u>	<u>7,692,917</u>	<u>(3,685,167)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	1,686,250	1,673,246	1,397,529	275,717
Fringe benefits	268,533	272,042	253,007	19,035
Materials and supplies	146,488	93,669	62,855	30,814
Contractual services	991,511	1,125,857	868,034	257,823
Capital outlay	263,989	651,161	541,578	109,583
Other.	255,187	245,210	180,202	65,008
Total public safety	<u>3,611,958</u>	<u>4,061,185</u>	<u>3,303,205</u>	<u>757,980</u>
Public health and welfare				
Personal services.	44,873	47,623	45,131	2,492
Materials and supplies	3,700	8,296	3,932	4,364
Other.	-	800	-	800
Contractual services	20,819	20,819	20,819	-
Total public health and welfare.	<u>69,392</u>	<u>77,538</u>	<u>69,882</u>	<u>7,656</u>
General government				
Personal services.	199,867	243,585	243,584	1
Materials and supplies	9,600	7,782	4,907	2,875
Contractual services	7,176,642	8,271,322	5,427,939	2,843,383
Total general government	<u>7,386,109</u>	<u>8,522,689</u>	<u>5,676,430</u>	<u>2,846,259</u>
Total expenditures	<u>11,067,459</u>	<u>12,661,412</u>	<u>9,049,517</u>	<u>3,611,895</u>
Deficiency of revenues under expenditures	<u>(1,258,047)</u>	<u>(1,283,328)</u>	<u>(1,356,600)</u>	<u>(73,272)</u>
Other financing sources:				
Loans from other funds	59,168	59,168	59,168	-
Transfers in	714,678	751,140	749,339	(1,801)
Total other financing sources	<u>773,846</u>	<u>810,308</u>	<u>808,507</u>	<u>(1,801)</u>
Net change in fund balance	(484,201)	(473,020)	(548,093)	(75,073)
Fund balance at beginning of year	503,539	503,539	503,539	-
Prior year encumbrances appropriated	44,554	44,554	44,554	-
Fund balance at end of year.	<u>\$ 63,892</u>	<u>\$ 75,073</u>	<u>\$ -</u>	<u>\$ (75,073)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,734,375	\$ 1,734,375	\$ 1,825,717	\$ 91,342
Charges for services	168,556	168,556	137,666	(30,890)
Other	6,000	6,000	39,832	33,832
Total revenues	1,908,931	1,908,931	2,003,215	94,284
Expenditures:				
Current:				
Transportation				
Personal services.	525,737	525,737	525,737	-
Fringe benefits.	6,252	6,252	5,110	1,142
Materials and supplies	575,469	565,469	527,672	37,797
Contractual services	1,003,368	989,946	832,322	157,624
Total expenditures	2,110,826	2,087,404	1,890,841	196,563
Excess (deficiency) of revenues over (under) expenditures	(201,895)	(178,473)	112,374	290,847
Other financing uses:				
Transfers out	(106,022)	(129,444)	(84,415)	45,029
Total other financing uses	(106,022)	(129,444)	(84,415)	45,029
Net change in fund balance	(307,917)	(307,917)	27,959	335,876
Fund balance at beginning of year	236,389	236,389	236,389	-
Prior year encumbrances appropriated	93,669	93,669	93,669	-
Fund balance at end of year.	\$ 22,141	\$ 22,141	\$ 358,017	\$ 335,876

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 140,625	\$ 140,625	\$ 148,030	\$ 7,405
Total revenues	140,625	140,625	148,030	7,405
Expenditures:				
Current:				
Transportation				
Personal services	100,000	179,038	170,754	8,284
Materials and supplies	81,460	2,422	2,422	-
Total expenditures	181,460	181,460	173,176	8,284
Net change in fund balance	(40,835)	(40,835)	(25,146)	15,689
Fund balance at beginning of year	38,943	38,943	38,943	-
Prior year encumbrances appropriated	1,892	1,892	1,892	-
Fund balance at end of year	\$ -	\$ -	\$ 15,689	\$ 15,689

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REGIONAL COMMUNITY ADVANCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 397,827	\$ 678,428	\$ 638,346	\$ (40,082)
Charges for services	324,442	354,342	427,479	73,137
Other	5,094	5,094	28,446	23,352
	<u>727,363</u>	<u>1,037,864</u>	<u>1,094,271</u>	<u>56,407</u>
Expenditures:				
Current:				
General government				
Personal services.	425,508	646,045	602,674	43,371
Fringe benefits.	10,000	2,827	1,225	1,602
Materials and supplies	71,271	45,882	39,321	6,561
Contractual services	409,470	523,355	482,736	40,619
Other.	6,387	15,028	4,364	10,664
	<u>922,636</u>	<u>1,233,137</u>	<u>1,130,320</u>	<u>102,817</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(195,273)</u>	<u>(195,273)</u>	<u>(36,049)</u>	<u>159,224</u>
Other financing sources:				
Transfers in	<u>73,443</u>	<u>73,443</u>	<u>-</u>	<u>(73,443)</u>
Total other financing sources	<u>73,443</u>	<u>73,443</u>	<u>-</u>	<u>(73,443)</u>
Net change in fund balance	(121,830)	(121,830)	(36,049)	85,781
Fund balance at beginning of year	120,029	120,029	120,029	-
Prior year encumbrances appropriated	<u>1,801</u>	<u>1,801</u>	<u>1,801</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,781</u>	<u>\$ 85,781</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 3,004	\$ (1,996)
Total revenues	5,000	5,000	3,004	(1,996)
Expenditures:				
Current:				
Public safety				
Other	37,520	37,520	5,172	32,348
Total expenditures	37,520	37,520	5,172	32,348
Net change in fund balance	(32,520)	(32,520)	(2,168)	30,352
Fund balance at beginning of year	<u>32,520</u>	<u>32,520</u>	<u>32,520</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,352</u>	<u>\$ 30,352</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 96,000	\$ 96,000	\$ 48,034	\$ (47,966)
Investment income	50	50	-	(50)
Other	50	50	-	(50)
	<u>96,100</u>	<u>96,100</u>	<u>48,034</u>	<u>(48,066)</u>
Total revenues				
Expenditures:				
Current:				
Public safety				
Contractual services	104,160	104,160	104,160	-
Other	90,870	90,870	50,347	40,523
	<u>195,030</u>	<u>195,030</u>	<u>154,507</u>	<u>40,523</u>
Total expenditures				
Net change in fund balance	<u>(98,930)</u>	<u>(98,930)</u>	<u>(106,473)</u>	<u>(7,543)</u>
Fund balance at beginning of year	180,727	180,727	180,727	-
Prior year encumbrances appropriated	300	300	300	-
	<u>82,097</u>	<u>82,097</u>	<u>74,554</u>	<u>(7,543)</u>
Fund balance at end of year				

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 650,000	\$ 650,000	\$ 696,179	\$ 46,179
Total revenues	650,000	650,000	696,179	46,179
Expenditures:				
Current:				
Transportation				
Contractual services	1,339,344	1,339,344	270,415	1,068,929
Total expenditures	1,339,344	1,339,344	270,415	1,068,929
Net change in fund balance	(689,344)	(689,344)	425,764	1,115,108
Fund balance at beginning of year	606,323	606,323	606,323	-
Prior year encumbrances appropriated	97,615	97,615	97,615	-
Fund balance at end of year	<u>\$ 14,594</u>	<u>\$ 14,594</u>	<u>\$ 1,129,702</u>	<u>\$ 1,115,108</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDUSTRIAL DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Property and other local taxes	\$ 223,528	\$ 204,898	\$ 204,898	\$ -
Investment income	14,166	14,166	12,384	(1,782)
Other	74,544	74,544	46,995	(27,549)
	<u>312,238</u>	<u>293,608</u>	<u>264,277</u>	<u>(29,331)</u>
Expenditures:				
Current:				
General government				
Personal services	72,378	72,378	68,623	3,755
Materials and supplies	30,000	11,370	5,565	5,805
Contractual services	400,731	400,731	132,576	268,155
	<u>503,109</u>	<u>484,479</u>	<u>206,764</u>	<u>277,715</u>
Total expenditures				
Net change in fund balance	(190,871)	(190,871)	57,513	248,384
Fund balance at beginning of year	<u>190,871</u>	<u>190,871</u>	<u>190,871</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,384</u>	<u>\$ 248,384</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 24,488	\$ 24,488	\$ 24,488	\$ -
Fines and forfeitures.	20,512	20,512	34,231	13,719
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>58,719</u>	<u>13,719</u>
Expenditures:				
Current:				
Public safety				
Other.	<u>96,929</u>	<u>96,929</u>	<u>14,035</u>	<u>82,894</u>
Total expenditures	<u>96,929</u>	<u>96,929</u>	<u>14,035</u>	<u>82,894</u>
Net change in fund balance	(51,929)	(51,929)	44,684	96,613
Fund balance at beginning of year	<u>51,929</u>	<u>51,929</u>	<u>51,929</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,613</u>	<u>\$ 96,613</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 56,000	\$ 56,000	\$ 69,942	\$ 13,942
Total revenues	56,000	56,000	69,942	13,942
Expenditures:				
Current:				
General government				
Personal services	52,444	54,528	54,528	-
Materials and supplies	278,995	277,152	104,432	172,720
Contractual services	154,977	155,036	63,884	91,152
Total expenditures	486,416	486,716	222,844	263,872
Net change in fund balance	(430,416)	(430,716)	(152,902)	277,814
Fund balance at beginning of year	426,792	426,792	426,792	-
Prior year encumbrances appropriated	3,924	3,924	3,924	-
Fund balance at end of year	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 277,814</u>	<u>\$ 277,814</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 28,860	\$ 28,860	\$ 28,860	\$ -
Total revenues	28,860	28,860	28,860	-
Expenditures:				
Current:				
Public safety				
Personal services	151,184	151,184	84,597	66,587
Capital outlay	44,380	44,380	31,238	13,142
Other.	15,000	15,000	-	15,000
Total expenditures	210,564	210,564	115,835	94,729
Net change in fund balance	(181,704)	(181,704)	(86,975)	94,729
Fund balance at beginning of year	139,562	139,562	139,562	-
Prior year encumbrances appropriated	4,000	4,000	4,000	-
Fund balance at end of year	<u>\$ (38,142)</u>	<u>\$ (38,142)</u>	<u>\$ 56,587</u>	<u>\$ 94,729</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 160,425	\$ 160,425	\$ 179,017	\$ 18,592
Total revenues	160,425	160,425	179,017	18,592
Expenditures:				
Current:				
General government				
Personal services	151,870	151,870	115,029	36,841
Contractual services	37,200	44,722	43,422	1,300
Materials and supplies	35,934	28,412	27,903	509
Total expenditures	225,004	225,004	186,354	38,650
Net change in fund balance	(64,579)	(64,579)	(7,337)	57,242
Fund balance at beginning of year	60,577	60,577	60,577	-
Prior year encumbrances appropriated	4,002	4,002	4,002	-
Fund balance at end of year	\$ -	\$ -	\$ 57,242	\$ 57,242

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COSTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 655,000	\$ 655,000	\$ 741,369	\$ 86,369
Total revenues	655,000	655,000	741,369	86,369
Expenditures:				
Current:				
General government				
Personal services	318,927	320,306	302,142	18,164
Contractual services	345,452	333,457	181,397	152,060
Materials and supplies	263,649	261,787	60,526	201,261
Total expenditures	928,028	915,550	544,065	371,485
Excess (deficiency) of revenues over (under) expenditures	(273,028)	(260,550)	197,304	457,854
Other financing uses:				
Transfers out	(23,541)	(36,019)	(33,215)	2,804
Total other financing uses	(23,541)	(36,019)	(33,215)	2,804
Net change in fund balance	(296,569)	(296,569)	164,089	460,658
Fund balance at beginning of year	294,338	294,338	294,338	-
Prior year encumbrances appropriated	2,231	2,231	2,231	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,658</u>	<u>\$ 460,658</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ 2	\$ 2
Other	-	-	1,990	1,990
Total revenues	-	-	1,992	1,992
Expenditures:				
Debt service				
Principal retirement	415,000	415,000	415,000	-
Interest and fiscal charges	307,536	307,536	307,533	3
Total expenditures	722,536	722,536	722,533	3
Deficiency of revenues under expenditures . . .	(722,536)	(722,536)	(720,541)	1,995
Other financing sources:				
Transfers in	694,810	694,810	835,305	140,495
Total other financing sources	694,810	694,810	835,305	140,495
Net change in fund balance	(27,726)	(27,726)	114,764	142,490
Fund balance at beginning of year	86,281	86,281	86,281	-
Fund balance at end of year	\$ 58,555	\$ 58,555	\$ 201,045	\$ 142,490

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET RESURFACING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 2,928,571	\$ 3,090,097	\$ 3,090,100	\$ 3
Total revenues	2,928,571	3,090,097	3,090,100	3
Expenditures:				
Capital outlay	3,877,102	3,752,915	1,811,125	1,941,790
Total expenditures	3,877,102	3,752,915	1,811,125	1,941,790
Net change in fund balance	(948,531)	(662,818)	1,278,975	1,941,793
Fund balance at beginning of year	757,032	757,032	757,032	-
Prior year encumbrances appropriated	230,022	230,022	230,022	-
Fund balance at end of year	<u>\$ 38,523</u>	<u>\$ 324,236</u>	<u>\$ 2,266,029</u>	<u>\$ 1,941,793</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ISSUE II IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,874,012	\$ 1,074,015	\$ 900,816	\$ (173,199)
Total revenues	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>(173,199)</u>
Expenditures:				
Capital outlay	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>173,199</u>
Total expenditures	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>173,199</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SECTION 108 IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	192,318	98,867	98,867	-
Total expenditures	192,318	98,867	98,867	-
Deficiency of revenues under expenditures . . .	(192,318)	(98,867)	(98,867)	-
Other financing uses:				
Transfers out	-	(128,522)	(128,522)	-
Total other financing uses	-	(128,522)	(128,522)	-
Net change in fund balance	(192,318)	(227,389)	(227,389)	-
Fund balance at beginning of year	201,098	201,098	201,098	-
Prior year encumbrances appropriated	26,291	26,291	26,291	-
Fund balance at end of year.	<u>\$ 35,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIXED ASSET ACQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Other financing uses:				
Transfers out	(763,290)	(763,290)	(763,290)	-
Total other financing uses	(763,290)	(763,290)	(763,290)	-
Net change in fund balance	(763,290)	(763,290)	(763,290)	-
Fund balance at beginning of year	<u>763,290</u>	<u>763,290</u>	<u>763,290</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLER PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 303,565	\$ 303,565	\$ 23,532	\$ (280,033)
Total revenues	<u>303,565</u>	<u>303,565</u>	<u>23,532</u>	<u>(280,033)</u>
Expenditures:				
Capital outlay	<u>400,197</u>	<u>400,197</u>	<u>282,508</u>	<u>117,689</u>
Total expenditures	<u>400,197</u>	<u>400,197</u>	<u>282,508</u>	<u>117,689</u>
Deficiency of revenues under expenditures	<u>(96,632)</u>	<u>(96,632)</u>	<u>(258,976)</u>	<u>(162,344)</u>
Other financing uses:				
Repayment of loan from other funds	<u>(431,770)</u>	<u>(431,770)</u>	<u>(431,770)</u>	<u>-</u>
Total other financing uses	<u>(431,770)</u>	<u>(431,770)</u>	<u>(431,770)</u>	<u>-</u>
Net change in fund balance	<u>(528,402)</u>	<u>(528,402)</u>	<u>(690,746)</u>	<u>(162,344)</u>
Fund balance at beginning of year (restated) . .	<u>1,263,643</u>	<u>1,263,643</u>	<u>1,241,597</u>	<u>(22,046)</u>
Fund balance at end of year	<u><u>\$ 735,241</u></u>	<u><u>\$ 735,241</u></u>	<u><u>\$ 550,851</u></u>	<u><u>\$ (184,390)</u></u>

CITY OF MANSFIELD, OHIO

STATEMENT - NONMAJOR ENTERPRISE FUND

FUND DESCRIPTION

Nonmajor Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following is a description of the City's nonmajor enterprise fund.

Airport Operating:

To account for the operation of the City's airport facility.

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Airport Operating
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,131
Receivables (net of allowances of uncollectibles):	
Taxes	31,808
Accounts	14,674
Materials and supplies inventory.	25,769
Total current assets	75,382
Noncurrent assets:	
Capital assets:	
Land and construction in progress	1,493,629
Depreciable capital assets, net	1,215,177
Total capital assets	2,708,806
Total assets	2,784,188
 Liabilities:	
Current liabilities:	
Accounts payable.	3,982
Accrued wages and benefits	4,565
Due to other governments	7,841
Total current liabilities	16,388
Long-term liabilities:	
Compensated absences	68,646
Total long-term liabilities.	68,646
Total liabilities.	85,034
 Net assets:	
Invested in capital assets, net of related debt	2,708,806
Unrestricted	(9,652)
Total net assets	\$ 2,699,154

CITY OF MANSFIELD, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Airport Operating
Operating revenues:	
Charges for services	\$ 69,590
Total operating revenues	69,590
Operating expenses:	
Personal services	192,503
Fringe benefits	657
Contractual services.	151,720
Materials and supplies	46,274
Depreciation	131,587
Utilities	49,822
Other	100
Total operating expenses	572,663
Operating loss	(503,073)
Nonoperating revenues:	
Other nonoperating revenues	7,034
Intergovernmental	53,198
Municipal income tax	257,365
Total nonoperating revenues	317,597
Deficiency of operating revenues and nonoperating revenues under expenditures before capital contributions	(185,476)
Capital contributions	64,902
Changes in net assets	(120,574)
Net assets at beginning of year	2,819,728
Net assets at end of year	\$ 2,699,154

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Airport Operating
Cash flows from operating activities:	
Cash received from customers	\$ 73,406
Cash received from other operating revenues	7,034
Cash payments to employees	(180,073)
Cash payments to suppliers	(239,203)
Cash payments for other operating expenses	(7,829)
	(346,665)
 Cash flows from noncapital financing activities:	
Intergovernmental	53,198
Repayment of loans from other funds	(3,223)
Municipal income tax	309,038
	359,013
 Cash flows from capital and related financing activities:	
Acquisition of capital assets	(15,560)
	(15,560)
Net decrease in cash and cash equivalents	(3,212)
Cash and cash equivalents at beginning of year	6,343
Cash and cash equivalents at end of year	\$ 3,131
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (503,073)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	131,587
Other non-operating revenues	7,034
Changes in assets and liabilities:	
(Increase) in accounts receivable	(3,676)
Decrease in inventory of supplies	7,145
Increase in accounts payable	1,468
Increase in accrued wages and benefits	1,047
Increase in due to other governments	420
Increase in compensated absences payable	11,383
	11,383
Net cash used in operating activities	\$ (346,665)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 6,243,781	\$ 7,943,781	\$ 7,725,652	\$ (218,129)
Tap and license fees	152,000	152,000	130,744	(21,256)
Other	26,700	26,700	34,361	7,661
Total revenues.	<u>6,422,481</u>	<u>8,122,481</u>	<u>7,890,757</u>	<u>(231,724)</u>
Expenses:				
Personal services.	2,166,987	2,153,987	1,798,089	355,898
Fringe benefits.	23,700	18,175	3,480	14,695
Materials and supplies	787,853	787,430	631,804	155,626
Contractual services	3,496,445	3,655,595	3,089,486	566,109
Utilities	756,422	731,422	546,944	184,478
Capital outlay	-	60,000	-	60,000
Other	11,708	17,233	9,167	8,066
Debt service				
Principal retirement	410,000	410,000	410,000	-
Interest and fiscal charges	51,450	51,450	51,450	-
Total expenses	<u>7,704,565</u>	<u>7,885,292</u>	<u>6,540,420</u>	<u>1,344,872</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,282,084)</u>	<u>237,189</u>	<u>1,350,337</u>	<u>1,113,148</u>
Other financing sources (uses):				
Note proceeds	373,845	373,845	373,845	-
Transfers in	-	-	527,883	527,883
Transfers out	<u>(350,407)</u>	<u>(310,068)</u>	<u>-</u>	<u>310,068</u>
Total other financing sources (uses)	23,438	63,777	901,728	837,951
Net change in fund equity	<u>(1,258,646)</u>	<u>300,966</u>	<u>2,252,065</u>	<u>1,951,099</u>
Fund equity at beginning of year (restated) . . .	1,441,109	1,441,109	1,441,109	-
Prior year encumbrances appropriated	161,077	161,077	161,077	-
Fund equity at end of year.	<u>\$ 343,540</u>	<u>\$ 1,903,152</u>	<u>\$ 3,854,251</u>	<u>\$ 1,951,099</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 5,953,443	\$ 5,953,443	\$ 6,123,948	\$ 170,505
Intergovernmental	1,350,000	1,350,000	940,946	(409,054)
Tap and license fees	1,500	1,500	105	(1,395)
Investment earnings	15,600	15,600	15,600	-
Other	2,000	2,000	1,502	(498)
Total revenues	<u>7,322,543</u>	<u>7,322,543</u>	<u>7,082,101</u>	<u>(240,442)</u>
Expenses:				
Personal services	1,782,779	1,882,779	1,763,893	118,886
Fringe benefits	22,500	11,861	8,248	3,613
Materials and supplies	372,846	366,846	263,048	103,798
Contractual services	7,870,888	7,776,888	4,969,142	2,807,746
Utilities	811,899	797,609	487,436	310,173
Capital Outlay	6,195	196,195	6,365	189,830
Other	58,488	69,127	55,362	13,765
Debt service				
Principal retirement	35,000	35,000	35,000	-
Interest and fiscal charges	54,212	54,212	54,212	-
Total expenses	<u>11,014,807</u>	<u>11,190,517</u>	<u>7,642,706</u>	<u>3,547,811</u>
Deficiency of revenues under expenses	<u>(3,692,264)</u>	<u>(3,867,974)</u>	<u>(560,605)</u>	<u>3,307,369</u>
Other financing sources (uses):				
Transfers in	235,409	235,409	235,408	(1)
Transfers out	(269,925)	(281,546)	-	281,546
Note proceeds	867,752	867,752	867,752	-
Payment on loan to other funds	260,000	260,000	260,000	-
Total other financing sources (uses)	<u>1,093,236</u>	<u>1,081,615</u>	<u>1,363,160</u>	<u>281,545</u>
Net change in fund equity	(2,599,028)	(2,786,359)	802,555	3,588,914
Fund equity at beginning of year (restated)	3,841,682	3,841,682	3,841,682	-
Prior year encumbrances appropriated	1,799,601	1,799,601	1,799,601	-
Fund equity at end of year	<u>\$ 3,042,255</u>	<u>\$ 2,854,924</u>	<u>\$ 6,443,838</u>	<u>\$ 3,588,914</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 337,307	\$ 312,082	\$ 305,958	\$ (6,124)
Charges for services	51,900	51,900	56,809	4,909
Intergovernmental	92,000	92,000	69,796	(22,204)
Other	149	149	4,883	4,734
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues.	481,356	456,131	437,446	(18,685)
Expenses:				
Personal services.	178,071	181,521	180,073	1,448
Fringe benefits.	3,703	237	237	-
Materials and supplies	37,000	36,000	26,681	9,319
Contractual services	187,642	169,852	165,227	4,625
Utilities	72,167	49,748	48,302	1,446
Capital outlay	-	16,000	14,553	1,447
Other	500	500	100	400
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	479,083	453,858	435,173	18,685
Excess of revenues over expenses	2,273	2,273	2,273	-
Other financing uses:				
Repayment of loans from other funds	(3,223)	(3,223)	(3,223)	-
Net change in fund equity	(950)	(950)	(950)	-
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	950	950	950	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Mansfield on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

Garage Operating:

To account for the operation of the municipal vehicle repair garage for work performed for all departments and for the operation of a vehicle/equipment motor pool.

Information Technology:

To account for the operation of the municipal data processing department for work performed for all departments.

Utility Collections:

To account for the operation of the utility collections department for services provided to the water, sewer, codes and permits, and parking departments. The funds using the utility billing service are charged for the cost of the operation.

Health Insurance:

To account for the expenses incurred in the activity of self insurance by the City for employee health insurance.

OML Self Insurance:

To account for the expenses incurred in the activity of liability insurance as a member of the Ohio Municipal League Joint Self-Insurance Pool.

Workers' Compensation:

To account for the expenses incurred in the activity of the State Workers' Compensation System.

