

***CITY OF MANSFIELD
RICHLAND COUNTY, OHIO***

Audit Report

For the Year Ended December 31, 2006

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

City Council
City of Mansfield
30 North Diamond Street
Mansfield, Ohio 44902

We have reviewed the *Independent Accountants' Report* of the City of Mansfield, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 12, 2007

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CITY OF MANSFIELD
Richland County, Ohio
Audit Report
For the Year Ended December 31, 2006

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**OPINION ON THE SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

City of Mansfield
Richland County
30 North Diamond Street
Mansfield, Ohio 44902

To the City Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield (the City) as of and for the year ended December 31, 2006, and have issued our report thereon dated August 1, 2007. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of the City of Mansfield taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
August 1, 2007

**CITY OF MANSFIELD
 RICHLAND COUNTY, OHIO
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2006**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	RECEIPTS	DISBURSEMENTS
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> (Direct Program)				
Community Development Block Grants/Entitlement Grants	14.218	CB-02-MC-39-0017	\$ 119,975	\$ 121,291
		CB-03-MC-39-0017	66,045	68,100
		CB-04-MC-39-0017	167,650	158,923
		CB-05-MC-39-0017	218,464	258,618
		CB-06-MC-39-0017	313,498	293,958
			<u>885,632</u>	<u>900,890</u>
HOME Investment Partnerships Program	14.239	M-00-MC-39-0221	9,236	9,236
		M-01-MC-39-0221	7,220	7,220
		M-02-MC-39-0221	21,085	19,607
		M-03-MC-39-0221	27,147	30,973
		M-04-MC-39-0221	56,522	49,110
		M-05-MC-39-0221	151,127	163,313
		M-06-MC-39-0221	-	7,785
			<u>272,337</u>	<u>287,244</u>
Total U.S. Department of Housing and Urban Development			1,157,969	1,188,134
<u>U.S. DEPARTMENT OF JUSTICE</u> (Direct Programs)				
Local Law Enforcement Block Grants Program	16.592	2005-DJ-BX-1238	30,000	-
		2004-LB-BX-1521	-	12,873
		2003-LB-BX-2219	-	8,237
			<u>30,000</u>	<u>21,110</u>
Bulletproof Vest Partnership Program	16.607	Not available	-	18,526
			-	18,526
(Passed through the Ohio Bureau of Criminal Identification & Investigation, Office of the Attorney General)				
DNA Index System Backlog Reduction	16.564	2003-DN-BX-K009	-	7,733
		2004-DN-BX-K031	-	22,361
DNA Capacity Enhancement Program		2004-DN-BX-K209	49,610	4,339
		2005-DA-BX-K023	-	18,870
Paul Coverdell Forensic Science Imp Grants		2004-DN-BX-0220	77,233	4,051
			<u>126,843</u>	<u>57,354</u>
(Passed through the Ohio Attorney General's Office)				
Crime Victim Assistance	16.575	2007VAGENE019	14,910	-
		2006VAGENE019	38,090	38,090
			<u>53,000</u>	<u>38,090</u>

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	RECEIPTS	DISBURSEMENTS
(Passed through the Office of Criminal Justice Services)				
Byrne Formula Grant Program	16.579	04-DG-A01-7008	\$ 63,745	\$