Benefit Fund:

To account for the city share of medicare, life insurance and OPERS (Ohio Public Employees Retirement System) contributions for employees.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2010

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 250
Materials and supplies inventory	<u>5,619</u>	<u>6,136</u>	<u>3,434</u>
Total current assets.	<u>5,619</u>	<u>6,136</u>	<u>3,684</u>
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	<u>22,337</u>	<u>94,691</u>	<u>61,223</u>
Total capital assets	<u>22,337</u>	<u>94,691</u>	<u>61,223</u>
Total assets	<u>27,956</u>	<u>100,827</u>	<u>64,907</u>
Liabilities:			
Current liabilities:			
Accounts payable.	20,856	2,407	1,518
Contracts payable.	-	37,187	86,206
Accrued wages and benefits	6,312	2,849	12,819
Due to other governments	13,066	7,816	33,270
Claims payable.	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities.	<u>40,234</u>	<u>50,259</u>	<u>133,813</u>
Long-term liabilities:			
Compensated absences	<u>73,174</u>	<u>53,503</u>	<u>80,978</u>
Total long-term liabilities.	<u>73,174</u>	<u>53,503</u>	<u>80,978</u>
Total liabilities	<u>113,408</u>	<u>103,762</u>	<u>214,791</u>
Net assets:			
Invested in capital assets, net of related debt.	22,337	94,691	61,223
Unrestricted (deficit).	<u>(107,789)</u>	<u>(97,626)</u>	<u>(211,107)</u>
Total net assets (deficit).	<u>\$ (85,452)</u>	<u>\$ (2,935)</u>	<u>\$ (149,884)</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ -	\$ -	\$ 99,203	\$ 99,453
-	-	-	15,189
-	-	99,203	114,642
-	-	-	178,251
-	-	-	178,251
-	-	99,203	292,893
1,105	112,396	-	138,282
-	-	-	123,393
-	-	-	21,980
-	-	-	54,152
680,861	-	-	680,861
681,966	112,396	-	1,018,668
-	-	-	207,655
-	-	-	207,655
681,966	112,396	-	1,226,323
-	-	-	178,251
(681,966)	(112,396)	99,203	(1,111,681)
<u>\$ (681,966)</u>	<u>\$ (112,396)</u>	<u>\$ 99,203</u>	<u>\$ (933,430)</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,209,641	\$ 643,997	\$ 1,678,791
Total operating revenues	<u>1,209,641</u>	<u>643,997</u>	<u>1,678,791</u>
Operating expenses:			
Personal services	260,917	180,137	642,513
Fringe benefits	-	-	892
Contractual services	136,262	400,710	733,464
Materials and supplies.	679,991	56,637	235,628
Depreciation.	170,857	33,493	177,700
Utilities	337	-	2,759
Claims expense	-	-	-
Other	-	5,499	-
Total operating expenses	<u>1,248,364</u>	<u>676,476</u>	<u>1,792,956</u>
Operating income (loss)	<u>(38,723)</u>	<u>(32,479)</u>	<u>(114,165)</u>
Nonoperating revenues:			
Other nonoperating revenue	<u>187</u>	<u>60</u>	<u>1,680</u>
Total nonoperating revenues	<u>187</u>	<u>60</u>	<u>1,680</u>
Income (loss) before capital contributions	(38,536)	(32,419)	(112,485)
Capital contributions	<u>(277,549)</u>	<u>26,970</u>	<u>16,931</u>
Changes in net assets	(316,085)	(5,449)	(95,554)
Net assets (deficit) at beginning of year	<u>230,633</u>	<u>2,514</u>	<u>(54,330)</u>
Net assets (deficit) at end of year	<u>\$ (85,452)</u>	<u>\$ (2,935)</u>	<u>\$ (149,884)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 6,035,620	\$ 460,962	\$ 831,005	\$ 2,560,625	\$ 13,420,641
6,035,620	460,962	831,005	2,560,625	13,420,641
-	-	-	-	1,083,567
-	-	-	-	892
430,740	54,585	755,752	2,560,625	5,072,138
-	-	-	-	972,256
-	-	-	-	382,050
-	-	-	-	3,096
5,679,212	26,969	-	-	5,706,181
-	-	-	-	5,499
6,109,952	81,554	755,752	2,560,625	13,225,679
(74,332)	379,408	75,253	-	194,962
-	-	-	-	1,927
-	-	-	-	1,927
(74,332)	379,408	75,253	-	196,889
-	(41,824)	-	-	(275,472)
(74,332)	337,584	75,253	-	(78,583)
(607,634)	(449,980)	23,950	-	(854,847)
\$ (681,966)	\$ (112,396)	\$ 99,203	\$ -	\$ (933,430)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,209,641	\$ 643,997	\$ 1,678,791
Cash received from other operating revenues	187	60	1,680
Cash payments to employees	(260,201)	(185,110)	(638,062)
Cash payments for suppliers	(826,909)	(422,122)	(883,877)
Cash payments for claims expense	-	-	-
Cash payments for other operating expenses	-	-	(8,790)
Net cash provided by (used in) operating activities	<u>122,718</u>	<u>36,825</u>	<u>149,742</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(163,720)</u>	<u>(39,236)</u>	<u>(166,151)</u>
Net cash used in capital and related financing activities	<u>(163,720)</u>	<u>(39,236)</u>	<u>(166,151)</u>
Net increase (decrease) in cash and cash equivalents	(41,002)	(2,411)	(16,409)
Cash and cash equivalents at beginning of year	<u>41,002</u>	<u>2,411</u>	<u>16,659</u>
Cash and cash equivalents at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 250</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (38,723)	\$ (32,479)	\$ (114,165)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	170,857	33,493	177,700
Other nonoperating revenues	187	60	1,680
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(1,577)	2,441	4,184
Increase (decrease) in accounts payable	11,587	1,096	(2,416)
Increase (decrease) in contracts payable	(20,329)	37,187	86,206
Increase in accrued wages and benefits	922	322	302
(Decrease) in due to other governments	(2,786)	(135)	(7,898)
Increase (decrease) in compensated absences payable	2,580	(5,160)	4,149
Increase in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u><u>\$ 122,718</u></u>	<u><u>\$ 36,825</u></u>	<u><u>\$ 149,742</u></u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 6,035,620	\$ 460,962	\$ 831,005	\$ 2,560,625	\$ 13,420,641
-	-	-	-	1,927
-	-	-	-	(1,083,373)
(473,130)	(392,169)	(755,752)	(2,560,625)	(6,314,584)
(5,581,891)	(26,969)	-	-	(5,608,860)
-	-	-	-	(8,790)
<u>(19,401)</u>	<u>41,824</u>	<u>75,253</u>	<u>-</u>	<u>406,961</u>
-	(41,824)	-	-	(410,931)
-	(41,824)	-	-	(410,931)
(19,401)	-	75,253	-	(3,970)
19,401	-	23,950	-	103,423
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,203</u>	<u>\$ -</u>	<u>\$ 99,453</u>
\$ (74,332)	\$ 379,408	\$ 75,253	\$ -	\$ 194,962
-	-	-	-	382,050
-	-	-	-	1,927
-	-	-	-	5,048
(42,390)	(337,584)	-	-	(369,707)
-	-	-	-	103,064
-	-	-	-	1,546
-	-	-	-	(10,819)
-	-	-	-	1,569
<u>97,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,321</u>
<u>\$ (19,401)</u>	<u>\$ 41,824</u>	<u>\$ 75,253</u>	<u>\$ -</u>	<u>\$ 406,961</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GARAGE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,365,500	\$ 1,365,500	\$ 1,209,641	\$ (155,859)
Other	-	-	4,100	4,100
Total revenues.	<u>1,365,500</u>	<u>1,365,500</u>	<u>1,213,741</u>	<u>(151,759)</u>
Expenses:				
Personal services.	322,763	321,263	260,201	61,062
Fringe benefits	3,600	1,955	-	1,955
Materials and supplies	753,776	753,776	691,305	62,471
Capital outlay	15,000	16,500	16,352	148
Contractual services	311,360	313,005	286,882	26,123
Total expenses	<u>1,406,499</u>	<u>1,406,499</u>	<u>1,254,740</u>	<u>151,759</u>
Net change in fund equity	(40,999)	(40,999)	(40,999)	-
Fund equity at beginning of year	2,622	2,622	2,622	-
Prior year encumbrances appropriated	38,377	38,377	38,377	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INFORMATION TECHNOLOGY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 767,033	\$ 767,033	\$ 643,997	\$ (123,036)
Other	-	-	60	60
Total revenues.	<u>767,033</u>	<u>767,033</u>	<u>644,057</u>	<u>(122,976)</u>
Expenses:				
Personal services.	200,871	200,871	185,110	15,761
Materials and supplies	23,608	23,608	17,634	5,974
Contractual services	488,676	481,926	383,462	98,464
Capital outlay	50,090	56,840	54,764	2,076
Other	6,200	6,200	5,499	701
Total expenses	<u>769,445</u>	<u>769,445</u>	<u>646,469</u>	<u>122,976</u>
Net change in fund equity	(2,412)	(2,412)	(2,412)	-
Fund equity at beginning of year	392	392	392	-
Prior year encumbrances appropriated	<u>2,020</u>	<u>2,020</u>	<u>2,020</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UTILITY COLLECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,041,008	\$ 2,041,008	\$ 1,678,791	\$ (362,217)
Other	3,800	3,800	1,680	(2,120)
Total revenues.	<u>2,044,808</u>	<u>2,044,808</u>	<u>1,680,471</u>	<u>(364,337)</u>
Expenses:				
Personal services.	667,745	667,745	638,062	29,683
Fringe benefits	13,500	13,500	8,790	4,710
Materials and supplies	178,720	178,720	148,337	30,383
Contractual services	1,160,588	1,160,588	877,789	282,799
Capital outlay	35,000	35,000	21,185	13,815
Utilities	5,640	5,640	2,693	2,947
Total expenses	<u>2,061,193</u>	<u>2,061,193</u>	<u>1,696,856</u>	<u>364,337</u>
Net change in fund equity	(16,385)	(16,385)	(16,385)	-
Fund equity at beginning of year	661	661	661	-
Prior year encumbrances appropriated	15,724	15,724	15,724	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 6,870,798	\$ 7,315,647	\$ 7,314,478	\$ (1,169)
Total revenues.	6,870,798	7,315,647	7,314,478	(1,169)
Expenses:				
Contractual services	465,578	473,130	473,130	-
Claims expense	6,424,621	6,860,749	6,860,749	-
Total expenses	6,890,199	7,333,879	7,333,879	-
Net change in fund equity	(19,401)	(18,232)	(19,401)	(1,169)
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	19,401	19,401	19,401	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ (1,169)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OML SELF INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 500,000	\$ 500,000	\$ 460,962	\$ (39,038)
Other	200,000	1,000,000	818,358	(181,642)
Total revenues.	<u>700,000</u>	<u>1,500,000</u>	<u>1,279,320</u>	<u>(220,680)</u>
Expenses:				
Contractual services	650,000	1,450,000	1,252,351	197,649
Claims expense	50,000	50,000	26,969	23,031
Total expenses	<u>700,000</u>	<u>1,500,000</u>	<u>1,279,320</u>	<u>220,680</u>
Net change in fund equity	-	-	-	-
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS' COMPENSATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 846,900	\$ 853,240	\$ 831,006	\$ (22,234)
Other	-	-	31,490	31,490
Total revenues.	<u>846,900</u>	<u>853,240</u>	<u>862,496</u>	<u>9,256</u>
Expenses:				
Contractual services	<u>812,243</u>	<u>812,243</u>	<u>787,242</u>	<u>25,001</u>
Total expenses	<u>812,243</u>	<u>812,243</u>	<u>787,242</u>	<u>25,001</u>
Net change in fund equity	34,657	40,997	75,254	34,257
Fund equity at beginning of year	<u>23,949</u>	<u>23,949</u>	<u>23,949</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 58,606</u>	<u>\$ 64,946</u>	<u>\$ 99,203</u>	<u>\$ 34,257</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BENEFIT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,718,160	\$ 2,754,658	\$ 2,560,625	\$ (194,033)
Total revenues	2,718,160	2,754,658	2,560,625	(194,033)
Expenses:				
Contractual services	2,718,160	2,751,331	2,560,625	190,706
Total expenses	2,718,160	2,751,331	2,560,625	190,706
Net change in fund equity	-	3,327	-	(3,327)
Fund equity at beginning of year	-	-	-	-
Fund equity at end of year	\$ -	\$ 3,327	\$ -	\$ (3,327)

CITY OF MANSFIELD, OHIO
COMBINING STATEMENTS - FIDUCIARY FUNDS
FUND DESCRIPTIONS

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or funds. These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The following are the City's fiduciary fund types:

Agency Funds

OSP Fines Fund

To account for monies collected through Ohio State Patrol fines that are then distributed to the local Law Library organization.

Sewer and Street Opening Fund

To account for monies deposited with the City by individuals who intend to excavate portions of City streets or sidewalks.

Building Security Fund

To account for deposits received from individuals to guarantee proper demolition and removal of structures damaged by fire.

Payroll Agency Fund

To account for monies aggregated from the various operating funds for payroll and payroll-related liabilities. As a pay period closed, the operating funds record the gross pay as expenditures or expenses; the payroll agency fund simultaneously records the various liabilities.

Municipal Court Fund

To account for monies that flow through the Clerk of Courts office.

Transient Occupancy Tax Fund

To account for collections of local tax on hotel/motel guests. Monies collected go to the Richland County Convention & Visitors Bureau, the local Main Street USA, and other miscellaneous agencies.

Board of Standards Assessments Fund

To account for fees, for the acceptance and approval of building plans.

Utility Deposits Fund

To account for monies deposited with the City by individuals for water and sewer service.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>
OSP Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,022	\$ 70,718	\$ 69,840	\$ 4,900
Receivables (net of allowances of uncollectibles):				
Accounts	5,114	70,111	70,718	4,507
Total assets	<u>\$ 9,136</u>	<u>\$ 140,829</u>	<u>\$ 140,558</u>	<u>\$ 9,407</u>
Liabilities:				
Due to individuals	\$ 9,136	\$ 70,111	\$ 69,840	\$ 9,407
Total liabilities.	<u>\$ 9,136</u>	<u>\$ 70,111</u>	<u>\$ 69,840</u>	<u>\$ 9,407</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 18,368	\$ 4,080	\$ 1,760	\$ 20,688
Total assets	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Liabilities:				
Due to individuals	\$ 18,368	\$ 4,080	\$ 1,760	\$ 20,688
Total liabilities.	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 62,865	\$ 43,654	\$ 51,129	\$ 55,390
Total assets	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Liabilities:				
Due to individuals	\$ 62,865	\$ 43,654	\$ 51,129	\$ 55,390
Total liabilities.	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 874,558	\$ 24,876,521	\$ 25,303,908	\$ 447,171
Total assets	<u>\$ 874,558</u>	<u>\$ 24,876,521</u>	<u>\$ 25,303,908</u>	<u>\$ 447,171</u>
Liabilities:				
Accounts payable	\$ 55,760	\$ 10,184,551	\$ 10,191,852	\$ 48,459
Due to other governments	416,164	6,082,496	6,221,831	276,829
Due to individuals	402,634	8,609,474	8,890,225	121,883
Total liabilities.	<u>\$ 874,558</u>	<u>\$ 24,876,521</u>	<u>\$ 25,303,908</u>	<u>\$ 447,171</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance</u> <u>01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/10</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 852,944	\$ 5,663,457	\$ 5,774,913	\$ 741,488
Total assets	<u>\$ 852,944</u>	<u>\$ 5,663,457</u>	<u>\$ 5,774,913</u>	<u>\$ 741,488</u>
Liabilities:				
Due to other governments	\$ 81,536	\$ 1,168,839	\$ 1,169,492	\$ 80,883
Accounts payable	133,155	2,317,553	2,310,992	139,716
Due to individuals	3,139	49,461	50,662	1,938
Undistributed monies	635,114	2,127,604	2,243,767	518,951
Total liabilities.	<u>\$ 852,944</u>	<u>\$ 5,663,457</u>	<u>\$ 5,774,913</u>	<u>\$ 741,488</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 12,493	\$ 201,778	\$ 214,271	\$ -
Receivables (net of allowances of uncollectibles):				
Taxes	9,669	202,108	201,778	9,999
Total assets	<u>\$ 22,162</u>	<u>\$ 403,886</u>	<u>\$ 416,049</u>	<u>\$ 9,999</u>
Liabilities:				
Accounts payable	\$ 2,753	\$ 34,878	\$ 35,044	\$ 2,587
Due to individuals	19,409	167,230	179,227	7,412
Total liabilities.	<u>\$ 22,162</u>	<u>\$ 202,108</u>	<u>\$ 214,271</u>	<u>\$ 9,999</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 485	\$ 1,707	\$ 1,724	\$ 468
Total assets	<u>\$ 485</u>	<u>\$ 1,707</u>	<u>\$ 1,724</u>	<u>\$ 468</u>
Liabilities:				
Due to other governments	\$ 485	\$ 1,707	\$ 1,724	\$ 468
Total liabilities.	<u>\$ 485</u>	<u>\$ 1,707</u>	<u>\$ 1,724</u>	<u>\$ 468</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 850	\$ -	\$ 850	\$ -
Total assets	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>
Liabilities:				
Due to individuals	\$ 850	\$ -	\$ 850	\$ -
Total liabilities.	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 952,027	\$ 5,985,394	\$ 6,114,487	\$ 822,934
Cash and cash equivalents with fiscal agents	874,558	24,876,521	25,303,908	447,171
Receivables (net of allowances of uncollectibles):				
Taxes	9,669	202,108	201,778	9,999
Accounts	5,114	70,111	70,718	4,507
Total assets	<u>\$ 1,841,368</u>	<u>\$ 31,134,134</u>	<u>\$ 31,690,891</u>	<u>\$ 1,284,611</u>
Liabilities:				
Due to other governments	\$ 498,185	\$ 7,253,042	\$ 7,393,047	\$ 358,180
Accounts payable	191,668	12,536,982	12,537,888	190,762
Due to individuals	516,401	8,944,010	9,243,693	216,718
Undistributed monies	635,114	2,127,604	2,243,767	518,951
Total liabilities.	<u>\$ 1,841,368</u>	<u>\$ 30,861,638</u>	<u>\$ 31,418,395</u>	<u>\$ 1,284,611</u>

Statistical Section

This part of the City of Mansfield, Ohio'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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	148
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.	156
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.	165
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.	167

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 2003; schedules presenting government-wide information begin in that year.

CITY OF MANSFIELD, OHIO

NET ASSETS BY COMPONENT
LAST EIGHT YEARS
(accrual basis of accounting)

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 49,379,425	\$ 45,218,744	\$ 48,572,308	\$ 46,575,580
Restricted	17,794,871	8,528,084	7,647,351	12,085,390
Unrestricted	<u>(1,923,290)</u>	<u>5,929,372</u>	<u>3,618,921</u>	<u>1,118,449</u>
<i>Total Governmental Activities Net Assets</i>	<u>65,251,006</u>	<u>59,676,200</u>	<u>59,838,580</u>	<u>59,779,419</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	39,214,411	38,192,427	37,203,838	37,016,539
Restricted	3,231,968	2,998,376	4,040,936	3,979,276
Unrestricted	<u>10,104,011</u>	<u>6,363,897</u>	<u>8,637,779</u>	<u>8,911,886</u>
<i>Total Business-Type Activities Net Assets</i>	<u>52,550,390</u>	<u>47,554,700</u>	<u>49,882,553</u>	<u>49,907,701</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	88,593,836	83,411,171	85,776,146	83,592,119
Restricted	21,026,839	11,526,460	11,688,287	16,064,666
Unrestricted	<u>8,180,721</u>	<u>12,293,269</u>	<u>12,256,700</u>	<u>10,030,335</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>	<u>\$ 109,721,133</u>	<u>\$ 109,687,120</u>

	2006	2005	2004	2003
\$	45,098,513	\$ 46,367,183	\$ 47,833,128	\$ 48,523,672
	15,824,043	15,521,272	15,950,708	26,640,679
	1,740,055	(413,024)	(1,266,633)	(11,680,081)
	<u>62,662,611</u>	<u>61,475,431</u>	<u>62,517,203</u>	<u>63,484,270</u>
	37,078,689	37,370,730	36,878,972	39,814,666
	3,979,276	3,979,276	4,070,672	1,457,668
	12,340,798	10,362,772	8,135,785	7,912,220
	<u>53,398,763</u>	<u>51,712,778</u>	<u>49,085,429</u>	<u>49,184,554</u>
	82,177,202	83,737,913	84,712,100	88,338,338
	19,803,319	19,500,548	20,021,380	28,098,347
	14,080,853	9,949,748	6,869,152	(3,767,861)
\$	<u>116,061,374</u>	<u>113,188,209</u>	<u>111,602,632</u>	<u>112,668,824</u>

CITY OF MANSFIELD, OHIO

CHANGES IN NET ASSETS
LAST EIGHT YEARS
(accrual basis of accounting)

	2010	2009	2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 4,218,337	\$ 3,354,171	\$ 2,743,160	\$ 3,581,833
Public safety	1,816,016	1,696,761	1,635,098	1,614,005
Public health and welfare	9,792	99,625	-	-
Transportation	147,242	130,933	900,705	166,360
Community environment	125,865	79,013	188,869	187,974
Leisure time activities	17,500	20,050	35,048	39,236
Operating Grants and Contributions	9,097,678	6,807,761	11,077,411	7,737,309
Capital Grants and Contributions	5,928,197	1,424,961	1,674,288	1,390,445
<i>Total Governmental Activities Program Revenues</i>	<u>21,360,627</u>	<u>13,613,275</u>	<u>18,254,579</u>	<u>14,717,162</u>
Business-Type Activities:				
Charges for Services:				
Water	8,041,727	7,088,115	8,000,336	8,065,907
Sewer	7,301,003	7,816,211	8,001,563	8,186,664
Airport	69,590	63,969	66,965	81,693
Parking Garage	-	-	-	-
Capital Grants and Contributions	1,821,086	1,916,402	1,511,417	728,928
<i>Total Business-Type Activities Program Revenues</i>	<u>17,233,406</u>	<u>16,884,697</u>	<u>17,580,281</u>	<u>17,063,192</u>
<i>Total Primary Government Program Revenues</i>	<u>38,594,033</u>	<u>30,497,972</u>	<u>35,834,860</u>	<u>31,780,354</u>
Expenses				
Governmental Activities:				
General government	12,724,498	12,462,297	14,474,385	11,985,745
Public safety	25,028,107	23,263,250	23,624,982	24,205,050
Public health and welfare	69,089	110,876	128,164	158,475
Transportation	2,196,791	8,313,893	9,917,676	10,089,697
Community environment	2,697,080	2,623,592	1,669,302	1,782,621
Leisure time activities	215,429	500,889	879,341	917,913
Interest and fiscal charges	292,388	276,828	288,073	296,853
<i>Total Governmental Activities Expenses</i>	<u>43,223,382</u>	<u>47,551,625</u>	<u>50,981,923</u>	<u>49,436,354</u>
Business-Type Activities:				
Water	6,100,219	7,759,063	7,604,723	9,025,320
Sewer	6,672,653	9,898,811	9,821,326	11,075,835
Airport	572,663	683,312	646,544	1,196,799
Parking Garage	-	-	251,712	165
<i>Total Business-Type Activities Expenses</i>	<u>13,345,535</u>	<u>18,341,186</u>	<u>18,324,305</u>	<u>21,298,119</u>
<i>Total Primary Government Expenses</i>	<u>\$ 56,568,917</u>	<u>\$ 65,892,811</u>	<u>\$ 69,306,228</u>	<u>\$ 70,734,473</u>

	2006	2005	2004	2003
\$	3,452,357	\$ 3,490,786	\$ 3,608,646	\$ 2,195,188
	1,602,051	1,653,534	928,130	625,619
	400	380	8,446	9,727
	168,545	295,065	209,200	463,892
	150,663	258,271	176,753	209,867
	182,104	315,728	20,626	21,764
	7,041,641	9,841,045	6,849,290	7,547,321
	1,060,076	70,414	309,775	132,240
	<u>13,657,837</u>	<u>15,925,223</u>	<u>12,110,866</u>	<u>11,205,618</u>
	8,000,960	8,343,947	8,050,000	7,517,166
	8,481,960	8,395,183	8,159,344	6,791,857
	84,969	88,611	143,038	154,987
	33,696	187,696	32,132	44,211
	1,096,738	1,148,728	629,261	533,827
	<u>17,698,323</u>	<u>18,164,165</u>	<u>17,013,775</u>	<u>15,042,048</u>
	<u>31,356,160</u>	<u>34,089,388</u>	<u>29,124,641</u>	<u>26,247,666</u>
	9,960,681	12,154,838	10,496,931	8,258,059
	22,958,245	23,850,064	21,355,233	20,653,049
	141,884	137,328	156,000	260,946
	10,396,560	10,078,954	8,390,900	8,496,196
	1,972,480	1,491,159	2,065,065	2,262,008
	1,103,561	488,317	449,412	505,060
	253,102	253,405	355,645	689,642
	<u>46,786,513</u>	<u>48,454,065</u>	<u>43,269,186</u>	<u>41,124,960</u>
	8,144,636	7,412,809	7,638,373	7,198,264
	7,695,342	8,158,651	8,211,524	7,240,115
	774,342	784,276	736,546	733,102
	12,481	230,928	22,301	28,976
	<u>16,626,801</u>	<u>16,586,664</u>	<u>16,608,744</u>	<u>15,200,457</u>
\$	<u>63,413,314</u>	<u>\$ 65,040,729</u>	<u>\$ 59,877,930</u>	<u>\$ 56,325,417</u>

(continued)

CITY OF MANSFIELD, OHIO

**CHANGES IN NET ASSETS
LAST EIGHT YEARS
(accrual basis of accounting)**

	2010	2009	2008	2007
Net (Expense)/Revenue				
Governmental Activities	\$ (21,862,755)	\$ (33,938,350)	\$ (32,727,344)	\$ (34,719,192)
Business-Type Activities	3,887,871	(1,456,489)	(744,024)	(4,234,927)
<i>Total Primary Government Net Expense</i>	<u>\$ (17,974,884)</u>	<u>\$ (35,394,839)</u>	<u>\$ (33,471,368)</u>	<u>\$ (38,954,119)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 2,024,365	\$ 1,921,449	\$ 2,119,802	\$ 2,026,704
Debt service	-	-	-	-
Special purposes	417,383	382,588	422,629	403,991
Income taxes levied for:				
General purposes	365,730	339,453	309,108	833,459
Special purposes	18,211,023	18,035,032	20,226,017	18,832,225
Capital projects	3,050,004	3,089,291	4,706,268	4,258,507
Grants and entitlements not restricted to specific programs	3,719,190	8,094,480	3,972,491	4,072,562
Investment earnings	326,473	413,969	932,920	1,259,757
Gain on sale of capital assets	84,756	167,581	-	-
Miscellaneous	1,927	68,484	97,270	7,204
Transfers	(763,290)	-	-	-
Special item - donation of land	-	-	-	-
<i>Total Governmental Activities</i>	<u>27,437,561</u>	<u>32,512,327</u>	<u>32,786,505</u>	<u>31,694,409</u>
Business-Type Activities:				
Income taxes levied for:				
Airport	257,365	263,384	604,380	413,685
Grants and entitlements not restricted to specific programs	53,198	73,888	73,888	194,738
Investment earnings	15,600	20,670	25,545	2,658
Miscellaneous	18,366	34,337	15,063	59,950
Transfers	763,290	-	-	-
<i>Total Business-Type Activities</i>	<u>1,107,819</u>	<u>392,279</u>	<u>718,876</u>	<u>671,031</u>
<i>Total Primary Government</i>	<u>28,545,380</u>	<u>32,904,606</u>	<u>33,505,381</u>	<u>32,365,440</u>
Change in Net Assets				
Governmental Activities	5,574,806	(1,426,023)	59,161	(3,024,783)
Business-Type Activities	4,995,690	(1,064,210)	(25,148)	(3,563,896)
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 10,570,496</u>	<u>\$ (2,490,233)</u>	<u>\$ 34,013</u>	<u>\$ (6,588,679)</u>

2006	2005	2004	2003
\$ (33,128,676)	\$ (32,528,842)	\$ (31,158,320)	\$ (29,919,342)
1,071,522	1,577,501	405,031	(158,409)
<u>\$ (32,057,154)</u>	<u>\$ (30,951,341)</u>	<u>\$ (30,753,289)</u>	<u>\$ (30,077,751)</u>

\$ 2,301,741	\$ 2,520,948	\$ 1,895,024	\$ 1,956,016
-	1,062	2,522	8,037
471,426	784,511	368,905	394,563
642,031	714,984	797,061	295,182
20,554,764	19,109,121	18,116,003	19,085,840
2,336,710	3,893,063	3,062,798	3,297,494
6,409,483	2,646,945	5,169,330	5,520,410
1,548,036	1,029,572	411,338	629,575
-	-	89,416	18,581
51,665	174,500	231,320	134,162
-	-	-	337,209
-	-	-	(180,484)
<u>34,315,856</u>	<u>30,874,706</u>	<u>30,143,717</u>	<u>31,496,585</u>

421,564	439,395	256,830	271,518
86,433	486,715	-	-
7,305	-	44,265	48,750
99,161	123,738	32,238	19,182
-	-	-	(337,209)
<u>614,463</u>	<u>1,049,848</u>	<u>333,333</u>	<u>2,241</u>
<u>34,930,319</u>	<u>31,924,554</u>	<u>30,477,050</u>	<u>31,498,826</u>

1,187,180	(1,654,136)	(1,014,603)	1,577,243
1,685,985	2,627,349	738,364	(156,168)
<u>\$ 2,873,165</u>	<u>\$ 973,213</u>	<u>\$ (276,239)</u>	<u>\$ 1,421,075</u>

CITY OF MANSFIELD, OHIO

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

(modified accrual basis of accounting)

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 2,117,844	\$ 2,306,556	\$ 439,910	\$ 1,116,618	\$ 359,737
Unreserved	(1,278,516)	(2,314,562)	984,869	509,765	2,014,261
<i>Total General Fund</i>	<u>839,328</u>	<u>(8,006)</u>	<u>1,424,779</u>	<u>1,626,383</u>	<u>2,373,998</u>
All Other Governmental Funds					
Reserved	2,724,621	3,430,572	5,372,506	7,821,162	5,886,752
Unreserved, reported in:					
Special revenue funds	1,919,822	2,281,100	1,418,680	1,495,324	3,480,884
Debt service fund	129,128	14,364	-	-	-
Capital project funds	3,174,133	2,828,450	(1,650,762)	(650,979)	1,335,060
<i>Total All Other Governmental Funds</i>	<u>7,947,704</u>	<u>8,554,486</u>	<u>5,140,424</u>	<u>8,665,507</u>	<u>10,702,696</u>
<i>Total Governmental Funds</i>	<u>\$ 8,787,032</u>	<u>\$ 8,546,480</u>	<u>\$ 6,565,203</u>	<u>\$ 10,291,890</u>	<u>\$ 13,076,694</u>

2005	2004	2003	2002	2001
\$ 506,487 (210,543)	\$ 727,717 (1,213,843)	\$ 756,972 479,177	\$ 153,728 73,735	\$ 395,765 934,823
295,944	(486,126)	1,236,149	227,463	1,330,588
6,479,670	6,010,557	7,135,246	8,179,023	10,564,282
3,664,556	2,564,398	1,723,601	2,484,448	378,489
-	-	-	-	-
1,698,691	2,056,068	12,997,592	11,213,435	9,834,395
11,842,917	10,631,023	21,856,439	21,876,906	20,777,166
\$ 12,138,861	\$ 10,144,897	\$ 23,092,588	\$ 22,104,369	\$ 22,107,754

CITY OF MANSFIELD, OHIO

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)**

	2010	2009	2008	2007	2006
Revenues:					
Municipal income taxes	\$ 21,595,452	\$ 21,515,827	\$ 24,241,438	\$ 24,369,037	\$ 23,449,356
Property and other taxes	2,445,489	2,386,719	2,542,983	2,545,865	2,707,079
Charges for services	2,014,192	1,699,492	2,501,935	1,747,742	1,456,616
Licenses, permits and fees	597,049	754,461	1,009,895	898,192	809,274
Fines and forfeitures	2,830,775	2,317,850	1,819,253	1,724,413	1,682,073
Intergovernmental	18,788,739	12,094,597	17,757,450	14,866,082	12,612,732
Special assessments	49,359	56,273	41,680	26,093	24,533
Investment income	326,473	413,969	932,920	1,259,757	1,441,036
Other	843,375	552,476	132,868	227,968	1,585,563
<i>Total revenues</i>	<u>49,490,903</u>	<u>41,791,664</u>	<u>50,980,422</u>	<u>47,665,149</u>	<u>45,768,262</u>
Expenditures:					
Current:					
General government	8,615,629	9,262,486	10,838,867	10,254,320	9,970,709
Public safety	25,333,268	24,600,304	24,477,914	24,230,031	23,679,137
Public health and welfare	76,351	109,486	129,965	154,251	140,291
Transportation	2,300,961	2,528,206	3,895,775	4,454,990	3,580,149
Community environment	2,778,561	2,573,024	1,654,607	1,787,617	1,953,994
Leisure time activities	419,944	460,698	766,628	1,231,940	1,061,524
Capital outlay	8,185,288	3,965,385	12,556,339	8,054,070	3,957,967
Debt service:					
Principal retirement	415,000	320,000	310,000	305,000	300,430
Interest and fiscal charges	307,533	292,983	327,285	242,972	255,687
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>48,432,535</u>	<u>44,112,572</u>	<u>54,957,380</u>	<u>50,715,191</u>	<u>44,899,888</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,058,368</u>	<u>(2,320,908)</u>	<u>(3,976,958)</u>	<u>(3,050,042)</u>	<u>868,374</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	84,756	167,581	155,939	110,990	42,471
Proceeds from sale of note premium	-	-	-	-	-
Proceeds of bonds	-	2,620,000	-	-	-
Proceeds from sale of bond premium	-	64,448	-	-	-
Proceeds from capital lease transaction	-	100,000	-	-	-
Transfers in	1,584,644	1,660,461	766,165	1,833,962	849,352
Transfers out	(2,347,934)	(1,660,461)	(686,305)	(1,833,962)	(849,352)
<i>Total other financing sources (uses)</i>	<u>(678,534)</u>	<u>2,952,029</u>	<u>235,799</u>	<u>110,990</u>	<u>42,471</u>
<i>Net change in fund balances</i>	<u>\$ 379,834</u>	<u>\$ 631,121</u>	<u>\$ (3,741,159)</u>	<u>\$ (2,939,052)</u>	<u>\$ 910,845</u>
Debt Service as a Percentage of Noncapital Expenditures	2.0%	1.6%	1.6%	1.4%	1.4%

	2005	2004	2003	2002	2001
\$	23,254,583	\$ 22,444,242	\$ 22,322,290	\$ 22,319,628	\$ 21,273,925
	3,044,029	2,376,280	2,337,097	2,228,152	3,324,866
	2,055,269	1,239,855	499,903	454,980	668,471
	954,917	1,805,151	975,739	887,891	688,265
	1,716,546	1,792,353	1,851,684	2,189,288	2,096,628
	14,082,197	11,687,464	12,195,703	12,346,111	12,896,925
	148,266	25,415	46,263	53,288	66,133
	1,029,572	411,338	629,575	905,511	1,354,661
	1,135,627	314,086	288,727	434,977	294,253
	<u>47,421,006</u>	<u>42,096,184</u>	<u>41,146,981</u>	<u>41,819,826</u>	<u>42,664,127</u>
	10,250,858	9,576,262	9,458,715	11,241,914	10,663,504
	22,892,003	21,695,859	20,501,227	20,870,709	18,992,474
	132,170	159,014	166,115	131,019	130,533
	3,681,798	2,753,622	2,620,323	4,450,234	5,672,129
	1,442,988	2,105,021	2,223,299	2,326,942	2,130,239
	474,764	390,776	527,494	835,660	1,012,543
	5,621,233	4,691,108	3,771,501	5,289,272	4,998,346
	765,000	11,035,000	10,910,000	12,875,000	9,995,000
	256,095	504,235	727,275	551,689	621,897
	-	-	-	135,530	-
	<u>45,516,909</u>	<u>52,910,897</u>	<u>50,905,949</u>	<u>58,707,969</u>	<u>54,216,665</u>
	1,904,097	(10,814,713)	(9,758,968)	(16,888,143)	(11,552,538)
	114,467	89,416	112,981	118,144	116,123
	1,303	-	10,260,000	10,000,000	12,250,000
	-	-	-	7,068,855	-
	-	-	-	-	-
	-	93,572	-	-	-
	1,501,262	790,958	3,395,104	6,122,852	1,748,097
	(1,501,262)	(790,958)	(3,057,895)	(6,260,956)	(1,511,740)
	<u>115,770</u>	<u>182,988</u>	<u>10,710,190</u>	<u>17,048,895</u>	<u>12,602,480</u>
\$	<u>2,019,867</u>	<u>\$ (10,631,725)</u>	<u>951,222</u>	<u>\$ 160,752</u>	<u>\$ 1,049,942</u>

2.7%

24.1%

25.7%

25.1%

21.6%

CITY OF MANSFIELD, OHIO

**ASSESSED VALUE AND ESTIMATED TRUE VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

Year	Real Property		Personal Property (1) (5)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
2010	\$ 601,577,670	\$ 1,718,793,343	\$ -	\$ -
2009	612,474,640	1,749,927,543	-	-
2008 (3)	611,164,890	1,746,185,400	43,950,179	703,202,864
2007	613,362,160	1,752,463,229	58,600,238	468,801,904
2006	612,365,730	1,749,616,371	110,363,727	588,363,727
2005 (4)	615,981,970	1,759,948,486	145,405,712	605,857,133
2004	553,471,750	1,581,347,857	145,331,157	631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update year

(4) Reappraisal year

(5) Personal property taxes were phased out.

Source: Richland County Auditor

Public Utility (2)		Totals			Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Direct Tax Rate	Estimated Actual	
\$ 14,328,390	\$ 40,938,257	\$ 615,906,060	3.60%	\$ 1,759,731,600	35.00%
13,795,680	39,416,229	626,270,320	3.60%	1,789,343,772	35.00%
13,509,070	38,597,343	668,624,139	3.60%	2,487,985,607	26.87%
13,435,490	38,387,114	685,397,888	3.60%	2,259,652,247	30.33%
19,584,030	55,954,371	742,313,487	3.60%	2,393,934,469	31.01%
22,294,140	63,697,543	783,681,822	3.60%	2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	3.60%	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	3.60%	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	3.60%	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	5.10%	2,065,659,868	32.44%

CITY OF MANSFIELD, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS (1)

Collection Year	Operating (3)	Police and Fire Pension	Debt Retirement (2)	City of Mansfield	Richland County	Mansfield City School District	Total
2010	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 12.40	\$ 68.65	\$ 84.65
2009	3.00	0.60	-	3.60	12.40	68.65	84.65
2008	3.00	0.60	-	3.60	11.40	69.25	84.25
2007	3.00	0.60	-	3.60	11.40	60.55	75.55
2006	3.00	0.60	-	3.60	11.40	60.75	75.75
2005	3.00	0.60	-	3.60	11.40	66.05	81.05
2004	3.00	0.60	-	3.60	11.40	66.05	81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25

(1) The above are the rates for recent years at which the City and the overlapping taxing subdivisions levied ad valorem property taxes in that area of the City having the highest overlapping tax rate.

(2) The voted tax levies for "Debt Retirement" continue for the life of the bonds authorized by the electors, in annual amounts sufficient to pay debt service on those bonds as they become due.

(3) Includes Mansfield Township portion.

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
PRINCIPAL TAXPAYERS
(EXCLUDING PUBLIC UTILITY)
DECEMBER 31, 2010 AND DECEMBER 31, 2001

Name of Taxpayer	December 31, 2010	
	Assessed Valuation	Percentage of Total Assessed Valuation
Newman Technology	\$ 5,354,610	0.89%
Walmart	2,938,000	0.49%
SSI Mansfield	2,818,420	0.47%
Jay Industries	2,086,650	0.35%
Armco, Inc.	2,055,330	0.34%
Willard Rental Properties	1,832,750	0.30%
City of Mansfield	1,813,830	0.30%
Wedgewood Estates	1,583,030	0.26%
Johnny Appleseed	1,575,000	0.26%
Graham Chevrolet	1,574,850	0.26%
Totals	<u>\$ 23,632,470</u>	<u>3.92%</u>

Name of Taxpayer	December 31, 2001	
	Assessed Valuation	Percentage of Total Assessed Valuation
AK Steel Corporation	\$ 7,223,340	1.42%
Mansfield Square	3,432,820	0.68%
Newman Technology	3,050,620	0.60%
Gorman Rupp Company	2,671,250	0.53%
Jay Plastics	2,201,570	0.43%
Therm-O-Disc	1,583,300	0.31%
Skilken, Morris B.	1,415,800	0.28%
Mansfield Motel	1,270,340	0.25%
Richland Bank	1,158,970	0.23%
Lumbermans	875,570	0.17%
Totals	<u>\$ 24,883,580</u>	<u>4.90%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

**REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>
2010	\$ 2,608,552	\$ 1,955,101	74.9%	\$ 653,451	\$ 2,608,552	100.0%
2009	2,181,153	1,856,901	85.1%	324,252	2,181,153	100.0%
2008	2,186,409	2,172,251	99.4%	14,159	2,186,410	100.0%
2007	2,203,918	1,960,848	89.0%	243,070	2,203,918	100.0%
2006	2,208,475	2,060,648	93.3%	147,827	2,208,475	100.0%
2005	2,005,354	1,715,128	85.5%	290,225	2,005,353	100.0%
2004	2,004,286	2,002,840	99.9%	266,966	2,269,806	113.2%
2003	1,900,247	1,715,056	90.3%	262,544	1,977,600	104.1%
2002 (2)	1,868,997	1,636,801	87.6%	243,604	1,880,405	100.6%
2001	2,671,096	2,634,667	98.6%	316,140	2,950,807	110.5%

Source: Richland County Auditor

(1) Includes collection of current charges, plus current and delinquent additions less current and delinquent abatements.

(2) The collection for voted tax levies was completed in 2001. This caused a decrease in collections for 2002.

Note: Amounts collected include state shared taxes provided to the City to offset legislatively granted property tax reductions. These amounts have been classified as intergovernmental revenues on the financial statements.

CITY OF MANSFIELD, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes From Withholding</u>	<u>Percentage of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes From Individuals</u>
2010	1.75%	\$ 23,162,331	\$ 18,375,043	79.3%	\$ 3,296,900	14.2%	\$ 1,490,388	6.5%
2009	1.75%	22,962,928	18,533,033	80.7%	2,914,595	12.7%	1,515,300	6.6%
2008	1.75%	25,100,403	19,618,191	78.2%	3,886,377	15.5%	1,595,835	6.3%
2007	1.75%	25,952,247	20,333,797	78.4%	4,030,366	15.5%	1,588,084	6.1%
2006	1.75%	24,586,419	19,853,408	80.7%	3,214,402	13.1%	1,518,609	6.2%
2005	1.75%	24,229,207	19,233,753	79.4%	3,460,874	14.3%	1,534,580	6.3%
2004	1.75%	22,855,984	18,651,034	81.6%	2,773,583	12.1%	1,431,367	6.3%
2003	1.75%	23,289,856	19,165,146	82.3%	2,634,031	11.3%	1,490,679	6.4%
2002	1.75%	23,232,422	18,614,963	80.1%	3,106,239	13.4%	1,511,220	6.5%
2001	1.75%	22,679,374	18,585,927	82.0%	2,522,251	11.1%	1,571,196	6.9%

% Represents percent of total tax collected

Tax rate of 1.75% consists of a 1% permanent levy, a .25% street resurfacing levy, and an additional .50% safety services levy.

Sources: City of Mansfield Income Tax Division - amounts reflect calendar year collections. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding only without filing requirement.

CITY OF MANSFIELD, OHIO

**TOP TEN INCOME TAX WITHHOLDING ACCOUNTS
LAST SIX YEARS**

Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections	Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections
2010	1	\$ 1,434,242	7.81%	2009	1	\$ 1,460,849	7.97%
2010	2	1,032,882	5.62%	2009	2	1,065,900	5.82%
2010	3	725,392	3.95%	2009	3	736,239	4.02%
2010	4	543,692	2.96%	2009	4	568,663	3.10%
2010	5	517,690	2.82%	2009	5	496,749	2.71%
2010	6	476,933	2.60%	2009	6	493,879	2.70%
2010	7	460,848	2.51%	2009	7	423,830	2.31%
2010	8	444,903	2.42%	2009	8	394,803	2.16%
2010	9	428,300	2.33%	2009	9	358,432	1.96%
2010	10	321,869	1.75%	2009	10	282,799	1.54%
	Total	\$ 6,386,751	34.77%		Total	\$ 6,282,143	34.29%
2008	1	\$ 1,502,047	7.60%	2007	1	\$ 1,496,224	7.56%
2008	2	1,131,253	5.72%	2007	2	1,063,689	5.38%
2008	3	755,505	3.82%	2007	3	734,413	3.71%
2008	4	696,592	3.52%	2007	4	726,067	3.67%
2008	5	544,279	2.75%	2007	5	596,997	3.02%
2008	6	499,176	2.52%	2007	6	532,024	2.69%
2008	7	483,435	2.44%	2007	7	487,347	2.46%
2008	8	458,232	2.32%	2007	8	477,848	2.42%
2008	9	455,986	2.31%	2007	9	472,978	2.39%
2008	10	419,777	2.12%	2007	10	453,490	2.29%
	Total	\$ 6,946,282	35.13%		Total	\$ 7,041,077	35.60%
2006	1	\$ 1,451,196	7.40%	2005	1	\$ 1,359,130	7.05%
2006	2	1,014,812	5.17%	2005	2	1,041,497	5.40%
2006	3	719,457	3.67%	2005	3	706,608	3.66%
2006	4	695,250	3.54%	2005	4	675,728	3.50%
2006	5	663,162	3.38%	2005	5	672,385	3.49%
2006	6	539,103	2.75%	2005	6	525,838	2.73%
2006	7	491,989	2.51%	2005	7	510,825	2.65%
2006	8	488,376	2.49%	2005	8	501,816	2.60%
2006	9	471,966	2.41%	2005	9	468,936	2.43%
2006	10	438,761	2.24%	2005	10	419,234	2.17%
	Total	\$ 6,974,072	35.56%		Total	\$ 6,881,997	35.68%

% Represents percent of total withholding tax collected

Sources: City of Mansfield Income Tax Division - amounts reflect calendar year collections. Company names not provided due to confidentiality regulations.

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CITY OF MANSFIELD, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases
2010	\$ 5,365,000	\$ -	\$ 300,000	\$ -
2009	5,710,000	-	370,000	100,000
2008	3,340,000	-	440,000	20,473
2007	3,580,000	-	510,000	39,982
2006	3,815,000	-	580,000	58,582
2005	4,040,000	-	655,430	76,309
2004	4,735,000	3,139	730,862	93,572
2003	5,440,000	3,268	11,066,293	-
2002	4,565,000	3,758	10,881,724	38,711
2001	-	37,148	13,207,155	82,988

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

See Demographic and Economic Statistics for personal income and population data.

Business-type Activities					
General Obligation Bonds		Notes	Total Debt	Percentage of Personal Income	Per Capita
\$	2,105,000	\$ 1,477,574	\$ 9,247,574	1.11%	\$ 193
	2,550,000	255,358	8,985,358	0.98%	174
	1,865,000	2,259,739	7,925,212	0.87%	154
	2,165,000	2,154,120	8,449,102	0.92%	164
	2,490,000	2,163,501	9,107,083	1.00%	176
	2,805,000	2,732,881	10,547,830	1.15%	204
	3,100,000	2,742,263	11,643,045	1.27%	226
	3,380,000	2,711,644	22,786,561	2.49%	442
	5,135,000	159,953	20,976,155	2.29%	407
	5,920,000	209,547	19,615,649	2.14%	380

CITY OF MANSFIELD, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
(DOLLARS IN THOUSANDS)

Year	Population (1)	Assessed Value (3)	Gross General Obligation Bonded Debt (2,4)	Less Debt Service Fund Balance (4)	Less Debt Payable from Enterprise Revenues
2010	47,821	\$ 615,906	\$ 7,470	\$ 201	\$ 2,105
2009	51,600	626,270	8,260	86	2,550
2008	51,600	668,624	5,205	72	1,865
2007	51,600	685,398	5,745	62	2,165
2006	51,600	742,313	6,305	178	2,490
2005	51,600	783,682	6,845	1,202	2,805
2004	51,600	720,973	7,835	1,946	3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910

(1) Source: U.S. Census Bureau

(2) Includes general obligation bonds supported by enterprise activities because they are backed by the full faith and credit of the City.

(3) Source: Richland County Auditor

(4) Source: City of Mansfield, Ohio; Finance Department

(5) The net general obligation bonded debt is a negative amount because too much tax revenue was collected by the County and given to the City. This inflated the debt service fund balance.

Net General Obligation Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$ 5,164	0.84%	\$ 107.99
5,624	0.90%	108.99
3,268	0.49%	63.33
3,518	0.51%	68.20
3,637	0.49%	70.48
2,838	0.36%	55.00
2,789	0.39%	54.05
4,723	0.67%	91.53
4,863	0.72%	94.24
(1,498) (5)	0.00%	-

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
NET GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2010

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable to City (1)</u>	<u>City's Share</u>
Direct:			
City of Mansfield	\$ 5,164,000	100.00%	\$ 5,164,000
Total Direct Debt	<u>5,164,000</u>		<u>5,164,000</u>
Overlapping Debt: (2)			
Richland County	19,720,459	31.58%	6,227,721
Mansfield City School District	13,811,030	65.18%	9,002,029
Crestview Local School District	419,868	0.45%	1,889
Ontario Local School District	15,688,706	0.02%	3,138
Pioneer Career and Technology Center	12,242,647	16.20%	1,983,309
Total Overlapping Debt	<u>61,882,710</u>		<u>17,218,086</u>
 Total Direct and Overlapping Debt	 <u>\$ 67,046,710</u>		 <u>\$ 22,382,086</u>

Source: Richland County Auditor

(1) Calculated by total valuation in respective taxing districts compared to total City valuation.

(2) Debt outstanding for school districts is shown as of June 30, 2010.

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CITY OF MANSFIELD, OHIO

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed Value	\$ 601,577,670	\$ 626,270,320	\$ 668,624,139	\$ 685,397,888
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation	<u>63,165,655</u>	<u>65,758,384</u>	<u>70,205,535</u>	<u>71,966,778</u>
Total Voted and Unvoted Debt Outstanding at December 31st	7,470,000	8,260,000	5,205,000	5,745,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues	(2,105,000)	(2,550,000)	(1,865,000)	(2,165,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 10 1/2 Percent Limitation	5,365,000	5,710,000	3,340,000	3,580,000
Less: Debt Service Fund Balance	<u>(201,045)</u>	<u>(86,281)</u>	<u>(71,917)</u>	<u>(61,604)</u>
Net Debt Subject to 10 1/2 Percent Limitation	<u>5,163,955</u>	<u>5,623,719</u>	<u>3,268,083</u>	<u>3,518,396</u>
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$ 58,001,700</u>	<u>\$ 60,134,665</u>	<u>\$ 66,937,452</u>	<u>\$ 68,448,382</u>
Legal Debt Margin as a Percentage of the Debt Limit	91.82%	91.45%	95.34%	95.11%
Assessed Value	\$ 601,577,670	\$ 626,270,320	\$ 668,624,139	\$ 685,397,888
Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation	<u>33,086,772</u>	<u>34,444,868</u>	<u>36,774,328</u>	<u>37,696,884</u>
Total Unvoted Debt Outstanding at December 31st	7,470,000	8,260,000	5,205,000	5,745,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues	(2,105,000)	(2,550,000)	(1,865,000)	(2,165,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 5 1/2 Percent Limitation	5,365,000	5,710,000	3,340,000	3,580,000
Less: Debt Service Fund Balance	<u>(201,045)</u>	<u>(86,281)</u>	<u>(71,917)</u>	<u>(61,604)</u>
Net Debt Subject to 5 1/2 Percent Limitation	<u>5,163,955</u>	<u>5,623,719</u>	<u>3,268,083</u>	<u>3,518,396</u>
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$ 27,922,817</u>	<u>\$ 28,821,149</u>	<u>\$ 33,506,245</u>	<u>\$ 34,178,488</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.39%	83.67%	91.11%	90.67%

Source: City of Mansfield, Ohio; Finance Department

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102
<u>77,942,916</u>	<u>82,286,591</u>	<u>75,702,200</u>	<u>74,107,100</u>	<u>70,876,178</u>	<u>70,351,586</u>
6,305,000	6,845,000	7,838,139	11,093,268	5,138,758	5,957,148
(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)
<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>
3,815,000	4,040,000	4,735,000	7,710,000	1,485,000	2,010,000
<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>(3,507,606)</u>
<u>3,637,204</u>	<u>2,837,565</u>	<u>2,789,121</u>	<u>4,722,691</u>	<u>-</u>	<u>-</u>
<u>\$ 74,305,712</u>	<u>\$ 79,449,026</u>	<u>\$ 72,913,079</u>	<u>\$ 69,384,409</u>	<u>\$ 70,876,178</u>	<u>\$ 70,351,586</u>
95.33%	96.55%	96.32%	93.63%	100.00%	100.00%
\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102
<u>40,827,242</u>	<u>43,102,500</u>	<u>39,653,534</u>	<u>38,818,005</u>	<u>37,125,617</u>	<u>36,850,831</u>
6,305,000	6,845,000	7,358,139	10,118,268	10,718,758	3,947,148
(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)
<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>
3,815,000	4,040,000	4,255,000	6,735,000	7,065,000	-
<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>-</u>
<u>3,637,204</u>	<u>2,837,565</u>	<u>2,309,121</u>	<u>3,747,691</u>	<u>3,378,213</u>	<u>-</u>
<u>\$ 37,190,038</u>	<u>\$ 40,264,935</u>	<u>\$ 37,344,413</u>	<u>\$ 35,070,314</u>	<u>\$ 33,747,404</u>	<u>\$ 36,850,831</u>
91.09%	93.42%	94.18%	90.35%	90.90%	100.00%

CITY OF MANSFIELD, OHIO
SPECIAL ASSESSMENT BONDS
PLEDGED REVENUE COVERAGE
LAST TEN YEARS

Year	Special Assessment Collections (1)	Debt Service (2)			Coverage
		Principal	Interest	Total	
2010	\$ 47,852	\$ -	\$ -	\$ -	-
2009	67,654	-	-	-	-
2008	53,316	-	-	-	-
2007	32,941	-	-	-	-
2006	34,109	-	-	-	-
2005	29,714	3,139	-	3,139	9.47
2004	37,359	129	245	374	99.89
2003	61,697	490	282	772	79.92
2002	66,195	33,390	2,813	36,203	1.83
2001	85,266	32,052	5,625	37,677	2.26

(1) Source: Richland County Auditor

(2) Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (3)</u>
2010	47,821	\$ 830,220,381	\$ 17,361	\$ 32,076	11.8%
2009	51,600	914,661,600	17,726	30,176	12.6%
2008	51,600	914,661,600	17,726	30,176	7.4%
2007	51,600	914,661,600	17,726	30,176	6.5%
2006	51,600	914,661,600	17,726	30,176	6.1%
2005	51,600	914,661,600	17,726	30,176	6.5%
2004	51,600	914,661,600	17,726	30,176	7.2%
2003	51,600	914,661,600	17,726	30,176	7.2%
2002	51,600	914,661,600	17,726	30,176	6.7%
2001	51,600	914,661,600	17,726	30,176	5.2%

(1) Source: U.S. Census Bureau

(2) Computation of per capita personal income multiplied by population

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics

CITY OF MANSFIELD, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2010 AND DECEMBER 31, 2001

2010			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,500	4.68%
Richland County Government	2	938	1.76%
StarTek, Inc.	3	800	1.50%
Newman Technology	4	750	1.41%
Jay Industries, Inc.	5	750	1.41%
CenturyLink, Inc.	6	725	1.36%
Mansfield Correctional Institution	7	725	1.36%
Mansfield Board of Education	8	700	1.31%
Therm-O-Disc, Inc.	9	575	1.08%
Gorman Rupp Company	10	525	0.98%
	Total	<u>8,988</u>	<u>16.85%</u>
Total employment within the City		<u>53,378</u>	

2001			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,300	3.84%
Therm-O-Disc, Inc.	2	1,200	2.01%
Richland County Government	3	1,200	2.01%
Jay Industries, Inc.	4	1,100	1.84%
Mansfield Board of Education	5	850	1.42%
School Specialty, Inc.	6	800	1.34%
State of Ohio Government	7	700	1.17%
City of Mansfield Government	8	610	1.02%
Newman Technology	9	600	1.00%
AK Steel	10	500	0.84%
	Total	<u>9,860</u>	<u>16.48%</u>
Total employment within the City		<u>59,847</u>	

(1) Source: City of Mansfield, Ohio, Department of Economic Development - amounts are estimates

(2) Source: U.S. Department of Labor, Bureau of Labor Statistics - total city employment figures

CITY OF MANSFIELD, OHIO

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government:										
Council	12	12	12	12	11	11	11	11	11	11
Administration	3	4	4	5	4	6	6	6	6	10
Finance	18	17	27	28	26	23	22	20	20	25
Law	12	12	14	13	13	15	14	13	13	13
Courts	50	52	54	54	53	49	54	54	53	58
General Government	7	7	7	8	8	7	7	8	9	9
Economic/Community Development	7	6	6	6	6	8	7	7	7	8
Engineering	6	8	10	11	11	8	8	8	8	10
Maintenance	4	3	4	4	5	4	4	4	4	4
Codes/Permits	6	7	10	9	11	9	9	9	11	13
Litter Control	1	1	2	2	1	2	2	2	2	2
Regional Community Advancement	31	27	26	16	23	24	27	26	35	36
Parks/Recreation	6	6	11	12	9	10	9	12	16	18
Street/Highway	10	14	34	35	35	32	33	33	37	50
Police	121	127	144	150	148	142	139	145	154	162
Fire	96	100	102	98	100	102	95	98	102	108
Water	57	61	68	67	62	54	54	53	55	52
Sewer	38	41	41	40	41	50	56	56	56	61
Airport	4	4	6	5	5	6	6	5	7	8
Repair Garage	5	5	9	9	9	9	9	9	11	12
Information Technology	4	4	4	4	4	3	4	4	4	4
Total	498	518	595	588	585	574	576	583	621	674

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government:										
Building permits issued	185	164	174	207	231	288	331	332	313	366
Code enforcements	2,426	3,070	4,633	5,519	4,195	2,922	3,301	3,921	4,533	2,678
Police										
Calls for service	37,352	37,548	42,062	42,072	44,417	43,876	47,328	48,348	51,729	55,185
Traffic violations	6,348	5,616	6,221	6,741	5,958	4,760	7,056	6,104	10,703	8,370
Parking violations	4,957	6,928	7,684	5,896	9,530	9,337	10,639	9,671	12,112	14,740
Physical arrests	5,090	4,364	4,987	4,924	4,840	4,328	4,476	4,269	4,610	4,666
Fire										
Emergency responses	6,608	6,234	6,441	6,109	6,079	6,290	5,787	5,662	5,459	-
Fire responses	1,547	1,450	1,653	1,470	1,304	1,543	1,732	1,784	1,682	-
Street/Highway										
Street resurfacing mileage (1)	8	15	20	19	18	24	26	26	28	26
Number of streets resurfaced (1)	51	104	81	96	95	127	145	143	147	131
Tons of salt used	8,045	7,742	14,355	6,240	6,498	10,528	7,590	9,647	7,901	4,641
Leaf removal (cubic yards) (2)	1,789	9,170	9,288	11,642	11,438	11,500	11,984	15,536	17,059	15,708
Water										
Number of customers	18,628	19,800	20,448	20,394	20,335	20,329	20,152	20,152	19,546	19,929
Average daily consumption (thousands of gallons)	8,930	7,860	8,920	8,480	9,000	10,000	10,000	10,000	9,430	10,180
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,910	9,809	10,348	9,870	10,360	9,130	9,580	10,520	9,400	9,250

Sources: Various City departments - some amounts may be estimates

(-) Not available

(1) Funded by income tax dollars only

(2) Leaf removal program was eliminated in 2010 due to budgetary issues. Citizens were allowed to drop off leaves at the Street Department.

CITY OF MANSFIELD, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of offices	2	2	2	2	2	2	2	2	2	2
Number of police vehicles	49	48	42	45	42	38	39	40	38	38
Fire										
Number of stations	6	6	5	5	5	5	5	5	5	5
Number of fire trucks (1)	9	9	9	8	6	6	6	6	6	6
Number of rescue squads (1)	8	8	8	6	6	7	6	6	6	6
Streets/Highways										
Mileage	295	295	295	295	295	295	295	295	295	295
Street signs	13,330	13,325	13,300	13,270	13,262	13,203	13,147	13,125	13,045	12,976
Parks/Recreation										
Number of Parks	34	34	33	33	33	33	33	33	33	33
Acreage	435	435	435	435	435	435	435	435	435	435
Playgrounds	21	21	20	20	20	20	20	20	20	20
Swimming pools (1)	4	4	4	4	4	4	4	4	4	4
Water										
Miles of water mains	250	250	250	250	250	250	250	250	250	250
Storage capacity (thousands of gallons)	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Wastewater										
Miles of sanitary sewer	200	200	200	200	200	200	200	200	200	200
Treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500

Sources: Various City departments

(1) Corrections made to prior years

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Recovery Plan and Five-Year Projections

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19	Miller Park Project Fund (417)
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26	Workers Compensation Fund (608)
27	Benefit Fund (609)
28	Transient Occupancy Tax (808)
29	Assumptions

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
1	Health Care Insurance adjustments reducing 2011 anticipated costs	Ongoing	Evaluation 4 th Quarter 2011	No effect - only \$5.8 million has been budgeted for 2011, which is the number the adjustments to the health care plan and contributions are trying to reach
2	No annual personnel raises for 2008, 09,10 or 2011	Ongoing	Ongoing Evaluation	No effect - 2008-11 salaries are entered into each fund, no raises assumed for 2012-15 also
DEPARTMENT OF PUBLIC SAFETY				
3	911/ Communications Center of 1 supervisor in 2011 saving \$60,000.00 in 2011 and \$70,933.00 annually in 2012. (3 supervisors and 4 dispatchers vacant at this point)	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
4	FOP Contract Concessions: reducing Holiday Pay by \$76,000.00 in 2010 and \$85,000.00 in 2011 and forfeiting Sick Leave Bonus saving \$22,000.00 in 2010 and \$30,000.00 in 2011	3 rd Quarter 2010	Annual	This is accounted for in 2011 payroll information, has been carried forward through 2015
5	FOP MOU to vacate command/supervisory positions saving approximately \$280,000.00 with 1 captain and 3 lieutenant positions currently vacant	3 rd Quarter 2010	Ongoing with evaluation in 2012	This is accounted for in 2011 payroll information, has been carried forward through 2015
6	Police lay-off of 1 transcriber, 1 crime scene technician, 3 records clerks, 1 police aide and 1 parking meter repair position saving \$328,000.00 in 2011.	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
7	Police lay-off of 4 police officers saving approximately \$250,000.00 (24 police officer positions have been vacated at this point)	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
8	IAFF Contract concessions through April 1, 2013 reducing minimum manning from 21 to 18 and other contract mandates reducing overtime costs by approximately \$1.18 million dollars annually compared to requirements of current agreement ("Plan A")	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
9	<i>In the event IAFF concessions are rejected or inadequate to balance the budget to available revenue, Departmental costs whole or in part from the General and Safety Funds will be reduced by approximately \$1.18 million dollars through budget reductions of all departments and furlough of up to 18 Safety positions by April 30, 2011 ("Plan B")</i>	1 st Quarter 2011	Ongoing evaluation of available funds	No longer needed - will be removed from plan
MAYOR'S STAFF AND PERSONNEL				
10	Lay-off Safety Director Administrative Assistant saving \$48,000 in 2011, HR Benefits Coordinator saving \$40,000 in 2011. Public Works Director position vacated in 2010 saving \$97,841 annually	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
11	Voluntary and Involuntary Furlough Days saving approximately \$200,000 annually re-evaluated quarterly based on operational impact and available revenue	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, but has not been carried forward, as there is no guarantee that furloughs will continue through 2015
12	No Idle Policy and reduced vehicle use will save 20,000 gallons of fuel compared to 2008 use reducing fuel costs	1 st Quarter 2011	Ongoing	The fuel savings is already included in the 2011 budget, so no adjustments will be made
13	Restructure waste collection process at city facilities reducing costs by \$40,000.00 annually	1 st Quarter 2011	Ongoing	See individual funds for amount saved or increased - carried forward through 2015
14	Restructure combining Parks and Recreations Departments. Lay-off 6 Parks employees for 6 months saving \$185,000.00	1 st Quarter	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, but employees are assumed to be full time in 2012 and beyond
15	HR initiative to reduce Workers Compensation costs by \$350,000 annually	1 st Quarter 2012	Ongoing	No savings forecasted - this was not approved for 2012 and it is unclear for the future.
DEPARTMENT OF INFORMATION TECHNOLOGY				
16	IT coordination of new software installation and initiation (OSSI and New World). Increasing efficiency and potentially reducing required personnel in impacted departments.	2 nd Quarter 2011	4 th Quarter 2011	Software was purchased in 2010 and is being implemented in 2011. There is no known savings at this time

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
17	IT to conduct communications device inventory and evaluation to reduce costs by \$10,000 annually	2 nd Quarter 2011	3 rd Quarter 2011	As the majority of telephone costs are paid from general fund, the potential savings will be shown there
18	IT to complete Multi-Function Document Device evaluation and plan to reduce devices saving \$22,607.00 in device lease/paper/click costs and \$2,400.00 in utility costs annually	4 th Quarter 2010	Ongoing	Devices were changed at the end of 2010 and are already accounted for in the 2011 budget, so no adjustment is necessary
DEPARTMENT OF BUILDING MAINTENANCE				
19	Building Maintenance to implement cost avoidance initiative reducing costs by \$27,000.00 annually	1 st Quarter 2011	Ongoing	See general fund - Note, this could provide even further savings if fully implemented, but it will depend on staffing levels
20	Building Maintenance to implement new Energy Reduction Plan saving \$20,000.00 annually	1 st Quarter 2011	Ongoing	See general fund - since this just begun, there is no data on how much will be saved in utility costs for 2011-2015, using the City's estimate
21	Building Maintenance Paper towel reduction initiative saving \$12,000 annually	3 rd Quarter 2010	Ongoing	See general fund
22	Building Maintenance lay-off of 1 saving \$43,513.00	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
UTILITIES-WATER-SEWER				
23	Restructure water and sewer repair eliminating 2 operations supervisors (1 in Streets) saving \$174,000.00 annually	4 th Quarter 2010	Ongoing	This is accounted for in 2011 payroll information, but is not a forecasted fund
24	Lay-off 3 Utility Dispatchers saving \$195,000.00	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, but is not a forecasted fund
ENGINEERING-CODES & PERMITS				
25	Engineering personnel reduction of 2 project planners and reduced administrative support staff saving \$64,466.00 in 10 and \$179,345.00 annually	3 rd Quarter 2010	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015
26	Restructure Codes and Permits Department eliminating one Inspector saving approximately \$62,245.00.	1 st Quarter 2011	Ongoing evaluation of available funds	This is accounted for in 2011 payroll information, has been carried forward through 2015

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
27	Implement Street Light Fee to generate approximately \$690,000 annually. In lieu of fee reduce street lighting by 50% saving \$65,000 in 2011 and \$290,000 in 2012 (Requires Council Action)	3 rd Quarter 2011	Ongoing	Some savings in general fund for 2012-2015 due to the turn-off of some lights and replacement of others. No additional revenue has been built in for a fee, as no action has been taken on a fee at this time.
28	Increase employee contribution to Health Care costs generating approximately \$250,000 annually	2 nd Quarter 2011	Ongoing	No effect - only \$5.8 million has been budgeted for 2011, which is the number the adjustments to the health care plan and contributions are trying to reach
29	Increase EMS Transport Fees consistent with Reasonable and Customary generating approximately \$200,000 annually.	1 st Quarter 2011	Annual review and evaluation	See Safety fund - City budgeted some increase for slight increase in rates in 2011, additional increase could be seen if City chooses to adopt MBI average rates
30	Increase Safety Income Tax by one quarter of one percent to generate new funding annually, stabilizing safety forces personnel (Requires Council Action)	4 th Quarter 2011	Ongoing with renewal every 4 yrs	See Safety fund - additional tax is calculated, but additional personnel costs are not, as it will be based on funding and need for personnel in the future. Since no action has been taken at this time, the tax is not included until 2013.
31	Sell unused structures including Newman Fire Station generating approximately \$15,000 and annual savings of maintenance/utilities of \$5,000.00	1 st Quarter 2011	1 st Quarter and Ongoing maintenance/utility savings	See General fund
32	Sell unused structure vacated by restructuring utilities departments for approximately \$40,000 and annual savings of maintenance/utility costs of \$22,000.00	1 st Quarter	1 st Quarter and Ongoing maintenance utility savings	See General fund
33	Implementation of utility late fee and bad check fee generating \$170,000 from June-Dec 2010 and approximately \$225,000 annually	2 nd Quarter 2010	Ongoing	The additional late fee revenue was already forecasted (as this started in 2010), so no additional adjustment is necessary. The on-off fee is posted to Water fund, so that portion is not included in this forecast

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
34	<i>License plate fee increase of \$5 to offset street department costs generating approximately \$260,000 annually (Requires Council Action)</i>	January-12	Ongoing	<i>See Street Construction, Maintenance, and Repair Fund, both City and County approved this fee in 2011, generating revenue for 2012 and beyond.</i>
35	Storm water runoff fee similar to Newark Ohio's format generating approximately \$2.5 million annually (Requires Council Action)	3rd Quarter 2011	Ongoing	Because there are costs associated with running an additional utility program, it is unclear at this time if the fee will cover the costs and increase the City's balances. Therefore, no additional revenue is forecast at this time
36	Harvest timber from city owned property generating approximately \$20,000 annually	2 nd Quarter 2011	Annual review and evaluation	The City began harvesting a small amount of timber in 2010 and plans to continue into the future. The City's estimate will be used for 2011-2015
37	Establish Fire Department Capital Equipment Account for EMS Vehicles supplemented with a % annual transfer from Transport Revenue	2 nd Quarter 2011	Annual	This item has no effect on the City's total balance, it simply moves money from one account to another. Therefore, no adjustment will be made
38	Establish Police Department Capital Equipment Account for marked vehicles supplemented with a % annual transfer from STEP Revenue	2 nd Quarter 2011	Annual	This item has no effect on the City's total balance, it simply moves money from one account to another. Therefore, no adjustment will be made
39	Establish Account for retirement separation costs with annual transfers as a percentage of annual wage/salary expenditures	3 rd Quarter 2011	Annual	This item has no effect on the City's total balance, it simply moves money from one account to another. Therefore, no adjustment will be made
40	Establish Contingency Account to be funded by a % of General Fund Balance annually			This item has no effect on the City's total balance, it simply moves money from one account to another. Therefore, no adjustment will be made
41	Increase Income Tax Revenue with projections based on the assumption that income will grow at an annual rate of % in 2011 and 2012	2 nd Quarter 2011	Ongoing	There is no specific evidence that the City's income tax collections will increase in the next several years. (See Revenue folder for more information.) Therefore, no adjustment will be made

Summary of Recovery Plan Items:

Reference Number:	Action:	Begin	Completion	Effect
42	False Alarm Response Fee to reduce false fire/police alarms and generate \$5,000 annually	1 st Quarter 2011	Ongoing	The City has this fee as part of their ordinances, but has not chosen to enforce it. It will be billed in 2011 and beyond. City's estimate will be used
43	Increase Utility on/off fees generating \$46,000 in additional 2011 revenue	3 rd Quarter 2010	Ongoing	This is accounted for in the Water fund, which is not a part of this forecast
44	Unanticipated Water/Sewer funds from Richland County in the amount of \$76,578.56 due to meter error. RC agreed to pay in 1 st Quarter	1 st Quarter	One-Time Funds	This is accounted for in the Water fund, which is not a part of this forecast

City of Mansfield
General (101)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Real Estate Tax	1,695,102	1,670,797	1,628,973	1,626,603	1,611,784	1,608,545	1,605,306	1,602,066	1,598,827
Personal Property Tax	296,323	136,032	26,917	8,489	0	0	0	0	0
Commercial Activity Tax	226,461	313,890	402,810	406,648	58,641	0	0	0	0
Taxes	2,217,886	2,120,719	2,058,700	2,041,740	1,670,425	1,608,545	1,605,306	1,602,066	1,598,827
Local Government	3,092,945	3,053,293	2,633,017	2,655,735	2,640,652	1,880,080	1,320,326	1,320,326	1,320,326
Inheritance Tax	932,884	1,286,763	763,014	512,609	581,902	512,609	512,609	0	0
Homestead & Rollback	187,019	237,337	237,411	235,344	230,000	230,000	230,000	230,000	230,000
Liquor and Beer Permits	75,458	68,011	67,797	64,584	64,000	64,000	64,000	64,000	64,000
Court Appointment	0	0	0	22,300	25,000	25,000	25,000	25,000	25,000
Cigarette License	2,383	2,324	0	10,587	2,100	2,100	2,100	2,100	2,100
Intergovernmental	4,290,689	4,647,728	3,701,239	3,501,159	3,543,654	2,713,789	2,154,035	1,641,426	1,641,426
Blvd. Maintenance Assessments	4,004	2,905	2,936	4,667	5,000	5,000	5,000	5,000	5,000
Special Assessment	22,089	38,775	53,337	44,693	40,000	40,000	40,000	40,000	40,000
Charges for Services	26,093	41,680	56,273	49,360	45,000	45,000	45,000	45,000	45,000
Supervision Administration Fee	0	0	231	1,671	1,300	1,300	1,300	1,300	1,300
Processing Fee	0	0	0	56,033	56,033	56,033	56,033	56,033	56,033
Park Rental Fee	25,540	19,050	20,050	17,500	20,428	20,428	20,428	20,428	20,428
Rent	36,881	54,241	115,764	5,191	4,000	4,000	4,000	4,000	4,000
Parking Lot Rental Fee	35,555	33,967	34,693	28,083	30,000	30,000	30,000	30,000	30,000
Cable Franchise Fee	335,418	347,684	357,048	360,293	368,400	376,689	385,164	393,830	402,692
Clerk of Court Fees	0	0	1,450	0	0	0	0	0	0
Clerk of Council Fees	1,200	700	0	0	0	0	0	0	0
Refund Witness Fee Cost	316	482	247	105	0	0	0	0	0
Garbage Hauling Permits	8,600	6,900	5,925	12,300	5,200	5,200	5,200	5,200	5,200
Utility Late Fee	0	0	0	156,738	331,931	331,931	331,931	331,931	331,931
Housing and Building Permits	94,740	110,358	59,782	61,598	60,000	60,000	60,000	60,000	60,000
Housing Demo Permits	4,090	5,399	11,356	3,435	4,000	4,000	4,000	4,000	4,000
Licenses Permits and Fees	542,340	578,781	606,546	702,947	881,292	889,581	898,056	906,722	915,584
Incarceration Fees	42,700	18,114	0	0	0	0	0	0	0
T.I.D.E. Fines	16,516	15,058	0	0	0	0	0	0	0
Fines and Forfeitures	358,376	384,637	368,564	313,472	310,000	310,000	310,000	310,000	310,000
Municipal Court Costs	809,353	806,136	798,552	794,924	800,000	800,000	800,000	800,000	800,000
OSP/Law Director Drug Fine	358	290	356	195	300	300	300	300	300
License and Exams	56,360	65,393	50,315	48,532	40,000	40,000	40,000	40,000	40,000
Income Tax Court Costs	7,621	2,514	5,345	1,971	2,000	2,000	2,000	2,000	2,000
Income Tax Penalty	64,208	101,211	151,608	129,301	100,000	100,000	100,000	100,000	100,000
Fines and Forfeitures	1,355,492	1,393,353	1,374,740	1,288,395	1,252,300	1,252,300	1,252,300	1,252,300	1,252,300

City of Mansfield
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 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Interest	1,456,506	739,360	456,492	293,052	238,317	238,317	238,317	238,317	238,317
Miscellaneous	12,282	25,121	4,507	767,698	4,000	4,000	4,000	4,000	4,000
Restitution	10,007	13,994	0	0	0	0	0	0	0
Richland County Share of Judges	140,980	154,403	201,710	240,140	240,000	240,000	240,000	240,000	240,000
Donations	18,100	0	73,105	0	0	0	0	0	0
Auction Proceeds	13,269	135,108	79,530	78,538	70,000	70,000	70,000	70,000	70,000
Reimbursements	126,759	261,199	526,511	248,238	186,861	186,861	186,861	186,861	186,861
Other Miscellaneous	321,397	589,825	885,363	1,334,614	500,861	500,861	500,861	500,861	500,861
Transfers In	2,674,685	2,239,183	2,454,717	2,264,610	2,602,485	2,602,485	2,602,485	2,602,485	2,602,485
Transfers In	2,674,685	2,239,183	2,454,717	2,264,610	2,602,485	2,602,485	2,602,485	2,602,485	2,602,485
Total Revenues	12,885,088	12,350,629	11,594,070	11,475,877	10,734,334	9,850,878	9,296,360	8,789,177	8,794,800
Expenditures									
General Government									
Contractual Services	81,505	68,677	88,240	49,883	299,613	299,613	299,613	299,613	299,613
Utilities	535,432	477,248	451,662	265,746	245,000	245,000	245,000	245,000	245,000
Refunds	3,237	969	0	1,890	5,000	5,000	5,000	5,000	5,000
Other	43,671	24,990	25,564	10,637	69,839	69,839	69,839	69,839	69,839
General Government	663,845	571,884	565,466	328,156	619,452	619,452	619,452	619,452	619,452
Public Safety									
Contractual Services	66,771	39,654	23,938	8,639	25,000	25,000	25,000	25,000	25,000
Utilities	492,954	625,203	688,115	659,882	690,000	690,000	690,000	690,000	690,000
Public Safety	559,725	664,857	712,053	668,521	715,000	715,000	715,000	715,000	715,000
Housing of Prisoners									
Contractual Services	798,592	878,291	1,400,000	1,395,236	1,303,402	1,303,402	1,303,402	1,303,402	1,303,402
Housing of Prisoners	798,592	878,291	1,400,000	1,395,236	1,303,402	1,303,402	1,303,402	1,303,402	1,303,402
Community Environment									
Contractual Services	32,125	32,125	24,388	28,241	6,000	6,000	6,000	6,000	6,000
Community Environment	32,125	32,125	24,388	28,241	6,000	6,000	6,000	6,000	6,000
Transfers									
Transfers to Other Funds	4,531,326	3,533,926	4,193,230	3,116,489	1,244,581	964,155	964,155	964,155	964,155
Transfers	4,531,326	3,533,926	4,193,230	3,116,489	1,244,581	964,155	964,155	964,155	964,155
Total General Government	6,585,613	5,681,083	6,895,137	5,536,643	3,888,435	3,608,009	3,608,009	3,608,009	3,608,009

City of Mansfield
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	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
City Council									
Salaries	144,885	151,254	148,950	163,459	140,778	148,884	148,884	148,884	148,884
Fringe Benefits	3,700	3,900	4,100	3,325	60,616	62,235	62,435	62,635	62,835
Materials and Supplies	1,339	1,117	618	655	625	625	625	625	625
Contractual Services	0	0	0	60	2,985	2,985	2,985	2,985	2,985
Other	2,481	2,789	3,482	1,550	0	0	0	0	0
City Council Department	152,405	159,060	157,150	169,049	205,004	214,729	214,929	215,129	215,329
Municipal court									
Personal Services	629,997	698,871	590,964	570,064	400,579	400,579	400,579	400,579	400,579
Fringe Benefits	24,400	24,600	28,000	21,351	474,981	486,251	500,629	478,696	484,257
Contractual Services	314,933	331,722	335,824	361,890	340,000	340,000	340,000	340,000	340,000
Materials and Supplies	18,358	13,108	10,419	12,826	0	0	0	0	0
Training/Travel	4,249	3,361	1,087	1,006	0	0	0	0	0
Other	0	9,729	0	0	0	0	0	0	0
Municipal Court Department	991,937	1,081,391	966,294	967,137	1,215,560	1,226,830	1,241,208	1,219,275	1,224,836
Clerk of Courts									
Personal Services	778,026	887,010	958,614	794,423	646,963	587,475	587,475	587,475	587,475
Fringe Benefits	24,100	26,350	27,275	25,101	323,358	300,620	302,520	304,420	306,320
Materials and Supplies	92,089	83,117	66,759	49,863	34,200	34,200	34,200	34,200	34,200
Training/Travel	3,420	4,076	2,640	3,047	0	0	0	0	0
Other	426	157	0	243	0	0	0	0	0
Contractual Services	0	0	0	35,957	45,300	45,300	45,300	45,300	45,300
Clerk of Courts Department	898,061	1,000,710	1,055,288	908,634	1,049,821	967,595	969,495	971,395	973,295
Civil Service Commission									
Personal Services	19,500	19,500	19,380	19,500	19,500	19,500	19,500	19,500	19,500
Fringe Benefits	0	0	0	0	3,669	3,658	3,658	3,658	3,658
Contractual Services	24,335	43,425	1,855	0	35,368	35,368	35,368	35,368	35,368
Civil Service Commission	43,835	62,925	21,235	19,500	58,537	58,526	58,526	58,526	58,526
Law Director									
Personal Services	473,528	498,848	466,998	416,339	414,976	414,562	414,562	414,562	414,562
Fringe Benefits	7,143	6,484	7,767	1,500	219,544	220,843	221,543	222,243	222,943
Training/Travel	4,435	11,600	2,932	2,346	0	0	0	0	0
Materials and Supplies	47,092	38,009	37,135	3,146	14,700	14,700	14,700	14,700	14,700
Contractual Services	12,662	11,215	8,570	33,252	40,322	40,222	40,222	40,222	40,222
Other (Claims Against the City)	62,634	29,459	13,969	7,787	12,000	12,000	12,000	12,000	12,000
Law Department	607,494	595,615	537,371	464,370	701,542	702,327	703,027	703,727	704,427

City of Mansfield
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	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Finance Director									
Personal Services	490,162	653,237	560,573	543,871	758,620	747,124	747,124	747,124	747,124
Fringe Benefits	14,600	18,300	16,764	20,600	442,996	410,821	415,925	416,736	414,587
Training/Travel	4,230	659	60	305	0	0	0	0	0
Materials and Supplies	19,980	16,281	10,755	7,382	20,368	20,368	20,368	20,368	20,368
Contractual Services	172,735	182,666	200,241	170,187	48,231	30,172	30,172	30,172	30,172
Finance Department	701,707	871,143	788,393	742,345	1,270,215	1,208,485	1,213,589	1,214,400	1,212,251
Mayor									
Personal Services	129,747	139,689	130,528	127,664	123,704	128,384	128,384	128,384	128,384
Fringe Benefits	1,500	1,600	1,700	1,800	58,648	59,575	59,675	59,775	59,875
Training/Travel	1,644	1,635	0	200	0	0	0	0	0
Materials and Supplies	4,606	2,685	1,460	1,074	9,675	9,675	9,675	9,675	9,675
Contractual Services	4,966	14,970	75,701	2,661	4,865	4,865	4,865	4,865	4,865
Other	26,081	31,471	6,269	6,178	0	0	0	0	0
Mayor Department	168,544	192,050	215,658	139,577	196,892	202,499	202,599	202,699	202,799
Service-Safety Director									
Personal Services	91,517	141,126	126,462	98,743	82,262	86,258	86,258	86,258	86,258
Fringe Benefits	800	2,100	2,300	2,067	46,365	37,071	37,171	37,271	37,371
Training/Travel	554	575	571	0	0	0	0	0	0
Materials and Supplies	1,708	1,173	1,146	1,178	1,500	1,500	1,500	1,500	1,500
Contractual Services	7,757	7,363	4,819	3,229	3,780	3,000	3,000	3,000	3,000
Service-Safety Director	102,336	152,337	135,298	105,217	133,907	127,829	127,929	128,029	128,129
Human Resources									
Personal Services	155,655	156,477	152,286	129,627	101,968	108,811	108,811	108,811	108,811
Fringe Benefits	3,800	4,100	4,200	2,366	59,222	56,565	56,765	56,965	57,165
Training/Travel	7,638	1,689	1,149	3,370	0	0	0	0	0
Materials and Supplies	3,620	3,999	3,287	1,414	3,400	3,400	3,400	3,400	3,400
Contractual Services	45,592	37,783	47,018	55,204	98,559	98,359	98,359	98,359	98,359
Other	74	3,160	0	150	0	0	0	0	0
Human Resources	216,379	207,208	207,940	192,131	263,149	267,135	267,335	267,535	267,735
Engineering									
Personal Services	265,195	527,710	467,421	338,998	282,176	312,532	312,532	312,532	312,532
Fringe Benefits	8,500	11,367	9,000	8,634	204,650	164,297	164,897	165,497	166,097
Training/Travel	1,632	1,711	185	240	0	0	0	0	0
Materials and Supplies	11,101	8,074	2,850	2,988	12,600	12,600	12,600	12,600	12,600
Contractual Services	73,407	7,534	9,302	5,132	21,500	18,800	18,800	18,800	18,800
Other	5,022	3,593	320	1,095	1,200	1,200	1,200	1,200	1,200
Engineering	364,857	559,989	489,078	357,087	522,126	509,429	510,029	510,629	511,229

City of Mansfield
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 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Codes and Permits									
Personal Services	350,185	358,502	268,245	247,765	183,417	197,977	206,869	218,266	232,874
Fringe Benefits	10,600	11,100	10,700	11,000	176,545	128,223	133,281	136,936	141,473
Training/Travel	2,690	1,436	938	380	0	0	0	0	0
Materials and Supplies	22,077	9,623	7,425	7,280	5,300	5,300	5,300	5,300	5,300
Capital Outlay	0	0	0	0	1,000	1,000	1,000	1,000	1,000
Contractual Services	144,323	128,199	49,856	36,487	48,354	0	0	0	0
Codes and Permits	529,875	508,860	337,164	302,912	414,616	332,500	346,450	361,502	380,647
Maintenance									
Personal Services	177,558	196,391	218,407	147,313	143,074	148,674	148,674	148,674	148,674
Fringe Benefits	10,000	10,400	10,800	5,609	87,542	88,998	89,298	89,598	89,898
Materials and Supplies	49,678	43,452	36,128	37,151	39,000	39,000	39,000	39,000	39,000
Capital Outlay	0	0	0	0	48,250	48,250	48,250	48,250	48,250
Contractual Services	315,359	481,481	217,422	190,758	259,306	259,306	259,306	259,306	259,306
Maintenance Department	552,595	731,724	482,757	380,831	577,172	584,228	584,528	584,828	585,128
Parks Department									
Personal Services	278,626	353,011	112,004	198,832	79,595	218,046	218,046	218,046	218,046
Fringe Benefits	8,400	12,800	0	11,567	111,437	169,796	170,396	170,996	171,596
Training/Travel	0	1,346	0	0	0	0	0	0	0
Materials and Supplies	86,669	49,600	22,748	92,739	29,640	29,640	29,640	29,640	29,640
Contractual Services	224,627	192,707	66,881	4,205	19,688	18,358	18,358	18,358	18,358
Utilities	49,047	52,802	45,276	33,908	40,000	40,000	40,000	40,000	40,000
Capital Outlay	50,973	3,274	0	0	0	0	0	0	0
Parks Department	698,342	665,540	246,909	341,251	280,360	475,840	476,440	477,040	477,640
Income Tax Administration									
Personal Services	438,986	462,376	376,548	285,448	0	0	0	0	0
Fringe Benefits	23,700	22,500	18,259	16,600	0	0	0	0	0
Training/Travel	420	420	0	450	0	0	0	0	0
Materials and Supplies	52,191	54,492	43,746	24,714	0	0	0	0	0
Contractual Services	17,114	12,147	15,672	14,187	0	0	0	0	0
Capital Outlay	21,438	1,809	785	0	0	0	0	0	0
Income Tax Administration	553,849	553,744	455,010	341,399	0	0	0	0	0
Recreation Department									
Personal Services	72,607	75,650	52,325	63,971	0	0	0	0	0
Fringe Benefits	1,600	1,800	1,892	3,167	0	0	0	0	0
Materials and Supplies	3,611	2,041	510	534	0	0	0	0	0
Contractual Services	11,550	11,415	5,474	1,895	0	0	0	0	0
Utilities	3,368	1,519	1,146	765	0	0	0	0	0
Recreation Department	92,736	92,425	61,347	70,332	0	0	0	0	0

City of Mansfield
General (101)
 2011 Financial Forecast

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Total Expenditures	13,260,565	13,115,804	13,052,029	11,038,415	10,777,336	10,485,961	10,524,093	10,522,723	10,549,980
Increase (Decrease) in Cash	(375,477)	(765,175)	(1,457,959)	437,462	(43,002)	(635,083)	(1,227,733)	(1,733,546)	(1,755,180)
Beginning Cash	2,586,699	2,211,222	1,446,047	(11,912)	425,550	382,548	(252,535)	(1,480,268)	(3,213,814)
Ending Cash	<u>2,211,222</u>	<u>1,446,047</u>	<u>(11,912)</u>	<u>425,550</u>	<u>382,548</u>	<u>(252,535)</u>	<u>(1,480,268)</u>	<u>(3,213,814)</u>	<u>(4,968,994)</u>
Additional Income Tax Allocation Needed to Balance General Fund							807,942	1,587,328	1,608,962
Recovery Plan Items for Fund 101:									
Trash Pickup ¹³					9,013	9,013	9,013	9,013	9,013
Workers' Comp ¹⁵					0	0	0	0	0
IT Device Inventory ¹⁷					10,000	10,000	10,000	10,000	10,000
Maintenance Cost Avoidance ¹⁹					29,014	29,014	29,014	29,014	29,014
Maintenance Energy Savings ²⁰					20,000	20,000	20,000	20,000	20,000
Paper Towel Savings ²¹					12,564	12,564	12,564	12,564	12,564
Turn Off Street Lights/Street Lighting Fee ²⁷					(10,448)	160,528	74,473	18,627	18,627
Sell Unused Structures ^{31/32}					65,000	0	0	0	0
Maintenance Savings on Unused Structures ^{31/32}					27,000	27,000	27,000	27,000	27,000
Timber Harvest ³⁶					20,000	20,000	20,000	20,000	20,000
Ending Cash after Plan Items	<u>2,211,222</u>	<u>1,446,047</u>	<u>(11,912)</u>	<u>425,550</u>	<u>564,691</u>	<u>217,727</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Mansfield
Street Construction Maintenance & Repair (202)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Gasoline Tax	1,649,793	1,571,243	1,466,795	1,471,101	1,395,755	1,395,755	1,395,755	1,395,755	1,395,755
Motor Vehicle License Tax	391,394	383,136	365,376	354,616	336,453	336,453	336,453	336,453	336,453
Intergovernmental	2,041,187	1,954,379	1,832,171	1,825,717	1,732,208	1,732,208	1,732,208	1,732,208	1,732,208
Interest	16,270	6,297	171	0	0	0	0	0	0
Interest	16,270	6,297	171	0	0	0	0	0	0
Reimbursements	3,319	371,417	650,313	29,382	27,877	27,877	27,877	27,877	27,877
Donations	0	0	3,000	0	0	0	0	0	0
Other Miscellaneous	160	1,000	1,668	1,042	989	989	989	989	989
Sale of Scrap	8,558	9,872	3,396	9,408	8,926	8,926	8,926	8,926	8,926
Other Miscellaneous	12,037	382,289	658,377	39,832	37,792	37,792	37,792	37,792	37,792
Transfers In	301,200	1,153,955	173,141	137,666	0	0	0	0	0
Total Revenues	2,370,694	3,496,920	2,663,860	2,003,215	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000
Expenditures									
Street Department									
Personal Services	794,552	1,427,242	911,764	494,928	372,794	372,794	372,794	372,794	372,794
Fringe Benefits	41,600	65,325	31,892	30,809	267,394	267,394	267,394	267,394	267,394
Materials and Supplies	690,377	576,556	464,575	527,672	509,604	509,604	509,604	509,604	509,604
Contractual Service	31,657	15,359	11,251	33,482	93,696	93,696	93,696	93,696	93,696
Utilities	53,977	58,545	49,351	104,573	38,080	38,080	38,080	38,080	38,080
Capital Outlay	39,866	0	0	1,309	130,690	130,690	130,690	130,690	130,690
Transfers to Other Funds	1,277,329	1,358,780	1,108,502	782,483	514,591	514,591	514,591	514,591	514,591
Total Expenditures	2,929,358	3,501,807	2,577,335	1,975,256	1,926,849	1,926,849	1,926,849	1,926,849	1,926,849
Increase (Decrease) in Cash	(558,664)	(4,887)	86,525	27,959	(156,849)	(156,849)	(156,849)	(156,849)	(156,849)
Beginning Cash	807,085	248,421	243,534	330,059	358,018	201,169	44,320	(112,529)	(269,378)
Ending Cash	248,421	243,534	330,059	358,018	201,169	44,320	(112,529)	(269,378)	(426,227)
Recovery Plan Items for Fund 202:									
Trash Pickup ¹³					(26,411)	(26,411)	(26,411)	(26,411)	(26,411)
Workers' Comp ¹⁵					0	0	0	0	0
License Plate Fee ³⁴						382,005	382,005	382,005	382,005
Ending Cash after Plan Items	248,421	243,534	330,059	358,018	174,758	373,503	572,248	770,993	969,738

City of Mansfield
Safety Services (214)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Real Estate Taxes	338,417	332,928	324,812	324,392	322,353	321,705	321,057	320,409	319,761
Personal Property Taxes	59,410	27,065	5,266	1,701	0	0	0	0	0
Commercial Activity Tax	45,322	62,822	80,625	81,394	65,524	42,645	21,323	21,323	21,323
Taxes	443,149	422,815	410,703	407,487	387,877	364,350	342,380	341,732	341,084
Homestead and Rollback	36,545	47,398	47,417	46,067	44,000	44,000	44,000	44,000	44,000
Intergovernmental	36,545	47,398	47,417	46,067	44,000	44,000	44,000	44,000	44,000
Immobilization Fee	375	7,521	1,235	1,330	2,615	2,615	2,615	2,615	2,615
Service Response Fees	32,327	33,767	6,841	0	0	0	0	0	0
Transport Fee	1,116,664	1,209,935	1,213,976	1,364,395	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Parking Meter Fees	88,243	95,819	98,058	78,470	81,376	81,376	81,376	81,376	81,376
Towing Fees	11,515	9,825	6,285	6,630	6,300	6,300	6,300	6,300	6,300
Records and Reports	25,295	14,074	7,597	9,220	0	0	0	0	0
Crime Lab Charges	18,750	30,480	25,015	11,366	12,000	12,000	12,000	12,000	12,000
Miscellaneous	4,259	14,501	1,430	11,506	2,000	2,000	2,000	2,000	2,000
Alarm Monitoring Fees	1,300	100	0	0	0	0	0	0	0
Licenses Permits & Fees	1,298,728	1,416,022	1,360,437	1,482,917	1,604,291	1,604,291	1,604,291	1,604,291	1,604,291
STEP Program Fines	73,790	66,486	84,995	83,979	84,487	84,487	84,487	84,487	84,487
Parking Fines	44,981	59,954	73,148	40,020	50,000	50,000	50,000	50,000	50,000
License and Permits	1,018	1,179	1,360	850	1,102	1,102	1,102	1,102	1,102
Fines & Forfeitures	119,789	127,619	159,503	124,849	135,589	135,589	135,589	135,589	135,589
Donations	24,613	4,638	32,911	5,373	4,500	4,500	4,500	4,500	4,500
Reimbursements	86,685	118,886	84,819	123,915	103,576	103,576	103,576	103,576	103,576
Miscellaneous	111,298	123,524	117,730	129,288	108,076	108,076	108,076	108,076	108,076
Transfers In from General Fund and Water Fund	0	0	0	0	449,997	100,000	100,000	100,000	100,000
Transfers In from Income Tax	20,629,251	19,874,446	18,013,460	18,250,520	18,250,520	18,250,520	18,250,520	18,250,520	18,250,520
Total Revenues	22,638,760	22,011,824	20,109,250	20,441,128	20,980,350	20,606,826	20,584,856	20,584,208	20,583,560
Expenditures									
Safety Services									
Police Department									
Personal Services	6,259,250	6,215,711	5,739,545	4,709,037	4,462,818	4,749,629	4,749,629	4,749,629	4,749,629
Fringe Benefits	1,743,801	1,753,834	1,677,470	1,361,833	3,103,335	3,112,194	3,112,194	3,112,194	3,112,194
Materials and Supplies	122,495	83,563	37,905	34,569	95,933	117,128	117,128	117,128	117,128
Contractual Services	294,268	188,929	155,590	127,955	179,761	179,900	179,900	179,900	179,900
Other Charges	0	0	0	0	5,000	5,000	5,000	5,000	5,000
Capital Outlay	549,990	259,005	132,443	20,059	40,000	124,200	124,200	124,200	124,200

City of Mansfield
Safety Services (214)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Police Department	8,969,804	8,501,042	7,742,953	6,253,453	7,886,847	8,288,051	8,288,051	8,288,051	8,288,051
Fire Department									
Personal Services	5,888,006	6,281,841	6,505,568	6,047,393	5,394,253	5,409,159	5,409,159	5,409,159	5,409,159
Fringe Benefits	1,739,514	1,796,183	1,690,620	1,822,211	3,773,004	3,626,241	3,626,241	3,626,241	3,626,241
Materials and Supplies	371,495	331,290	276,586	157,849	255,900	191,000	191,000	191,000	191,000
Contractual Services	5,500	2,700	37,500	201,091	218,366	337,650	337,650	337,650	337,650
Utilities	74,310	76,910	88,666	65,976	65,254	67,300	67,300	67,300	67,300
Other Charges	0	0	0	0	5,000	5,000	5,000	5,000	5,000
Capital Outlay	88,944	73,978	21,805	0	95,000	145,000	145,000	145,000	145,000
Fire Department	8,167,769	8,562,902	8,620,745	8,294,520	9,806,777	9,781,350	9,781,350	9,781,350	9,781,350
Communications Department									
Personal Services	718,281	690,376	659,135	604,220	580,287	592,896	592,896	592,896	592,896
Fringe Benefits	18,500	16,600	18,117	20,809	399,242	405,067	405,067	405,067	405,067
Materials and Supplies	3,060	1,672	1,410	1,993	2,650	1,630	1,630	1,630	1,630
Contractual Services	59,048	58,145	39,069	43,230	61,775	104,080	104,080	104,080	104,080
Capital Outlay	3,496	840	0	0	5,000	5,000	5,000	5,000	5,000
Communications Department	802,385	767,633	717,731	670,252	1,048,954	1,108,673	1,108,673	1,108,673	1,108,673
Parking Meter									
Personal Services	28,763	50,350	41,576	36,032	31,450	30,950	30,950	30,950	30,950
Fringe Benefits	0	0	0	0	41,346	31,519	31,519	31,519	31,519
Materials and Supplies	275	6,635	326	3,869	4,350	9,808	9,808	9,808	9,808
Contractual Services	1,190	560	0	991	2,150	2,500	2,500	2,500	2,500
Other	46	0	1,370	0	1,600	1,100	1,100	1,100	1,100
Parking Meter Department	30,274	57,545	43,272	40,892	80,896	75,877	75,877	75,877	75,877
Police Lab									
Personal Services	176,677	181,586	154,503	137,326	99,883	116,109	116,109	116,109	116,109
Fringe Benefits	8,924	8,290	7,000	7,400	59,894	60,763	60,763	60,763	60,763
Materials and Supplies	23,686	18,754	9,649	5,352	10,000	11,795	11,795	11,795	11,795
Contractual Services	45,874	41,088	38,952	17,700	42,500	65,175	65,175	65,175	65,175
Capital Outlay	29,190	15,319	0	0	0	0	0	0	0
Police Lab Department	284,351	265,037	210,104	167,778	212,277	253,842	253,842	253,842	253,842
Transfers and Other Miscellaneous									
Fringe Benefits	22,368	12,816	1,066	2,668	0	0	0	0	0
Contractual Services	15,032	16,911	160,376	15,114	8,000	8,000	8,000	8,000	8,000
Transport Fee Refunds	0	0	0	1,346	0	0	0	0	0
Transfers To Other Funds	4,092,247	4,347,270	4,718,697	5,504,350	1,601,147	1,601,147	1,601,147	1,601,147	1,601,147
Transfers and Miscellaneous	4,129,647	4,376,997	4,880,139	5,523,478	1,609,147	1,609,147	1,609,147	1,609,147	1,609,147

City of Mansfield
Safety Services (214)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Total Safety Services	<u>22,384,230</u>	<u>22,531,156</u>	<u>22,214,944</u>	<u>20,950,373</u>	<u>20,644,898</u>	<u>21,116,940</u>	<u>21,116,940</u>	<u>21,116,940</u>	<u>21,116,940</u>
Total Expenditures	22,384,230	22,531,156	22,214,944	20,950,373	20,644,898	21,116,940	21,116,940	21,116,940	21,116,940
Increase (Decrease) in Cash	254,530	(519,332)	(2,105,694)	(509,245)	335,452	(510,114)	(532,084)	(532,732)	(533,380)
Beginning Cash	<u>885,265</u>	<u>1,139,795</u>	<u>620,463</u>	<u>(1,485,231)</u>	<u>(1,994,476)</u>	<u>(1,659,024)</u>	<u>(2,169,138)</u>	<u>(2,701,222)</u>	<u>(3,233,954)</u>
Ending Cash	<u>1,139,795</u>	<u>620,463</u>	<u>(1,485,231)</u>	<u>(1,994,476)</u>	<u>(1,659,024)</u>	<u>(2,169,138)</u>	<u>(2,701,222)</u>	<u>(3,233,954)</u>	<u>(3,767,334)</u>
Additional Income Tax Allocation Needed to Balance General Fund							(807,942)	(1,587,328)	(1,608,962)
Recovery Plan Items for Fund 214:									
Trash Pickup ¹³					15,772	15,772	15,772	15,772	15,772
Workers' Comp ¹⁵					0	0	0	0	0
Safety Income Tax Increase(Additional Tax) ³⁰						0	3,269,849	3,269,849	3,269,849
False Alarm Fee ⁴²					5,000	5,000	5,000	5,000	5,000
Ending Cash after Plan Items	<u>1,139,795</u>	<u>620,463</u>	<u>(1,485,231)</u>	<u>(1,994,476)</u>	<u>(1,638,252)</u>	<u>(2,127,594)</u>	<u>(176,999)</u>	<u>993,562</u>	<u>2,141,841</u>

City of Mansfield

Grant (224)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Various Grants	2,661,872	4,623,355	1,348,401	7,147,154	3,970,099	179,585	0	0	0
Intergovernmental	<u>2,661,872</u>	<u>4,623,355</u>	<u>1,348,401</u>	<u>7,147,154</u>	<u>3,970,099</u>	<u>179,585</u>	<u>0</u>	<u>0</u>	<u>0</u>
T.I.D.E Fees	16,516	0	0	0	0	0	0	0	0
DNA Backlog FY08 Charges	0	0	0	60,000	33,329	0	0	0	0
DNA Backlog FY09 Charges	0	0	0	1,350	750	0	0	0	0
Byrne Crime Lab Charges	0	0	840	18,880	10,487	0	0	0	0
Charges for Services	<u>16,516</u>	<u>0</u>	<u>840</u>	<u>80,230</u>	<u>44,566</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reimbursements	20,642	3,510	18,990	51	30	0	0	0	0
Donations	200	200	1,150	0	0	0	0	0	0
Miscellaneous	1,043	524	298	9,789	5,438	0	0	0	0
Miscellaneous	<u>21,885</u>	<u>4,234</u>	<u>20,438</u>	<u>9,840</u>	<u>5,468</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfers	290,089	289,674	321,689	795,111	20,100	0	0	0	0
Transfers	<u>290,089</u>	<u>289,674</u>	<u>321,689</u>	<u>795,111</u>	<u>20,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u><u>2,990,362</u></u>	<u><u>4,917,263</u></u>	<u><u>1,691,368</u></u>	<u><u>8,032,335</u></u>	<u><u>4,040,233</u></u>	<u><u>179,585</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Expenditures									
Grants									
Personal Services	334,480	319,311	690,158	1,789,544	829,698	0	0	0	0
Fringe Benefits	45,722	19,960	67,180	295,722	321,980	0	0	0	0
Materials and Supplies	98,676	35,221	41,123	71,695	289,484	0	0	0	0
Contractual Services	790,065	238,555	234,375	397,061	360,346	0	0	0	0
Capital Outlay	268,070	240,325	104,734	538,798	1,916,338	0	0	0	0
Grants and Projects	1,882,235	3,606,260	249,257	4,806,999	90,443	0	0	0	0
Transfers to Other Funds	45,001	56,182	200,409	537,603	0	0	0	0	0
Other Miscellaneous	0	0	0	0	172,776	0	0	0	0
Total Grants	<u>3,464,249</u>	<u>4,515,814</u>	<u>1,587,236</u>	<u>8,437,422</u>	<u>3,981,065</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,464,249</u>	<u>4,515,814</u>	<u>1,587,236</u>	<u>8,437,422</u>	<u>3,981,065</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Cash	<u>(473,887)</u>	<u>401,449</u>	<u>104,132</u>	<u>(405,087)</u>	<u>59,168</u>	<u>179,585</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Cash	<u>314,225</u>	<u>(159,662)</u>	<u>241,787</u>	<u>345,919</u>	<u>(59,168)</u>	<u>0</u>	<u>179,585</u>	<u>179,585</u>	<u>179,585</u>
Ending Cash	<u><u>(159,662)</u></u>	<u><u>241,787</u></u>	<u><u>345,919</u></u>	<u><u>(59,168)</u></u>	<u><u>0</u></u>	<u><u>179,585</u></u>	<u><u>179,585</u></u>	<u><u>179,585</u></u>	<u><u>179,585</u></u>

City of Mansfield

Grant (224)

2011 Financial Forecast

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
<i>Recovery Plan Items for Fund 224:</i>									
Workers' Comp ¹⁵									
Ending Cash after Plan Items	<u>(159,662)</u>	<u>241,787</u>	<u>345,919</u>	<u>(59,168)</u>	<u>0</u>	<u>179,585</u>	<u>179,585</u>	<u>179,585</u>	<u>179,585</u>

The Grant fund cannot be forecasted past 2011, as the expenditures are based on the grants applied for and received. It is assumed that the fund will only spend the grant monies received and that any deficits are caused by grant revenue that is outstanding at the end of the year.

Note: The City's temporary appropriations have \$120,417 as the cash balance of this fund at 1/1/11. The City's system reports show (\$59,168), which is what was used here.

City of Mansfield

Miller Park Project (417)

2011 Financial Forecast

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Revenues									
OANG Grant	0	1,000,000	0	0	814,630	0	0	0	0
ODOD Grant	0	152,496	63,225	10,863	0	0	0	0	0
ODOD Roadwork Grant	0	0	630,713	12,669	0	0	0	0	0
Intergovernmental	0	1,152,496	693,938	23,532	814,630	0	0	0	0
Note Proceeds	0	0	0	1,241,597	0	0	0	0	0
Miscellaneous	0	0	0	1,241,597	0	0	0	0	0
Total Revenues	0	1,152,496	693,938	1,265,129	814,630	0	0	0	0
Expenditures									
Miller Park Project									
Capital Outlay	138,862	1,266,973	872,965	282,508	1,365,482	0	0	0	0
Total Expenditures	138,862	1,266,973	872,965	282,508	1,365,482	0	0	0	0
Increase (Decrease) in Cash	(138,862)	(114,477)	(179,027)	982,621	(550,852)	0	0	0	0
Beginning Cash	597	(138,265)	(252,742)	(431,769)	550,852	0	0	0	0
Ending Cash	(138,265)	(252,742)	(431,769)	550,852	0	0	0	0	0

This fund was a grant/debt project. It is assumed that when the project is completed, the grant and debt proceeds will have been spent. The debt is an OWDA loan and will be repaid from water/sewer funds.

City of Mansfield

Airport Operating (504)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Air Guard Agreement	89,033	73,889	73,888	53,198	53,722	53,722	53,722	53,722	53,722
Intergovernmental	89,033	73,889	73,888	53,198	53,722	53,722	53,722	53,722	53,722
Airpark Lease	4,789	28,890	10,616	14,570	14,714	14,714	14,714	14,714	14,714
Property Rentals	24,488	6,379	6,379	6,379	6,442	6,442	6,442	6,442	6,442
Hangar Leases	41,977	34,187	29,193	34,663	35,005	35,005	35,005	35,005	35,005
Fixed Base Operator Lease	18,382	19,735	17,215	16,598	16,762	16,762	16,762	16,762	16,762
Landing Fees	141	113	105	1,197	1,209	1,209	1,209	1,209	1,209
Charges For Services	89,777	89,304	63,508	73,407	74,130	74,130	74,130	74,130	74,130
Miscellaneous	230	238	7,460	4,934	4,983	4,983	4,983	4,983	4,983
Reimbursements	44,050	7,309	219	0	0	0	0	0	0
Miscellaneous	44,280	7,547	7,679	4,934	4,983	4,983	4,983	4,983	4,983
Transfers	413,685	486,632	297,220	305,958	342,999	342,999	342,999	342,999	342,999
Transfers	413,685	486,632	297,220	305,958	342,999	342,999	342,999	342,999	342,999
Total Revenues	636,775	657,372	442,295	437,497	475,834	475,834	475,834	475,834	475,834
Expenditures									
Airport Operating									
Personal Services	220,399	221,972	176,934	173,473	167,991	167,991	167,991	167,991	167,991
Fringe Benefits	5,949	6,400	6,790	6,700	104,059	104,059	104,059	104,059	104,059
Materials and Supplies	47,704	46,911	19,200	26,681	66,060	66,060	66,060	66,060	66,060
Contractual Services	83,559	48,059	27,391	22,303	17,820	17,820	17,820	17,820	17,820
Capital Outlay	19,307	4,093	0	14,553	9,439	9,439	9,439	9,439	9,439

City of Mansfield

Airport Operating (504)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Utilities	58,550	60,998	62,719	48,302	52,000	52,000	52,000	52,000	52,000
Transfer to Other Funds	264,861	352,171	181,104	143,161	58,465	58,465	58,465	58,465	58,465
Other	35	85	0	0	0	0	0	0	0
Total Expenditures	700,364	740,689	474,138	435,173	475,834	475,834	475,834	475,834	475,834
<i>Increase (Decrease) in Cash</i>	(63,589)	(83,317)	(31,843)	2,324	0	0	0	0	0
<i>Beginning Cash</i>	176,475	112,886	29,569	(2,274)	50	50	50	50	50
Ending Cash	112,886	29,569	(2,274)	50	50	50	50	50	50
<i>Recovery Plan Items for Fund 504:</i>									
Trash Pickup ¹³					4,506	4,506	4,506	4,506	4,506
Workers' Comp ¹⁵					0	0	0	0	0
Ending Cash after Plan Items	112,886	29,569	(2,274)	50	4,556	9,062	13,568	18,074	22,580

City of Mansfield

Garage Operating (601)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Sale of Assets	4,501	11,520	916	186	0	0	0	0	0
Reimbursements	4,605	4,580	780	3,911	0	0	0	0	0
Miscellaneous	9,106	16,100	1,696	4,097	0	0	0	0	0
Transfers	1,436,803	1,794,728	1,252,134	1,209,641	1,509,046	1,509,046	1,509,046	1,509,046	1,509,046
Transfers	1,436,803	1,794,728	1,252,134	1,209,641	1,509,046	1,509,046	1,509,046	1,509,046	1,509,046
Total Revenues	1,445,909	1,810,828	1,253,830	1,213,738	1,509,046	1,509,046	1,509,046	1,509,046	1,509,046
Expenditures									
Garage Operating									
Personal Services	368,962	397,512	375,174	251,601	292,741	292,741	292,741	292,741	292,741
Fringe Benefits	13,100	0	13,850	8,600	212,475	212,475	212,475	212,475	212,475
Training Travel	0	14,000	0	0	0	0	0	0	0
Materials and Supplies	804,801	1,077,693	555,238	690,849	779,041	779,041	779,041	779,041	779,041
Contractual Services	13,997	1,215	5,200	39,801	65,253	65,253	65,253	65,253	65,253
Utilities	56,517	27,000	0	0	23,800	23,800	23,800	23,800	23,800
Capital Outlay	0	6,308	0	16,352	32,000	32,000	32,000	32,000	32,000
Transfers to Other Funds	251,853	296,560	288,259	247,081	103,736	103,736	103,736	103,736	103,736
Total Expenditures	1,509,230	1,820,288	1,237,721	1,254,284	1,509,046	1,509,046	1,509,046	1,509,046	1,509,046
Increase (Decrease) in Cash	2,955,139	(9,460)	16,109	(40,546)	0	0	0	0	0
Beginning Cash	(2,921,242)	33,897	24,437	40,546	0	0	0	0	0
Ending Cash	33,897	24,437	40,546	0	0	0	0	0	0
Recovery Plan Items for Fund 601:									
Trash Pickup ¹³					4,506	4,506	4,506	4,506	4,506
Workers' Comp ¹⁵					0	0	0	0	0
Ending Cash after Plan Items	33,897	24,437	40,546	0	4,506	9,012	13,518	18,024	22,530

City of Mansfield
Information Technology (602)
 2011 Financial Forecast

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	215 Forecast
Revenues									
Reimbursements	\$83.00	\$0.00	\$90.00	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	83.00	0.00	90.00	60.00	0.00	0.00	0.00	0.00	0.00
Transfers	520,525.00	426,305.00	378,651.00	643,997.00	742,833.00	742,833.00	742,833.00	742,833.00	742,833.00
Transfers	520,525.00	426,305.00	378,651.00	643,997.00	742,833.00	742,833.00	742,833.00	742,833.00	742,833.00
Total Revenues	<u>520,608.00</u>	<u>426,305.00</u>	<u>378,741.00</u>	<u>644,057.00</u>	<u>742,833.00</u>	<u>742,833.00</u>	<u>742,833.00</u>	<u>742,833.00</u>	<u>742,833.00</u>
Expenditures									
Information Technology									
Personal Services	177,255.00	176,241.00	180,973.00	181,810.00	148,127.00	148,127.00	148,127.00	148,127.00	148,127.00
Fringe Benefits	4,600.00	4,875.00	5,100.00	3,300.00	82,731.00	82,731.00	82,731.00	82,731.00	82,731.00
Training Travel	4,287.00	551.00	0.00	5,499.00	0.00	0.00	0.00	0.00	0.00
Materials and Supplies	27,496.00	13,317.00	13,197.00	17,634.00	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00
Contractual Services	173,035.00	65,508.00	101,043.00	256,447.00	417,528.00	417,528.00	417,528.00	417,528.00	417,528.00
Capital Outlay	71,236.00	23,417.00	23,739.00	54,764.00	25,350.00	25,350.00	25,350.00	25,350.00	25,350.00
Transfers to Other Funds	99,088.00	99,641.00	114,518.00	127,015.00	48,597.00	48,597.00	48,597.00	48,597.00	48,597.00
Total Expenditures	\$556,997.00	\$383,550.00	\$438,570.00	\$646,469.00	\$742,833.00	\$742,833.00	\$742,833.00	\$742,833.00	\$742,833.00
Increase (Decrease) in Cash	-36,389.00	42,755.00	-59,829.00	-2,412.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash	55,875.00	19,486.00	62,241.00	2,412.00	0.00	0.00	0.00	0.00	0.00
Ending Cash	<u>19,486.00</u>	<u>62,241.00</u>	<u>2,412.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Recovery Plan Items for Fund 602:									
Workers' Comp ¹⁵					0	0	0	0	0
Ending Cash after Plan Items	<u>19,486</u>	<u>62,241</u>	<u>2,412</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Mansfield

Utility Collections (603)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Reimbursements	\$0.00	\$120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	2,662.00	3,059.00	3,140.00	1,680.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	<u>2,662.00</u>	<u>3,179.00</u>	<u>3,140.00</u>	<u>1,680.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Transfers	1,414,966.00	1,577,756.00	1,649,403.00	1,678,791.00	1,787,810.00	1,787,810.00	1,787,810.00	1,787,810.00	1,787,810.00
Transfers	<u>1,414,966.00</u>	<u>1,577,756.00</u>	<u>1,649,403.00</u>	<u>1,678,791.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>
Total Revenues	<u>1,417,628.00</u>	<u>1,580,875.00</u>	<u>1,652,543.00</u>	<u>1,680,471.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>	<u>1,787,810.00</u>
Expenditures									
Utility Collections									
Personal Services	693,284.00	674,877.00	762,191.00	618,162.00	607,375.00	607,375.00	607,375.00	607,375.00	607,375.00
Fringe Benefits	24,100.00	22,517.00	23,359.00	19,900.00	428,947.00	428,947.00	428,947.00	428,947.00	428,947.00
Materials and Supplies	210,558.00	222,111.00	144,498.00	148,359.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Contractual Services	21,692.00	23,833.00	50,483.00	176,022.00	356,837.00	356,837.00	356,837.00	356,837.00	356,837.00
Utilities	5,880.00	6,705.00	4,566.00	2,693.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Capital Outlay	0.00	0.00	0.00	21,185.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00
Transfers to Other Funds	595,416.00	607,688.00	683,994.00	710,557.00	299,651.00	299,651.00	299,651.00	299,651.00	299,651.00
Total Expenditures	<u>\$1,550,930.00</u>	<u>\$1,557,731.00</u>	<u>\$1,669,091.00</u>	<u>\$1,696,878.00</u>	<u>\$1,787,810.00</u>	<u>\$1,787,810.00</u>	<u>\$1,787,810.00</u>	<u>\$1,787,810.00</u>	<u>\$1,787,810.00</u>
Increase (Decrease) in Cash	<u>-1,550,930.00</u>	<u>23,144.00</u>	<u>-16,548.00</u>	<u>-16,407.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Beginning Cash	<u>1,560,991.00</u>	<u>10,061.00</u>	<u>33,205.00</u>	<u>16,657.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>
Ending Cash	<u>10,061.00</u>	<u>33,205.00</u>	<u>16,657.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>
Recovery Plan Items for Fund 601:									
Trash Pickup ¹³					2,253	2,253	2,253	2,253	2,253
Workers' Comp ¹⁵					0	0	0	0	0
Ending Cash after Plan Items	<u>10,061</u>	<u>33,205</u>	<u>16,657</u>	<u>250</u>	<u>2,503</u>	<u>4,756</u>	<u>7,009</u>	<u>9,262</u>	<u>11,515</u>

City of Mansfield

Health Insurance (606)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Reimbursements	\$429,793.00	\$488,196.00	\$614,444.00	\$1,537,884.00	\$812,000.00	\$812,000.00	\$812,000.00	\$812,000.00	\$812,000.00
Miscellaneous	429,793.00	488,196.00	614,444.00	1,537,884.00	812,000.00	812,000.00	812,000.00	812,000.00	812,000.00
Transfers	4,962,197.00	5,521,861.00	6,530,533.00	5,776,594.00	5,845,268.00	5,845,268.00	5,845,268.00	5,845,268.00	5,845,268.00
Transfers	5,962,197.00	5,521,861.00	6,530,533.00	5,776,594.00	5,845,268.00	5,845,268.00	5,845,268.00	5,845,268.00	5,845,268.00
Total Revenues	<u>6,391,990.00</u>	<u>6,010,057.00</u>	<u>7,144,977.00</u>	<u>7,314,478.00</u>	<u>6,657,268.00</u>	<u>6,657,268.00</u>	<u>6,657,268.00</u>	<u>6,657,268.00</u>	<u>6,657,268.00</u>
Expenditures									
Health Insurance									
Contractual Services	438,569.00	439,919.00	403,398.00	473,130.00	530,000.00	530,000.00	530,000.00	530,000.00	530,000.00
Claims	6,128,816.00	5,727,861.00	6,722,178.00	6,860,749.00	6,127,268.00	6,127,268.00	6,127,268.00	6,127,268.00	6,127,268.00
Total Expenditures	<u>\$6,567,385.00</u>	<u>\$6,167,780.00</u>	<u>\$7,125,576.00</u>	<u>\$7,333,879.00</u>	<u>\$6,657,268.00</u>	<u>\$6,657,268.00</u>	<u>\$6,657,268.00</u>	<u>\$6,657,268.00</u>	<u>\$6,657,268.00</u>
Increase (Decrease) in Cash	-175,395.00	-157,723.00	19,401.00	-19,401.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash	<u>333,118.00</u>	<u>157,723.00</u>	<u>0.00</u>	<u>19,401.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Cash	<u>157,723.00</u>	<u>0.00</u>	<u>19,401.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

This fund is internal service, therefore the transfers in from other funds should match the expenditures each year and there should not be a deficit balance.

City of Mansfield
Workers Compensation (608)
 2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Reimbursements	\$29,810.00	\$33,651.00	\$17,013.00	\$31,490.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	<u>29,810.00</u>	<u>33,651.00</u>	<u>17,013.00</u>	<u>31,490.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Transfers	\$822,914.00	\$735,729.00	\$833,909.00	\$831,006.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers	<u>822,914.00</u>	<u>735,729.00</u>	<u>833,909.00</u>	<u>831,006.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>
Total Revenues	<u>852,724.00</u>	<u>769,380.00</u>	<u>850,922.00</u>	<u>862,496.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>
Expenditures									
Workers Compensation									
Workers Compensation Premium	805,289.00	797,201.00	875,755.00	787,242.00	674,842.00	668,473.00	622,056.00	622,056.00	622,056.00
Total Workers Compensation	<u>805,289.00</u>	<u>797,201.00</u>	<u>875,755.00</u>	<u>787,242.00</u>	<u>674,842.00</u>	<u>668,473.00</u>	<u>622,056.00</u>	<u>622,056.00</u>	<u>622,056.00</u>
Total Expenditures	<u>\$805,289.00</u>	<u>\$797,201.00</u>	<u>\$875,755.00</u>	<u>\$787,242.00</u>	<u>\$674,842.00</u>	<u>\$668,473.00</u>	<u>\$622,056.00</u>	<u>\$622,056.00</u>	<u>\$622,056.00</u>
Increase (Decrease) in Cash	47,435.00	-27,821.00	-24,833.00	75,254.00	-52,786.00	-46,417.00	0.00	0.00	0.00
Beginning Cash	<u>29,168.00</u>	<u>76,603.00</u>	<u>48,782.00</u>	<u>23,949.00</u>	<u>99,203.00</u>	<u>46,417.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Cash	<u>76,603.00</u>	<u>48,782.00</u>	<u>23,949.00</u>	<u>99,203.00</u>	<u>46,417.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Recovery Plan Items for Fund 608:									
Workers' Comp ¹⁵					0	0	0	0	0
Ending Cash after Plan Items	<u>76,603</u>	<u>48,782</u>	<u>23,949</u>	<u>99,203</u>	<u>46,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

This fund is internal service, therefore the transfers in from other funds should match the expenditures each year and there should not be a deficit balance.

City of Mansfield

Benefits (609)

2011 Financial Forecast

	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenues									
Transfers	\$3,107,767.00	\$3,106,038.00	\$2,757,980.00	\$2,560,625.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers	<u>3,107,767.00</u>	<u>3,106,038.00</u>	<u>2,757,980.00</u>	<u>2,560,625.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Revenues	<u><u>3,107,767.00</u></u>	<u><u>3,106,038.00</u></u>	<u><u>2,757,980.00</u></u>	<u><u>2,560,625.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>
Expenditures									
Benefits									
Fringe Benefits	<u>3,107,767.00</u>	<u>3,106,038.00</u>	<u>2,757,980.00</u>	<u>2,560,625.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Benefits	<u>3,107,767.00</u>	<u>3,106,038.00</u>	<u>2,757,980.00</u>	<u>2,560,625.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>\$3,107,767.00</u>	<u>\$3,106,038.00</u>	<u>\$2,757,980.00</u>	<u>\$2,560,625.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Increase (Decrease) in Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Cash	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

As of 2011 this fund is no longer used by the City. Benefits are being charged directly to the funds/departments with employees.

City of Mansfield
Transient Occupancy Tax (808)
 2011 Financial Forecast

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Revenues									
Transient Occupancy Tax	207,925	220,762	188,370	201,778	200,000	200,000	200,000	200,000	200,000
Total Revenues	<u>207,925</u>	<u>220,762</u>	<u>188,370</u>	<u>201,778</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Expenditures									
Transient Occupancy Tax									
Contractual Services	172,529	173,720	152,472	179,226	165,000	165,000	165,000	165,000	165,000
Transfers to Other Funds	35,396	35,449	34,998	35,044	35,000	35,000	35,000	35,000	35,000
Total Transient Occupancy Tax	<u>207,925</u>	<u>209,169</u>	<u>187,470</u>	<u>214,270</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Expenditures	<u>207,925</u>	<u>209,169</u>	<u>187,470</u>	<u>214,270</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Increase (Decrease) in Cash	0	11,593	900	(12,492)	0	0	0	0	0
Beginning Cash	<u>(1)</u>	<u>(1)</u>	<u>11,592</u>	<u>12,492</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Cash	<u>(1)</u>	<u>11,592</u>	<u>12,492</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Revenues and expenditures are anticipated to match in this fund, therefore deficits should not be a problem.

Forecast Assumptions:

Please see individual folders and documentation for more detail, but some of the significant assumptions used were:

Revenues:

Property Taxes and Reimbursements - taxes projected consistent with 2010 levels by the County, but the phase-out of public utility reimbursement and phase-out of tangible reimbursement are based on Dept. of Taxation projections. Due to the FY12-13 State budget, the TPP reimbursement (Commercial Activity Tax) in general fund is \$0 for 2012 and beyond.

Income Tax - projected to remain consistent with 2009 and 2010 levels, which were fairly flat.

Local Government Revenue - the FY12-13 State budget cut this revenue source, and amounts are based on documentation from Department of Taxation and Richland County.

Estate Tax - the FY12-13 State budget eliminates this tax for deaths after 1/1/2013. Due to the fact that estates have up to 15 months to pay the tax, the revenue has been forecasted to continue in 2012 and 2013. No revenue is forecasted for 2014-2015. 2011 is based on YTD revenue (at 6/30/11) and 2012-2013 is based on 2010 revenue, which is a conservative estimate.

Income Tax - Historically, the general fund has received very little of the 1% general income tax, as funding was needed in safety. The forecast has a line at the bottom of the general and safety funds to demonstrate the need for a portion of this tax to be allocated to the general fund instead of safety fund, to help offset the loss of local government, CAT, and estate tax monies. The allocation of the 1% general tax is at the discretion of Council and can be changed as the financial situation warrants it.

Expenditures:

Salaries and benefits are based on payroll spreadsheets provided by the City for 2011. For 2012-2015 we applied step increases and increases in longevity to the sheets. We did not forecast any base increase in salary. If employees were paid from a grant in 2011 we assumed they would still be paid from a grant in the future (other than safety fund, where the City gave us grant info through 2012). Park employees were laid off for 6 months in 2011 but we brought them on for a full year in 2012-2015. Some employees had furlough days in 2011 but it is unclear if this will continue into future years, so employees were projected to be back to full hours for 2012-2015.

Although the Mayor discontinued furlough days recently, we did not adjust the payroll amounts for this because there have been no changes to appropriations to account for this change. Each department is supposed to find non-salary line items to cut from, but at this point, those cuts are not clear. In theory, each department will spend the same amount in total, the difference is only which line item the expenditure is coming from.

At the time of this forecast, the City had negotiated with both police unions on an extension of the current contract. This extension eliminates "pick-up" of the employees' share of pension payments, but replaces that with a wage increase. According to City calculations, the approximately 5.85% wage increase will be cost neutral when replacing the pick-up. The contract extension also has police on the same "90/10" health care plan as fire and non-bargaining employees, but those savings are already accounted for in the appropriation of a transfer from safety fund to the insurance fund.

For other expenditures the 2011 permanent appropriations were used. These amounts were carried forward in 2012-2015.

Note: Shaded plan items in the various funds are items that changed since the last version of this forecast.

BILL #12-045

BY: MRS. HARING

Adopting a Financial Efficiency Improvement Plan and authorizing the Finance Director to file an application with the Ohio Department of Development for the purpose of acquiring Local Government Innovation grant funds pursuant to HB 153, and declaring an emergency.

WHEREAS, the City of Mansfield recognizes the need to address the following recommendations contained in the Ohio Auditor's Performance Audit dated July 21, 2011: Develop plans and performance measures to aid in decision-making and improve the budgetary process, and

WHEREAS, the Ohio Department of Development has, allocated funds that are earmarked for grants to promote efficiency and improve business environments, thereby promoting community attraction, and

WHEREAS, in order to implement the recommendations of the City's Performance Audit, the Finance Department is desirous of applying for said grant funds and in so doing creating a financial efficiency improvement grant program to receive and utilize said grant funds if awarded.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MANSFIELD, STATE OF OHIO:

SECTION 1. That this Council does hereby endorse and support a Financial Efficiency Improvement Grant Program for the City of Mansfield, including development of Risk Based Financial Policies, and priority based budgeting, utilizing a visioning component to determine the cities financial vulnerabilities, if approved, as indicated in its application to the Ohio Department of Development.

SECTION 2. That the Finance Director is hereby authorized to apply for a grant from the ODD and, if awarded, enter into an agreement with said Department documentation associated with it implementing said grant program, and that the Finance Director is hereby further authorized to sign said agreement.

SECTION 3. That this Council does hereby request the Ohio Department of Development, to consider and fund its program as described in the application.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 5. That by reason of the necessity for the grant application to be timely submitted and reviewed, this measure is determined to be an emergency Ordinance for the immediate preservation of the public peace, health, safety and welfare of the City of Mansfield and its inhabitants and providing it receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its adoption, otherwise from and after the earliest time allowed by law, after its passage and approval by the Mayor.

PASSED 21 February, 2012

SIGNED /s/ Ethel M. Hightower President Pro-Tempore

ATTEST /s/ Amy L. Yockey Clerk of Council

APPROVED /s/ Timothy L. Theaker Mayor

APPROVED AS TO FORM: John R. Spon Law Director City of Mansfield, Ohio

MAILED FEB 21 2012

See page 18-22

**CITY OF MANSFIELD
RICHLAND COUNTY**

PERFORMANCE AUDIT

JULY 12, 2011



Dave Yost • Auditor of State



Dave Yost • Auditor of State

To the Residents and elected officials of the City of Mansfield:

In accordance with Ohio Revised Code Section 118.023, a performance audit was conducted in the City of Mansfield, due to its fiscal emergency status. The functional areas assessed during the audit were Strategic and Financial Management, Police and Communication Center, Fire Department, and Municipal Court. These areas were selected because they are important components of City operations and improvements in these areas can assist the City in improving its financial condition and working toward removing itself from fiscal emergency.

The performance audit contains recommendations which identify the potential for cost savings and efficiency improvements. While the recommendations contained in the audit report are resources intended to assist in improvement efforts, the City is encouraged to assess overall operations and develop additional alternatives.

An executive summary has been prepared which includes background information; a financial history and outlook; subsequent events; the methodology and scope for the performance audit; noteworthy accomplishments; a summary of the key recommendations and financial implications; issues for further study; and the audit objectives. This report has been provided to the City and its contents discussed with the related elected officials. The City has been encouraged to use the results of the performance audit as a resource for further improving overall operations, service delivery, and financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 12, 2011

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Executive Summary

Background

The Auditor of State (AOS) declared the City of Mansfield (the City) to be in fiscal emergency on August 19, 2010. Ohio Revised Code section 118.023 allows AOS to provide technical and support services to municipalities in fiscal emergency. In accordance with this authority, a performance audit of the City was initiated.

Based on a review of Mansfield's information and discussions with City officials, the following functional areas were included in the performance audit:

- Strategic and Financial Management;
- Police and Communication Center;
- Fire Department; and
- Municipal Court.

City Overview

Mansfield is located in north-central Ohio in Richland County. According to the U.S. Census Bureau, the City's population was 51,796 in 2000, declining to an estimated population of 49,579 in 2008. The City encompasses 29.91 square miles.

The City operates under a Charter that was adopted by the electorate in 1982. Based on the Charter, the City is governed by a Mayor and a nine-member City Council. Other elected officials include two judges of Municipal Court, the Law Director, the Finance Director, and the Clerk of Courts. City services include police, fire, emergency medical, water, sewer, court and streets.

Mansfield levies an income tax of 1.75 percent on substantially all earned income arising from employment, residency or business activities inside the City. The first 1.00 percent is a permanent levy, while the additional 0.25 percent is for street resurfacing and 0.50 percent is for police and fire activities. The income tax is the primary source of revenue for governmental funds, comprising approximately 51 percent of total operating revenues in 2009. Intergovernmental funds are the next largest revenue source for governmental funds, comprising approximately 29 percent of total operating revenues. The Safety Services and General Funds comprise the majority of governmental fund operating expenditures, totaling approximately \$21.2 and \$9.4 million in 2009, respectively. Income taxes comprised approximately 90 percent

of total operating revenues for the Safety Services Fund in 2009, but only 4 percent of total operating revenues for the General Fund. Intergovernmental funds represented the largest source of revenues for the General Fund in 2009, comprising approximately 45 percent of total operating revenues.¹

Financial History and Outlook

From 2000 to 2009, the City incurred structural operating deficits in the combined governmental funds in a majority of the years. Specifically, operating expenditures exceeded operating revenues in seven of the ten years. From 2001 to 2003, the City was able to achieve a positive balance in the government funds only by receiving proceeds from the sale of bonds and note premiums. Likewise, the City achieved a positive balance in its governmental funds in 2009 by receiving \$2.6 million in debt proceeds.

Mansfield's combined sum of funds with deficit balances of approximately \$3.4 million as of December 31, 2009 and \$9.8 million as of April 30, 2010 triggered the fiscal emergency declaration. Subsequently, a Financial Planning and Supervision Commission (the Commission) was appointed to assist Mansfield in addressing its financial situation and drafting a financial recovery plan for the City. At the time of this performance audit, the City was in the process of developing the financial recovery plan, and officially approved a plan in April 2011. By incorporating the results of this performance audit in its plan, the City would be better able to operate within available resources going forward and work toward removing itself from the fiscal emergency designation.

Subsequent Events

During the course of this performance audit, the City negotiated a new two-year collective bargaining agreement with the International Association of Firefighters. Additionally, the General Assembly passed Senate Bill (SB) 5 (effective July 1, 2011), which revises the public employee collective bargaining law and changes compensation and terms of employment for public sector employees. As a result, SB 5 addresses areas of governmental operations that were assessed in the performance audit of Mansfield, including the following:²

- Limits public employer contributions toward health care benefit costs to 85 percent (see 1.3);
- Prohibits a public employer from paying employee contributions to the five public employee retirement systems (see 1.5);

¹ Operating revenues and expenditures exclude other financing sources/uses.

² The SB 5 information is taken from reports published by the Ohio Legislative Services Commission.

- Expands the subjects that are inappropriate for collective bargaining, including the number of employees required to be on duty or employed in any department, division, or facility of a public employer (see 3.1, 3.2 and 3.3);
- Replaces salary schedules and longevity pay supplements with performance-based pay ranges for employees of the state and political subdivisions, except for teachers, whose compensation is required to be based on performance criteria alone (see 3.5);
- Prohibits payments for sick leave at retirement to exceed 50 percent of the public employee's total accumulation, with a cap of 1,000 hours (see 1.4, 2.3, and 3.1); and
- Establishes certain limitations on sick leave and vacation accruals (see 1.4, 2.3 and 3.1).

The City should consider the provisions of SB 5 as it implements the recommendations in this performance audit and other actions to improve its financial condition. Lastly, it should be noted that initial petitions have been filed with the Ohio Secretary of State regarding prospective referendum petition against SB 5.

Audit Methodology and Scope

Performance audits are defined as engagements that provide assurance or conclusions based on evaluations of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

AOS conducted the performance audit of Mansfield in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. AOS believes the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

AOS and the Performance Audit Section (PAS) are aware of, and have considered, the potential independence issue regarding undertaking performance audits of fiscal watch and emergency entities that are also being monitored by the AOS Local Government Services Division (LGS) as fiscal supervisor. Because LGS is statutorily required to serve as fiscal supervisor, an impairment to independence may exist (GAGAS 3.14). However, under ORC 118.023, and consistent with the intent of the legislature and Auditor of State under this law, performance audits are a component of the activities undertaken by AOS to assist local governments in fiscal distress.

The scope of the performance audit is driven by the funds that contributed to the fiscal emergency declaration. Accordingly, the overall objective of this performance audit is to assist

the City in identifying strategies to help improve its financial standing and work toward removing itself from fiscal emergency. Key areas assessed in this performance audit include the following:

- Budgeting and purchasing;
- General planning functions;
- Overall income tax operations;
- Health insurance; and
- Staffing, salaries, key benefits, overtime use, and technology for the Police and Communication Center, Fire Department, and Municipal Court.

The performance audit was designed to develop recommendations that provide cost savings, revenue enhancements, and/or efficiency improvements. The ensuing recommendations comprise options that Mansfield can consider to help improve its financial condition and operations.

Audit work was conducted between September 2010 and March 2011, and data was drawn primarily from fiscal years (FY) 2009 and 2010. To complete this report, the auditors conducted interviews with City personnel, and reviewed and assessed information from Mansfield, peer cities, and other relevant sources. See 2.5 and 3.2 for concerns about the reliability of the City's response time data for police and fire calls, and 4.2 for concerns about the reliability of case disposition rates at the Municipal Court. Peer city data and other information used for comparison purposes were not tested for reliability.

AOS used three cities as peers for benchmarking purposes: Elyria (Lorain County), Newark (Licking County), and Warren (Trumbull County). These cities were selected based upon demographic and operational data, and input from Mansfield. Since the city of Newark does not operate a municipal court, the Licking County Municipal Court was used in the Municipal Court section. To further help evaluate the City's staffing and services where applicable and feasible, AOS utilized audit averages from cities reviewed in prior performance audits. The selected peers, along with the year the performance audit was released, include the cities of Alliance (2006), Canton (2001), Cleveland Heights (2008), Elyria (2004), Euclid (2008), Fairview Park (2009), Galion (2006), Garfield Heights (2009), Greenville (2006), Hamilton (2004), Kettering (2008), Lakewood (2008), Lima (2001), Lorain (2004), Marietta (2007), Napoleon (2006), North Canton (2009), Northwood (2006), Norwood (2006), Parma (2004), Perrysburg (2009), Portsmouth (2007), Rossford (2006), Shelby (2006), Springfield (2004), Tallmadge (2006), Trotwood (2006), Vermilion (2006), Wadsworth (2009), Wapakoneta (2006), Warren (2001), Wauseon (2006), and Whitehall (2006). However, the number of cities used for each analysis varies throughout the performance audit, due to factors like information availability and differences in organizational structure or operations.

The analyses in each report section indicate the number of cities that comprise the prior audit averages. External organizations and sources were also used to provide comparative information and benchmarks. They include the Ohio Revised Code (ORC), Government Finance Officers Association (GFOA), State Employment Relations Board (SERB), Federal Bureau of Investigation (FBI), National Fire Protection Association (NFPA), and National Center for State Courts (NCSC).

The performance audit process involved significant information sharing with the City and Commission, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the City and Commission of key issues impacting selected areas, and share proposed recommendations to improve or enhance operations. Throughout the audit process, input from the City and Commission was solicited and considered when assessing the selected areas and framing recommendations. Finally, the City and Commission provided verbal and written comments in response to various recommendations; and these comments were taken into consideration during the reporting process. Where warranted, AOS modified the report based on these comments.

The Auditor of State and staff express appreciation to the City of Mansfield and the Financial Planning and Supervision Commission for their cooperation and assistance throughout this audit.

Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes noteworthy accomplishment identified during the course of this audit.

- **Efficient and Effective Income Tax Collection:** The City spent an average of \$10.57 per citizen in 2009 and \$10.08 in 2010 for its income tax function, lower than the peer average³ (\$11.14) and a private income tax collection provider (\$11.03). The lower costs are primarily the result of employing fewer income tax FTEs per 10,000 citizens (1.41 compared to the peer average of 1.61). In addition, despite a lower tax rate and median income, Mansfield collects more in income tax revenue per citizen (\$463) than the peer average (\$323). This is due in part to the City providing only a partial credit to citizens who pay income tax to other municipalities, while two of the four peers provide a full credit. However, the higher income tax revenue per citizen can also be attributable to the City's aggressive process for enforcing income tax payments. Specifically, Mansfield processes nearly double the number of income tax cases in court (1,946) compared to the next highest peer (1,089).

³ The peer average for the income tax comparisons includes Newark, Warren, Lakewood and Euclid. Elyria contracts for income tax services.

- **Police Department Accreditation:** The City of Mansfield Police Department (CMDP) has achieved accreditation status for its policing function through the Commission on Accreditation for Law Enforcement Agencies (CALEA). CALEA was established in 1979 to improve the delivery of public safety services by maintaining a body of standards covering a wide range of up-to-date public safety initiatives; establishing and administering an accreditation process; and recognizing professional excellence. CALEA advertises that benefits of accreditation include comprehensive, well thought-out directives; reports and analyses to make informed management decisions; in place preparedness programs; improved relationship with the community; strengthened accountability; lower liability and risk exposure; and assistance with an agency's pursuit of excellence. In contrast to CMDP, none of the peers (Elyria, Newark or Warren) are CALEA certified. Furthermore, only 41 Police Departments throughout Ohio have achieved CALEA certification.
- **Proactive Policing:** CMDP operates a variety of programs that are designed to provide proactive policing services. For example, CMDP operates a "Top Ten Initiative" where a report is run every 30 days showing the 10 addresses that placed the 10 most calls for service during the last 60 days. Police officers are then sent to those addresses during down periods to discuss the issue with the property owner and help develop solutions to prevent future crimes/calls for service. CMDP also sponsors approximately 60 neighborhood watch groups, with 45 of them meeting on a regular basis to develop strategies that promote safer neighborhoods. Finally, CMDP operates a variety of youth initiatives, including efforts to prevent juvenile delinquency, a police athletic league, drug awareness education, and Safety Town. These policing efforts can have a favorable impact on calls for service and crime rates. For instance, the number of calls for service and crimes declined each year from 2006 to 2009, with the exception of a slight increase (1.9 percent) in crimes from 2008 to 2009. Nevertheless, the number of crimes in 2009 remained lower than in 2006.

Recommendations

1.1 Develop plans and performance measures to aid in decision-making.

The City should develop strategic and capital improvement plans (CIP), and a financial forecast. Developing such plans and forecasts would help the City proactively address key issues that can impact its operations and financial stability, including future payouts to employees when they leave the City. Similarly, the City should create performance measures to gauge progress toward the achievement of its stated goals and objectives, and to benchmark and assess the performance of departments and functions. The City should use the performance measurements to more effectively manage departmental and program operations, and to communicate the results of operations to administrators, employees, and citizens. Finally, given the significant investment, the City should ensure the new software is fully implemented and employees are appropriately trained to achieve the benefits of the system. The City should use the new software to help with planning efforts and performance measurement.

The City does not have a strategic plan, capital improvement plan (CIP), or financial forecast. Furthermore, the City has not implemented a performance measurement system.

In March 2010, Mansfield entered into a software and maintenance agreement which will provide it with tools to better manage expenditures and appropriations, streamline payroll and HR processes, improve management of utility and community development operations, and enable self service for employees, citizens, and vendors of the community. The software implementation cost is \$627,500 in one-time costs and beginning the second year, \$55,800 in annual software maintenance fees. The software application is scheduled for implementation in stages throughout 2011.

According to *Recommended Budget Practice on the Establishment of Strategic Plans* (GFOA, 2005), all governmental entities should use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. The focus of the strategic plan should be on aligning organizational resources to bridge the gap between present conditions and the envisioned future. In developing the strategic plan, GFOA recommends the inclusion of measurable objectives and performance measures.

Multi-Year Capital Planning (GFOA, 2006) states local governments should prepare and adopt a comprehensive multi-year capital plan to ensure effective management of capital assets. It should clearly identify capital and major equipment needs, maintenance requirements, funding options, and operating budget impacts. A capital plan is a component of an entity's strategic plan and is essential to the future financial health of an organization and the continued delivery of services

to citizens and businesses. A capital plan should cover a period of at least three years and preferably, five or more.

Financial Forecasting in the Budget Preparation Process (GFOA, 1999) recommends that governments at all levels forecast major revenues and expenditures. The forecast should extend 3 to 5 years beyond the budget period and should be regularly monitored and periodically updated. GFOA goes on to indicate that a financial forecast provides an understanding of available funding, evaluates financial risk, assesses the likelihood that services can be sustained, identifies future commitments and resource demands, and identifies the key variables that cause change in the level of revenue. The American Institute of Certified Public Accountants (AICPA)⁷ also has detailed guidelines that could assist Mansfield in preparing financial forecasts in a consistent and reliable manner.

According to *Municipal Benchmarks* (Ammons, 2001), a properly developed and administered performance measurement system can offer important support to a host of management functions, including improved accountability, planning/budgeting, operational improvement, program evaluation, allocation of resources, management of operations and contract monitoring. Performance measures permit governments to identify problem areas and, as corrective actions are taken, to detect the extent to which improvements have occurred. Performance measures generally may be categorized as one of four types:

- **Workload (Output):** Indicates the amount of work performed or services received.
- **Efficiency:** Reflects the relationship between the work performed and the resources required to perform it.
- **Effectiveness (Outcome):** Depicts the degree to which performance objectives are achieved or otherwise reflects the quality of local government performance.
- **Productivity:** Combines the dimensions of efficiency and effectiveness in a single indicator.

By developing a strategic plan, a CIP, a financial forecast, and a performance measurement system, Mansfield will be better equipped to effectively target its resources, measure progress towards goal achievement, address the future management of the City, and effectively serve its residents. For example, developing, monitoring and updating a financial forecast would help ensure the City does not overlook the impact of current and future liabilities such as payouts related to unused vacation, sick leave, and compensatory time due to employees when they leave the City. According to information provided by the Finance Director, these payouts amount to a liabilities of approximately \$4.2 million for the City, as of December 31, 2010. The Safety Services Fund represents the largest payout liability at approximately \$2.5 million, followed by the General Fund at approximately \$649,000.

⁷<http://www.aicpa.org>

1.2 Improve the budgetary process.

The City of Mansfield should take steps to address its financial problems by effectively budgeting resources. Specifically, the City should adopt budgetary policies that clarify roles and responsibilities, and address areas recommended by the GFOA, including a policy that defines minimum fund balance requirements. In addition, the City should prepare a budget document that includes pertinent elements such as charts and graphs to summarize the financial information, as well as a narrative to explain the City's goals and objectives for the upcoming year and the impact of the current budget on the long-term finances (see 1.1). The City should also design the budget process to allow for additional stakeholder feedback.

The City's Charter addresses budgets in one location stating, "The Director of Finance shall serve as fiscal advisor to the Mayor and the Council. He shall assist the Mayor in the preparation of the yearly budget, appropriation ordinances or resolutions and statements of anticipated income, and accept any other duties assigned to him by the written request of the Mayor, if such request has been submitted to the Council and approved, by motion, by a majority vote of all members elected to the Council." Due to the Charter's lack of specificity regarding ultimate authority and responsibilities, City Council requested an opinion from the Law Director regarding the power and control over budgets and appropriations. The Law Director determined that it is the responsibility of the Finance Director to furnish estimated revenue projections for the upcoming year. The Mayor is responsible for preparing the annual budget for the departments under his/her control. The responsibility for preparing the annual budget for Council, the Finance Department, Law Department, Clerk of Court, Municipal Court and any independent board or commission lies with the elected officials who head such departments or entities. Once all the individual budget requests are submitted, it is then the Council's responsibility to evaluate and fund collectively a city-wide budget with appropriations. In doing so, Council has the power to make adjustment to the individually submitted budgets so the collective city-wide budget conforms to the available revenues as projected by the Finance Director.

The City's budgetary timeframes established in Ordinance 88-212 are consistent with the Ohio Revised Code (ORC) 5705.38. However, in addition to unclear budgetary responsibilities and guidance in the Charter, the City does not meet certain practices advocated by the Government Finance Officers Association (GFOA). An analysis of the City's budgetary practices compared to the GFOA's recommendations⁸ shows the following:

- **Stakeholder Involvement:** The City's budget process has recently evolved. Elected officials and directors present annual budgets to City Council during budget hearings.

⁸ These suggested practices are drawn from *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting* (GFOA, 1999).

Department supervisors develop budget requests for their respective director, either public works or service and safety. Although City Council holds public meetings, Mansfield does not hold public meetings or community forums solely dedicated to discussing the proposed budget and receiving input from interested citizens. GFOA indicates that by definition, stakeholders are affected by a government's resource allocation plans, and service and program decisions. As such, stakeholders should have clearly defined opportunities to provide input. This helps ensure that stakeholder priorities are identified and enhances stakeholder support for the approved budget. GFOA goes on to indicate that "a general-purpose public hearing shortly before final decisions are made on the budget is not adequate as the sole means of soliciting stakeholder input, especially on major issues."

- **Budget Document:** The City does not prepare, publish or circulate a formal budget document. The only document that is prepared is the appropriation resolution, which quantifies the City's estimated revenues and expenditures. However, it does not communicate the City's fiscal status, demographic information, and staffing levels, nor does it include charts and graphs or written explanations for significant variances in proposed amounts. GFOA states that the budget should be presented in a clear, easy to use format, with the use of multiple documents tailored to the needs of various stakeholders. These may include brief summaries of important information to be used by different audiences to enhance their understanding of important budget issues and tradeoffs. Some elements of a budget document that can assist the reader describe overall funding sources and the organization as a whole. These elements also provide a description of the overall planning and budgeting process and the interrelationships of those various processes, supplementary information about the government and the area for which it has responsibility, charts and graphs to better illustrate important points, succinct and clearly-written summaries, uncluttered pages, and detailed information placed in appropriate locations so that it does not overwhelm the reader. For the budget document to be readily understandable, it not only must contain the appropriate information, but also must be prepared in a manner that is clear and comprehensible.
- **Long-Term Focus:** According to the Finance Director, the annual budget is not linked to formal goals, objectives, and performance measures, and is not tied to any type of long-term financial forecast (see 1.1). Rather, the budget is based primarily on the previous budget, past programs and service levels, meeting current obligations within the collective bargaining agreements, and making short-term adjustments to balance the estimated revenues and expenditures. Without a formal budget document or strategic plan (see 1.1), it is unclear how these goals link to the annual budget, the level of stakeholder involvement in identifying the goals and objectives, or the measurement process in place to determine attainment of the goals. GFOA advocates that a good budget process incorporates a long-term perspective, establishes links to broad organizational goals, focuses budget decisions on results and outcomes, and involves and

promotes effective communication with stakeholders. These characteristics make it clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals.

- **Policies:** The City lacks financial policies that could have assisted in recognizing future financial difficulties. As a tool for achieving goals, GFOA recommends the following policies: stabilization, fees and charges, debt issuance and management, use of one-time revenues, balancing the operating budget, revenue diversification, and contingency planning. Furthermore, GFOA indicates that "it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates. Fund balance levels are a crucial consideration, too, in long-term planning." Accordingly, GFOA recommends that governments establish a formal policy concerning the unreserved fund balance that should be maintained in the General Fund. GFOA suggests that it be no less than 5 to 15 percent of regular General Fund operating revenues, or no less than 1 to 2 months of regular operating expenditures. GFOA goes on to indicate the minimum fund balance policy should be applied and monitored within the context of the long-term financial forecast (see 1.1). These policies help guide the creation, maintenance, and use of resources for financial stabilization purposes.

According to GFOA, a good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

1.3 Negotiate to reduce health insurance costs.

The City should review, develop, and adopt strategies for improving the cost-effectiveness of its health insurance program. Potential strategies include negotiating to institute employee cost sharing requirements for physician visits and co-insurance; increase employee contributions toward monthly premium costs (e.g., 15 percent), hospital stays and prescription drugs; and raise amounts for deductibles and out-of-pocket maximums. Mansfield should also consider negotiating to implement a three or four-tiered prescription plan. Other potential cost reduction techniques that should be considered include opt out stipends; spousal restrictions; dependent eligibility audits; consortiums; and Consumer Driven Health Plan options. However, prior to enacting any changes, the City should carefully review the provisions under the Patient Protection and Affordable Care Act (PPACA), and ensure that they would realize a net cost savings by implementing the aforementioned changes.

The City of Mansfield is self-insured for medical benefits (PPO plan) and uses a third party administrator to manage health care claims and premiums. Another company processes

TAB 1 - A-1

State & County QuickFacts

Mansfield (city), Ohio

People QuickFacts	Mansfield	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	47,821	11,536,504
Population, percent change, 2000 to 2010	-3.1%	1.6%
Population, 2000	49,346	11,353,140
Persons under 5 years, percent, 2010	6.2%	6.2%
Persons under 18 years, percent, 2010	20.2%	23.7%
Persons 65 years and over, percent, 2010	15.7%	14.1%
Female persons, percent, 2010	47.0%	51.2%
White persons, percent, 2010 (a)	73.3%	82.7%
Black persons, percent, 2010 (a)	22.1%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	0.7%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.1%	0.0%
Persons reporting two or more races, percent, 2010	3.0%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.9%	3.1%
White persons not Hispanic, percent, 2010	72.2%	81.1%
Living in same house 1 year & over, 2006-2010	79.3%	85.0%
Foreign born persons, percent, 2006-2010	1.8%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	2.9%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	80.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	13.4%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	17.5	22.7
Housing units, 2010	22,022	5,127,508
Homeownership rate, 2006-2010	57.8%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	28.5%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$84,200	\$136,400
Households, 2006-2010	18,781	4,552,270
Persons per household, 2006-2010	2.25	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$17,377	\$25,113
Median household income 2006-2010	\$32,797	\$47,358
Persons below poverty level, percent, 2006-2010	20.0%	14.2%
Business QuickFacts	Mansfield	Ohio
Total number of firms, 2007	3,741	897,939
Black-owned firms, percent, 2007	S	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.3%

TAB 1 A-2

Asian-owned firms, percent, 2007	3.2%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%
Women-owned firms, percent, 2007	19.2%	27.7%
<hr/>		
Manufacturers shipments, 2007 (\$1000)	2,130,721	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	630,143	135,575,279
Retail sales, 2007 (\$1000)	531,338	138,816,008
Retail sales per capita, 2007	\$10,622	\$12,049
Accommodation and food services sales, 2007 (\$1000)	73,770	17,779,905
<hr/>		
Geography QuickFacts	Mansfield	Ohio
Land area in square miles, 2010	30.87	40,860.69
Persons per square mile, 2010	1,549.0	282.3
FIPS Code	47138	39
Counties		

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Census of Governments
Last Revised: Tuesday, 31-Jan-2012 17:23:05 EST

PROPOSAL TO:

City of Mansfield, Ohio

FOR:

**Developing a Plan for Risk-Based
Policies and Strategic Financial
Management**



**Research and
Consulting Center**

**Government Finance Officers Association
(GFOA)**

February, 2012

***Note:** This proposal and description of GFOA methodologies is for the City of Mansfield only. All information herein is confidential and proprietary to GFOA. Upon request by GFOA, all materials submitted as part of this proposal must be returned or destroyed.*



The Research and Consulting Center
Government Finance Officers Association

February, 2011

Linn Steward CPA, Finance Director
City of Mansfield
30 North Diamond St.
Mansfield, OH 44902
Sent via email

Dear Ms. Steward:

The Government Finance Officers Association (GFOA) is pleased to provide a proposal to the City of Mansfield in response to its request for assistance with developing a plan to implement financial policies.

We understand that the City would like to follow a structured approach to developing policies that takes into account: salient risks to the City's continued financial health; legal mandates; existing policies and practices; bond rating agency expectations; and the practices of leading cities from across the United States. GFOA has done extensive work on the topic of financial policies, including a new book on the subject, which will be published in 2012.

We very much look forward to the opportunity to work with you on this project. If there are any questions, please contact: me directly using the contact information below, or Shayne Kavanagh, Senior Manager of Research, who would manage this project, at 312-578-2276 or skavanagh@gfoa.org.

Sincerely,



Anne Spray Kinney
Director, Research and Consulting Center
Government Finance Officers Association
203 N. LaSalle Street, Suite 2700
Chicago, IL 60601
Voice: (312) 977-9700
akinney@gfoa.org

cc:
Philip Messer
Finance Department, City of Mansfield



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About GFOA

The Government Finance Officers Association (GFOA) is the leading association for public-sector finance professionals in the United States and Canada. Founded in 1906, the GFOA currently has 17,500 members who look to the GFOA as the gold standard for identifying, developing, and communicating leading practices in government financial management.

As a nonprofit organization, the GFOA's mission is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

The GFOA's Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments' financial management. Since beginning operations in 1977, the RCC has assisted hundreds of cities, counties, public utilities, and other forms of government to create best practice solutions to meet their unique challenges.

GFOA Experience Related to This Project

Shayne Kavanagh, the proposed lead consultant for Mansfield, and the GFOA began consulting in long-term financial planning and policies in 2002 as our members realized that a longer-term perspective on resource use was required than that provided by the annual budgeting process. From there, Shayne produced the leading publication on the subject of policies, *Financial Policies: Design and Implementation*. Shayne is currently in the process of preparing a new book on financial policies that is based on our latest research. Shayne and GFOA have also continued to provide financial planning and policy advisory services to many local governments and Shayne has developed a number of other publications relating to strategic financial management. Of particular interest to Mansfield might be the GFOA financial recovery model and financial resiliency concepts that are available, for free, at www.gfoa.org/financialrecovery.

GFOA has worked with many types of governments across North America on financial planning and policy development. We have assisted in varying capacities, including forecasting and financial analysis, strategic priority setting, budget process design, and financial policy design, just to name a few. The success of governments with which we work is our highest goal. As a mission-driven organization, the GFOA does not succeed unless you do. We encourage you to take a look at what our past clients have to say about our work.



Scope of Work

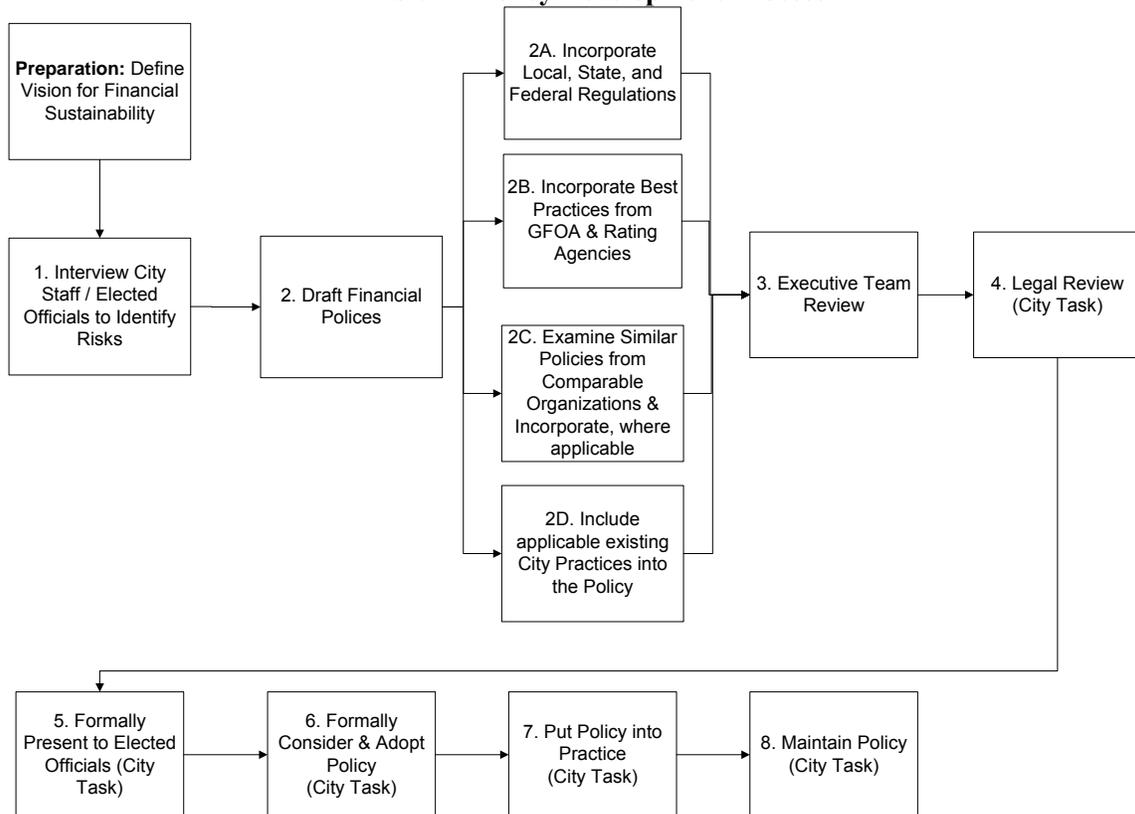
We understand that the City of Mansfield would like to follow a structured approach to developing policies that takes into account: salient risks to the City’s continued financial health; legal mandates; existing policies and practices; bond rating agency expectations; and the practices of leading cities from across the United States. The policies that the City would like to develop are shown in Exhibit 1 below:

Exhibit 1 – Policies in Scope

Reserves	Investment
Operating Budget	Accounting and Financial Reporting
Capital Budgeting & Planning	Revenues
Debt Management	Expenditures

In order to help the City achieve its goal, GFOA strongly suggests following the process shown in Exhibit 2 below. GFOA would lead steps one through three as well as the preparatory step of developing a vision for financial sustainability. The City would be responsible for the other steps. GFOA’s suggested detailed approach for completing these activities is described following the diagram.

Exhibit 2 – Policy Development Process



Define Vision for Financial Sustainability

In strategic planning parlance a “vision statement” is a description of what the organization should look like once it has successfully implemented its strategies and achieved its full potential....This description is the organization’s *vision of success*.¹ Further, “a challenging yet achievable vision embodies the tension between what an organization wants and what it can have.”² “Values” are traits or qualities that are considered worthwhile and are an expression of how the government will act in relation to the community and its internal business. A vision and values statement is a powerful tool of city council leadership. The fundamental function of the council is to articulate what the purpose of city government is and a vision statement allows them to do that.

In the realm of financial policies, a city council’s financial vision and values accomplishes much the same function, but focuses on financial condition in particular. A vision/values statement is a good starting point for financial policies because members of the city government will naturally be interested in turning their vision into reality and governing in accordance with their values, and financial policies are one important way of doing that.

Hence, in this part of the project GFOA will interview City Council members and key staff in order to learn how they envision the financial future of the City, and to ascertain what values they believe are most important for reaching a sustainable financial future. The results of the interviews will then be compiled into a draft vision and values statement. The drafts will be circulated to the Council and then reviewed and discussed at a public meeting. Any necessary changes will be made after the meeting and the final draft will then be considered for adoption by the Council at a future meeting.

1. Interview Department of Financial Services Staff and Key Officials to Identify Risks

Financial policies define boundaries and mitigate risks to financial balance. For example, a reserve policy directs that a government maintain a certain level of reserve in order to provide a cushion against unexpected events. The precise amount targeted for the reserve should be based on the level of risk to which the organization is subject. For example, a community on the coast of Florida may have a large exposure to hurricanes and, therefore, would need larger reserves in order to respond quickly and decisively to public safety needs that might arise in the wake of a hurricane. Conversely, a community in an area with little exposure to natural disasters might need comparatively smaller reserves.

In this step, GFOA will interview key elected officials and staff stakeholders in order to get their views on the risks the City faces in each of the relevant policy areas from Exhibit 1. The specific approach taken will be:

- A. GFOA develops questionnaires to guide the discussion for each policy area. There will be common themes across each policy area, but GFOA will also customize the questions for each policy area. Reserves, in particular, will be heavily customized to address the specific risk factors relevant to reserve levels. The questionnaires will be given to the City in advance. This will provide an opportunity to change the questionnaires, if needed, and will help the interviewees be better prepared.

¹ Bryson, John M. *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 3rd Edition. San Francisco: Jossey-Bass, 2004, p 49.

² Ibid, referencing Senge, P.M., “The Leader’s New Work: Building Learning Organizations.” *Sloan Management Review*, Fall 1990, pp. 7-23.

- B. GFOA will conduct phone interviews. This will help keep the cost of the project down and will make scheduling easier. GFOA assumes that there will be about 15 individuals who will participate in the interviews. GFOA has budgeted 18 hours for interviews and anticipates conducting group interviews to economize on time. Some staff may participate in more than one interview. GFOA usually tries to limit any single interview to about an hour.
- C. GFOA will write up the results of the interviews so that the City can validate the findings. The write-up will be as concise as possible.

2. Draft Financial Policies

GFOA will develop a draft of each policy. GFOA will draft the policies to be concise and to address matters of governing Board-level policy. GFOA will avoid comingling detailed procedures with the policies.

The first step will be for GFOA to propose a format for the policies to the City. The City and GFOA will discuss the format and agree on a final format. The format will be based on examples from other governments, best practices from GFOA research, and past practices at the City. GFOA will then develop an outline for each policy. The outline will be validated by the City early on to make sure that GFOA and the City are in alignment on the basic direction of policy development

GFOA will then undertake various analytic activities shown in Exhibit 2.

- A. *GFOA and the City inventory relevant City, state, and federal regulations.* Policies must be consistent with relevant laws and regulations, so the City and GFOA will inventory such regulations. GFOA is not an expert in Ohio law. As such, GFOA will compile a list of key issues that commonly have legal implications for each policy type within the scope of this project and City staff will respond as to any laws that apply to the City.
- B. *Incorporate GFOA Best Practices and rating agency guidance.* GFOA will compile a checklist of applicable GFOA Best Practices and rating agency guidance for each policy type. The checklist can be used to make sure the policy conforms to these guidelines and will be useful to City staff later in the policy development process when staff communicate the importance of policies to other stakeholders.
- C. *Examine policies from comparable organizations.* GFOA and the City will identify up to six comparable governments with which the City would like to compare policies. Only three governments will be compared for any given policy type, but six will be identified in order to make sure a sufficient pool of policies exists to get three points of comparison for each policy type. The City will suggest the organizations it would like to compare with and/or will identify the criteria for comparable governments and GFOA will suggest specific governments. GFOA will gather policies from the governments, examine the policies for ideas that might be useful to the City, incorporate said ideas into the City's policy draft where possible, and will provide a global review of how the comparable agencies' policies compare to the City's new policies. This last activity will be helpful for communicating the value of the City's new policies to stakeholders.
- D. *Include applicable City past practices into policies.* In order to ensure that policies are consistent with past practices and the prevailing work culture, GFOA will identify key options and alternatives for each policy that might vary based on past practices and culture. GFOA will review these options with the City in order to select the best ones. GFOA will also review relevant documents, such as existing policies and ordinances, strategic plans that contain policy direction, or relevant Board resolutions or other actions.

Based on the foregoing activities, GFOA will draft a set of financial policies. GFOA will provide the policies for review and feedback by City staff.

3. Review with Executive Team

The executive team review will consist of a number of short meetings held via conference call. The time to prepare for and hold these meetings will be drawn from the pool of hours proposed for this project. This will give the City the flexibility to schedule the number of meetings it requires to get input from a wide spectrum of executive managers. It will also break up the review and make it easier for executive staff to digest the information. GFOA will revise the policies as may be needed based on suggestions from the executive team.

An important part of the review will be discussing particular strategies that the City might use to enact the ideas and directives found in the policies.

CIPFA-GFOA FM Model

The City expressed interest in the CIPFA-GFOA FM Model. The FM Model provides governments with a detailed set of self-assessment questions. The model:

- Assesses every major area of financial management — budgeting, debt management, financial planning, and more.
- Covers additional issues such as transparency, citizen engagement, and use of technology.
- Facilitates an evidence-based approach to self-assessment.
- Summarizes responses and identifies overall competencies and areas that need attention.
- Provides a wealth of data governments can use for continuous improvement of their financial management.
- Helps improve the functioning of the entire organization by strengthening financial management capacity.

The system is provided to you via a secure dedicated Web site. You can score your performance by responding to carefully crafted questions in order to gain a clear picture of where your organization stands. Features include:

- Self-assessment survey tool where scores for the statements and answers to the supporting questions can be entered.
- Suite of standard reports.
- Survey tool, including a set of standard surveys.
- Export capability to Excel so survey results can be analyzed.
- Repeat use and score tracking.



Pricing

The table below gives GFOA’s proposed pricing. The pricing for GFOA services is a fixed fee such that the City need not worry about spending more than the table indicates, including travel costs. Following the table is a listing of GFOA key assumptions underpinning the cost proposal.

Payment Milestone	Price
Step 1 – Interviews	
GFOA provides summary of Council interviews	\$5,000
Vision and values drafted	\$6,000
Step 2 - Draft Policies	
1/3 of Policies Drafted	\$7,000
2/3 of Policies Drafted	\$7,000
All policies that are in scope are drafted	\$7,000
Step 3 - Executive Review	
Pool of 20 hours for additional interviews, analyzing current practices, & conducting executive review meetings. Hours will be charged at actual use. Full use shown for budgeting purposes.	\$4,000
GFOA FM Model	
1 year membership to GFOA’s FM Model financial management self-assessment system.	\$1,200
GRAND TOTAL	\$37,200

Key Assumptions

- General
 - Should site visit schedules be changed by the City after travel plans have been made, the City will absorb any additional costs that those changes may cause.
 - City staff will be available for meetings and calls as planned
 - GFOA will invoice the City monthly or upon completion of a milestone.
 - GFOA has proposed a pool of 20 hours to be used for various tasks where there is a high level of uncertainty as to the exact amount of work that will be required. GFOA assumes that the pool will be use for: conducting additional interviews beyond what is in scope in Step 1; analyzing current City practices that may be relevant to the policies (Step 2); and conducting policy review meetings with the executive team (Step 3). GFOA will work with the City to make sure the pool is used judiciously.
- Step 1
 - A total of 13 hours worth of interviews will be conducted.
 - Interviews will be conducted by phone
- Step 2
 - A total of 3 other agencies will be selected as comparables.
 - GFOA has not budgeted time for reviewing historical documents

- GFOA staff are not legal experts so will need to rely on the City for definitive guidance on the impact of relevant legal regulations that impact the City
- Step 3
 - All meetings will be conducted by phone. The City may request that GFOA conduct the meetings on-site, but will, in that case, reimburse GFOA for travel costs and all site visits will be billed at an 8 hour minimum.



GFOA Staff Qualifications

Shayne Kavanagh, Project Manager: Shayne is the Senior Manager of Research for GFOA and has been a leader in developing the practice and technique of long-term financial planning and policies for local government. He started GFOA’s long-term financial planning and policy consulting offering in 2002 and has been working with governments on financial planning and policies ever since. Shayne has worked with many governments on financial planning and policies, including: the City of San Clemente, California; the City of Gresham, Oregon; the City of Montclair, California; the City of San Juan Capistrano, California; Adams County, Pennsylvania; Yolo County, California; and the City of Menlo Park, California. When it comes to consulting, he prides himself on:

- **High Customer Satisfaction.** References’ testimonial quotes and high rates of repeat business speak for themselves.
- **Innovation and Adaptable Solutions.** Shayne seeks to understand the unique issues each client has and craft solutions that will best fit the situation.
- **Continuous Improvement.** Shayne constantly learns from consulting engagements as well as research with other GFOA member governments and applies these lessons to current and new clients.

Shayne’s financial planning experience also drives his research at GFOA. He is the author of a number of influential publications on financial planning, including:

- The leading and highly regarded book about long-term financial planning in local government, *Financing the Future*.
- *Financial Policies: Design and Implementation*, GFOA’s flagship publication on the topic.
- *An Elected Officials Guide to Long-Term Financial Planning*, a book that focuses on the pivotal role of elected officials in the planning process.
- A number of articles on long-term financial planning, financial policies, budget reform, using technology to improve efficiency, and other related topics for magazines including *Government Finance Review*, *Public Management*, *School Business Affairs*, and *Public CIO*.

Shayne is also a sought-after speaker on the topic of financial planning, having spoken at a number of conferences on the topic, including: the national GFOA conference, the Atlanta Regional Commission, the International City/County Managers Association, the National League of Cities, and the National Tax Association.

Prior to joining GFOA, Shayne was the Assistant Village Manager for the Village of Palos Park, Illinois, where he was responsible for managing all aspects of financial management operations, including budgeting, utility billing, payroll, and accounting. He received his MPA degree from Northern Illinois University.

Mike Mucha, Project Analyst: Mike is a Senior Manager with the GFOA Research and Consulting Center and focuses on organizational assessments, technology procurement and implementation, and performance management. Mike led efforts in the City of

Portsmouth (VA) to conduct an assessment of their budget process and designed an improved process along with an implementation plan for the City's move to biennial budgeting. Mike has also led organizational assessment and procurement projects for Pima County (AZ), Sonoma County (CA), City of Spokane (WA), City of Hayward (CA), among others. Mike also co-edited two recent GFOA publications titled *Capital Project Planning and Evaluation* and *The State and Local Government Performance Management Sourcebook* and has written whitepapers and articles on fiscal impact analysis, budgeting, performance management, and technology. He also coordinates all GFOA training events on budgeting and performance management and staffs GFOA's committee to develop best practices on economic development and capital planning. Prior to coming to GFOA, Mike worked with the Sports & Exhibition Authority of Pittsburgh and Allegheny County. He received a Master of Science in Public Policy and Management from the Heinz School of Public Policy and Management at Carnegie Mellon University with a focus on public finance and economic development and a Bachelor of Business Administration in Economics from the University of Iowa.

Anne Spray Kinney (Engagement Manager) is GFOA's Director of Research and Consulting. Ms Kinney has more than 25 years of experience in government management, much of that time as a practitioner. Ms Kinney's consulting experience encompasses many areas of general and financial management. Her areas of specialty include performance budgeting and performance measurement; organizational design, assessment, and management; and strategic planning, including long-term financial planning. Prior to becoming an advisor to local government, Ms. Kinney held upper level management positions in local government, including the City of Milwaukee, WI, the Milwaukee Metropolitan Sewerage District, and Illinois local governments. Ms Kinney has managed a broad array of consulting engagements including governments such as the City of Bellevue, Washington; the City of Redmond, Washington; the Quinault Indian Nation, Washington; the City of Savannah, Georgia; Sacramento County, California; Milwaukee Public Schools the State of California, the Washington (DC) Metropolitan Area Transit Authority; the City of Salisbury, Maryland; and the Town of North Hempstead, New York. Ms. Kinney is also frequent presenter to national audiences, is the author of several publications in local government finance and management, and has taught government financial management at the graduate level. Ms Kinney holds a BA from American University and an MPA from the University of Illinois-Chicago, and is a past president of the Government Finance Officers Association of the United States and Canada.



References

Over the past few years, the GFOA has provided long-term financial planning and policy services to a number of local governments. We have provided a sampling of recent clients below.

	City of San Clemente, California	
	Population:	65,000
	Time Frame:	The GFOA performed this work in two parts. The first part commenced and completed in late 2007, and the second was in late 2008/early 2009.
<p>Synopsis: The GFOA helped the City to redesign its financial planning process to improve collaboration between the staff and the City Council during plan development. This involved technical process mapping and presenting the revisions to the City Council. The GFOA also helped the City identify and prioritize short-term issues facing the community as preparation for its upcoming budget and planning cycle and provided advice and guidance on financial policies</p>		
Project Contact:	Pall Gudgeirsson	
Title:	Treasurer/Assistant City Manager	
E-mail:	GudgeirssonP@san-Clemente.org	
Phone:	(949) 361-8341	
Pall's Thoughts on GFOA Services	<i>"The GFOA's long-term financial planning advisory service is an excellent resource and is highly recommended for all local and state governments."</i>	

	City of Montclair, California	
	Population	35,000
	Time Frame:	The GFOA first worked with Montclair in 2001. The City was very pleased with our work and has engaged us a number of times since, most recently in 2011.
<p>Synopsis: The GFOA helped Montclair get started with financial planning so the City could do it on its own after the initial engagement. The GFOA helped the City to develop its first long-term financial plan, including revenue/expenditure forecasts, financial environmental analysis, and financial strategies. The project also included strategic priority setting to help align financial strategy with service goals. Montclair has worked with the GFOA for many successive years since the completion of the original plan to facilitate a short updating workshop with the City Council, while the City handles the vast majority of the update work.</p>		
Project Contact:	Edward Starr	
Title:	Director of Administrative Services	
E-mail:	ecstarr@ci.montclair.ca.us	
Phone:	(909) 625-9405	
Ed's Thoughts on GFOA Services:	<p><i>"My City council and City manager demanded an uncomplicated process that would allow them to prioritize strategic objectives and develop a business plan that incorporates long-term financial planning. Fortunately, GFOA offers considerable professional expertise coupled with a menu of planning options that allow public agencies to develop customized strategic planning processes that meet the specific needs and goals of each respective community."</i></p>	

	City of San Juan Capistrano, California	
	Population:	33,826
	Time Frame:	August 2008 until November 2010
<p>Synopsis: The GFOA assisted the City of San Juan Capistrano with a comprehensive Strategic Business Planning process, which includes long-term financial planning and review of some key policy areas. The project involved helping the City with long-term forecasting, identifying and prioritizing strategic issues, helping the City develop a cross-functional team structure to analyze the issues and suggest strategies to the City Council, and facilitating public involvement.</p>		
Project Contact:	Cindy Russell	
Title:	Assistant City Manager	
E-mail:	CRussell@SanJuanCapistrano.org	
Phone:	(949) 443-6301	
Cindy's Thoughts on GFOA Services	<p><i>"GFOA has helped us navigate through a very comprehensive process to bring together strategic planning, long-term financial strategy, and public involvement into a cohesive business plan"</i></p>	

	City of San Diego, California	
	Population	1,279,329
	Time Frame:	Fall 2009
<p>Synopsis: GFOA provided an educational seminar to the City of San Diego City Council on recovery from financial distress, long-term financial planning, and financial resiliency. The seminar covered a range of topics, presented examples from comparable jurisdictions, and related the topics to the interests of elected officials.</p>		
Project Contact:	Jeff Kawar	
Title:	Fiscal & Policy Analyst, City of San Diego Independent Budget Office	
E-mail:	JKawar@sandiego.gov	
Phone:	(619) 533-4764	
Jeff's Thoughts on GFOA Services	<p><i>"As part of an on-going financial training program for our City Council, we solicited GFOA to provide training in a public forum on budget planning. The training was provided to our legislative body just months before they would be asked to make difficult budget decisions to reconcile current and future year budgetary shortfalls. The training was well received by our City Council, City staff and the public. In particular, the training did an excellent job of discussing: budgetary approaches used by other local governments; longer-term strategies that result in long-term financial sustainability; the role of elected officials in financial planning; and ways for local government to achieve long-term financial resiliency."</i></p>	

	City of Calgary, Alberta	
	Population:	1,040,000
	Time Frame:	Summer 2008 & Summer 2011
<p>Synopsis: GFOA provided independent review and analysis of a capital financing strategy prepared by the City staff, including benchmarking against other comparable cities in North America. GFOA helped validate the staff's work and also suggested a number of policy innovations to enhance the strategy. The project took into account debt capacity, capital improvement needs, and reserve availability and restrictions. GFOA then examined the concept of zero-base budgeting for the City and is developing a position paper on the topic.</p>		
Project Contact:	Chris Jacyk	
Title:	Finance Leader	
E-mail:	Chris.Jacyk@calgary.ca	
Phone:	403-268-3751	
Chris's thoughts on GFOA Services	<p><i>"The GFOA's consulting services has provided valuable and independent analysis and advice with respect to our organization's financing policies"</i></p>	

	City of Menlo Park, California	
	Population:	30,785
	Time Frame:	November 2008 – May 2009
<p>Synopsis: The GFOA worked with the City to develop a comprehensive fund balance policy that was based on the City’s core values and would be compatible with an emerging strategic planning process. The GFOA’s work included a detailed assessment of the target amount of fund balance the City should strive to maintain. This involved a benchmarking study with other California cities, comparing the City’s past experiences and current environment against a number of technical factors that would influence the ideal level of fund balance, and taking account of the political environment. The project also included assessing risks to the City’s continued financial sustainability and suggesting strategies addressing those risks.</p>		
Project Contact:	Carol Augustine	
Title:	Finance Director	
E-mail:	CTAugustine@menlopark.org	
Phone:	(650) 330-6645	
Carol’s Thoughts on GFOA Services	<p><i>“We needed our project to be both comprehensive and specific, to balance a long-term approach with what would be most practical and supportable today, and to be based on proven best practices. We got all that and more from the GFOA. Our Council was particularly impressed with the consultant’s expertise and data resources employed in the project.”</i></p>	

	Government Finance Officers Association of British Columbia	
	Population:	Serves all public finance professionals in the province of British Columbia
	Time Frame:	Spring 2011
<p>Synopsis: GFOA developed a three-day training course on financial planning and policies for the Government Finance Officers Association of British Columbia. The training material reviews best practices in public finance across a number of key areas including capital asset management, forecasting, budgeting, strategy development, financial policies, and many others. GFOA then trained representatives of GFOA BC to deliver the training.</p>		
Project Contact:	Sam Weller	
Title:	Executive Director	
E-mail:	weller@gfoabc.ca	
Phone:	250-598-6871	
Sam’s thoughts on GFOA Services	<p><i>“GFOA worked closely with our development team to adapt the GFOA long range financial planning material to the legislative context of our Province and the format we needed. GFOA was very easy to work with and we are extremely pleased with the results”</i></p>	

	Yolo County, California	
	Population	197,000
	Time Frame:	Winter 2010
<p>Synopsis: GFOA provided an educational seminar to the Yolo County Board and staff on long-term financial planning, financial policies, and financial resiliency. The County was interested in starting a long-term financial planning project and wanted to introduce the Board and staff to financial planning as well as learn more about the immediate first steps the County would have to take.</p>		
Project Contact:	Howard Newens	
Title:	Auditor-Controller & Treasurer-Tax Collector	
E-mail:	Howard.Newens@yolocounty.org	
Phone:	(530) 666-8217	
Howard's Thoughts on GFOA Services	<p><i>"The presentation was extremely well received and GFOA was able to engage the audience during the whole presentation. GFOA outlined the key elements of a good long-term financial plan and described leading practices in this arena. What was very useful to the audience was that while articulating the case for financial resiliency, GFOA referred to convincing success stories from other jurisdictions. The Board of Supervisors, especially, was able to relate to these stories and, by the end of the day, bought into the concept and authorized staff to proceed full sail."</i></p>	

	City of Hamilton, Ontario	
	Population:	504,559
	Time Frame:	Spring 2011
<p>Synopsis: GFOA provided an educational seminar to the City and Hamilton Council and staff about long-term financial planning and financial policies. The City was interested in starting a long-term financial plan and adopting financial policies and to learn more about the immediate first steps the County would have to take. The Council also deliberated on the values that should guide their financial decision making as elected officials</p>		
Project Contact:	Mike Zegarac	
Title:	Director, Financial Planning and Policy	
E-mail:	Mike.Zegarac@hamilton.ca	
Phone:	905-546-2424 x2739	



	Deschutes County Fair & Expo Center	
	Population:	158,000
	Time Frame:	Summer 2008
<p>GFOA assisted the County Fair and Expo Center with developing Guiding principles for financial sustainability, a reserve policy, and a capital improvement policy (including capital project request forms, cost worksheets, evaluation forms and project lists forms)</p>		
Project Contact:	Dan Despotopulos	
Title:	Director	
Phone:	(541) 548-2711	
Email:	dand@deschutes.org	
Dan's Thoughts on GFOA Services	<p><i>"The GFOA's experience, professionalism, and understanding of the issues facing the Fair and Expo Center helped in developing policy documents that clearly articulate the economic benefits of the Fair and Expo Center and identify the need for financial and capital planning in order to attain economic self sufficiency."</i></p>	

Local Government Innovation Fund Program

Application Score £ £

Lead Applicant	
Project Name	

	Grant Application
--	--------------------------

or

	Loan Application
--	-------------------------

The Local Government Innovation Fund Council
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001
(614) 995-2292

Local Government Innovation Fund Project Scoring Sheet

Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Financial Information	<i>Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.</i>	Applicant provides a thorough, detailed and complete financial information	5		
		Applicant provided more than minimum requirements but did not provide additional justification or support	3		
		Applicant provided minimal financial information	1		
		Points			
Repayment Structure (Loan Only)	<i>Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day , or contingency fund, etc.).</i>	Applicant clearly demonstrates a secondary repayment source.	5		
		Applicant does not have a secondary repayment source.	0		
		Points			
Local Match	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	70% or greater	5		
		40-69.99%	3		
		10-39.99%	1		
		Points			
Total Section Points					

Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Population	<i>Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.</i>	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	5		
		Applicant (or collaborative partner) is a county but has less than 235,000	5		
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	3		
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	3		
		Points			
Participating Entities	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)</i>	More than one applicant	5		
		Single applicant	1		
		Points			
Total Section Points					

Local Government Innovation Fund Project Scoring Sheet

Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:	75% or greater	30		
		25.01% to 74.99%	20		
		Less than 25%	10		
			Points		
Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	Yes	5		
		No	0		
			Points		
Scalable/Replicable Proposal	Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.	The project is both scalable and replicable	10		
		The project is either scalable or replicable	5		
		Does not apply	0		
			Points		
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	Provided	5		
		Not Provided	0		
			Points		
Total Section Points					

Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	Project implements a recommendation from an audit or is informed by benchmarking	5		
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0		
			Points		
Economic Impact	Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)	Applicant clearly demonstrates economic impact	5		
		Applicant mentions but does not prove economic impact	3		
		Applicant does not demonstrate an economic impact	0		
			Points		
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	Yes	5		
		No	0		
			Points		
Total Section Points					

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	The Applicant Does Not Fill Out This Section; This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
Total Section Points (10max)			

Scoring Summary			
		Applicant Self Score	Validated Score
Section 1: Financing Measures			
Section 2: Collaborative Measures			
Section 3: Success Measures			
Section 4: Significance Measures			
Total Base Points:			

Reviewer Comments



April 2, 2012

Linn Steward
City of Mansfield, Department of Finance
30 North Diamond Street
Mansfield, Ohio 44903

RE: Application Cure Letter

Dear Linn Steward:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on April 30, 2012.** Please send the response in a single email to lgif@development.ohio.gov and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at lgif@development.ohio.gov or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Department of Development

Local Government Innovation Fund Completeness Review

Applicant: City of Mansfield

Project Name: Mansfield Efficiency Improvement Planning Project

Request Type: Grant

Issues for Response

1. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

Example:

Collaboration Village's Project Budget

Sources of Funds

LGIF Request	\$100,000
Match Contribution (10%)	\$ 11,111
Total	\$111,111

Uses of Funds

Consultant Fees for Study	\$111,111
Total	\$111,111

Total Project Cost: \$111,111

2. Match

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

3. Resolutions of Support

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

4. Partnership Agreements

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners; 2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

Local Government Innovation Fund Application for City of Mansfield, Ohio

RESPONSE TO ISSUES LETTER DATED April 3, 2012

1. Budget : Supplement to Tab 4 Financial Documentation

SOURCE OF FUNDS for Mansfield Efficiency Improvement Planning Project Budget:

o LGIF Grant Funds Requested	\$ 63,000.00
o Match Contribution	<u>\$ 733,500.00</u>
Total	\$ 796,500.00

USES OF FUNDS

Consultant Fees for Study	\$ 37,200.00
Admin Support for Plan Development	\$ 25,800.00
New World Financial Software	\$627,500.00*
NW Annual Financial Software Maint	\$ 55,800.00*
Finance Personnel Assigned to Project	\$ 50,200.00

2. **Match** will be the cost, implementation and training for new Financial Software to improve the budgetary process, aid in decision making and assist in the development of plans and performance measures as recommended in the July 2011 State Auditor's Performance Audit. Personnel will be assigned upon the approval of the project to work with the consultants in the development of the Plan including research, interviews, evaluation, outcome reporting and implementation. Position will not exceed \$25/Hour. Certification for anticipated in-kind contributions will be completed at time of contribution as outlined in LGIF Program Policy 2.06.

*Documentation as required in LGIF Program Policy 2.06 for past *cash* investments for use in the proposed project is attached as Attachment A, and noted in Match Contribution total. (\$627,500.00 already paid)

3. Letter of Support from collaborative partner, Government Finance Officers Association Consulting Center is attached as Attachment B.

Exhibit AA / COST SUMMARY AND PAYMENT SCHEDULE

Project Breakdown

NEW WORLD SOFTWARE AND SERVICES

	<u>FM/HR Project</u>	<u>UM Project</u>	<u>CD Project</u>	<u>Total Project</u>
Application Software	23% ^o	55% ^o	22% ^o	
1) Licensed Standard Software	\$72,000	\$170,000	\$68,000	\$310,000
2) Less Demonstration Site Discount	68,667	166,666	64,667	(10,000)
	26% ^o	61% ^o	12% ^o	
Support Services	66,000	154,200	30,600	250,800
1) Project Management				
2) Installation and Training				
3) Quality Assurance Fee				
4) Interface Installation Service Fee				
Other Costs				
1) Data File Conversion (estimate)	12,000	26,000		38,000
2) Travel and Living Expenses (estimate)	10,200	24,000	4,500	38,700
	156,867	370,867	99,767	
TOTAL ONE TIME COST	\$160,200	\$374,200	\$103,100	\$627,500 *
	25% ^o	59% ^o	16% ^o	

Payroll
14,000 APPL
12,000 DC

MAINTENANCE

1) Standard Software Maintenance Agreement (SSMA) (Annual Cost):				
One-Year Warranty from Date of Delivery (Year 1 SSMA)	23% ^o	55% ^o	22% ^o	No Charge
Year 2 Cost:	\$12,960	\$30,600	\$12,240	\$55,800*
Year 3 Cost:	12,960	30,600	12,240	55,800
Year 4 Cost:	12,960	30,600	12,240	55,800
Year 5 Cost:	12,960	30,600	12,240	55,800

12/6/2010

Exhibit AA / COST SUMMARY AND PAYMENT SCHEDULE

Detail of Software Costs

II. Payments for Licensed Standard Software, Implementation Services and Third Party Products

DESCRIPTION OF COST		Payment Amount	COST
A.	LICENSED STANDARD SOFTWARE as further described in Exhibit A		\$300,000
1.	Amount due upon approved financing or 90 days after Effective Date, whichever occurs first.	40%	120,000
2.	Amount due upon Go-Live of Financial Management Base Suite or 365 days from Effective Date, whichever occurs first.	40%	120,000
3.	Amount due upon Go-Live of Human Resources Management Base Suite or 365 days from Effective Date, whichever occurs first.	20%	60,000
B.	PROJECT MANAGEMENT as further described in Exhibit B		48,000
1.	Amount due upon completion of the Project Kickoff Meeting	30%	14,400
2.	Amount due 60 days from Project Kickoff Meeting	30%	14,400
3.	Amount due 180 days from Project Kickoff Meeting	20%	9,600
4.	Amount due 270 days from Project Kickoff Meeting	20%	9,600
C.	INSTALLATION AND TRAINING SERVICES as further described in Exhibit B		184,800
1.	1,320 hours billed as used	100%	
D.	INTERFACE INSTALLATION SERVICES as further described in Exhibit B		13,000
1.	Amount due upon completion of Bank Reconciliation	34%	4,420
2.	Amount due upon completion 3 rd Party Receivables (Batch) (single 3 rd Party)	33%	4,290
3.	Amount due upon completion of AMR Interface	33%	4,290
E.	HARDWARE QUALITY ASSURANCE FEE as further described in Exhibit B		5,000
1.	Amount due upon approved financing or 90 days after Effective Date, whichever occurs first	50%	2,500
2.	Amount due upon completion of Hardware Quality Assurance	50%	2,500
F.	DATA FILE CONVERSION ASSISTANCE SERVICES as further described in Exhibit F		38,000
1.	Amount due upon delivery of conversion design document to Customer	60%	22,800
2.	Amount due upon delivery of converted data	40%	15,200
G.	TRAVEL EXPENSES (Estimate - These expenses are invoiced as incurred)		38,700
1.	43 trips are anticipated, to be billed at actual cost for reasonable expenses incurred for airfare, rental car, lodging, tolls, mileage, and daily per diem expenses		
2.	Travel labor for the estimated 43 trips will be billed at 4 hours maximum per (round) trip		

ONE TIME PROJECT COST:

\$627,500

As of 05/06/11	Application Software		Support Services		Support Services		Support Services		Support Services		Other Costs		Other Costs		Other Costs	
	Licensed Software	Project Management	Training & Support	Quality Assurance Fee Interface Install	Travel Time Hours	Travel Time	Travel Expenses	Data File Conversion	Other Costs	Other Costs	Other Costs	Other Costs	Other Costs	Other Costs	Other Costs	Other Costs
	300,000.00	48,000.00	184,800.00	18,000.00	24,080.00	14,620.00	38,000.00									627,500.00
C/D	64,666.00	7,680.00	35,910.00	1,486.40	28	3,920.00	5,002.94	-								118,665.34
FM/HR/PR	68,667.00	16,420.00	64,190.00	2,322.50	47	6,860.00	11,613.53	26,000.00								196,073.03
UM	166,667.00	28,320.00	67,830.00	5,481.10	60	8,400.00	11,800.39	12,000.00								300,498.49
	-	(4,420.00)	16,870.00	8,710.00	4,900.00	(13,796.86)	-									12,263.14

✓ (2)

ATTACHMENT A (3)

Payments Posted



The Research and Consulting Center
Government Finance Officers Association

April 4, 2012

To Whom It May Concern:

This letter is written in support of the City of Mansfield's grant application for its "Efficiency Improvement Planning Project." GFOA believes that financial planning and policies are a key practice for financial health because they clarify the intent of the governing board and management to follow good financial management practices. From this intent, more specific actions follow. To provide a simple example, the City should develop plans and policies regarding the extent to which a given service is expected to be self-supporting through fees and charges to users of the service, versus through general tax revenue (e.g., property taxes). This, then, becomes the foundation for developing fee structures and collection methods that cover program expenses to the appropriate level.

GFOA looks forward to supporting the City of Mansfield in this endeavor by making available the experience and expertise of our research and consulting staff. GFOA staff members have produced the leading publications on these subjects, consulted a number of other jurisdictions on the topic, and worked as public managers before joining GFOA. Our vast membership network means that the experiences of many other jurisdictions will be at the disposal of Mansfield. The experiences of government who have faced similar situations will provide invaluable guidance for developing plans and policies for Mansfield.

In conclusion, we believe that this project will greatly help the City of Mansfield to improve its financial condition, by crystallizing a shared understanding of the way forward among elected officials and staff, and by identifying specific opportunities to improve efficiency and realize economies.

Sincerely,

Anne Spray Kinney
Director, Research and Consulting Center
Government Finance Officers Association
203 N. LaSalle Street, Suite 2700
Chicago, IL 60601
akinney@gfoa.org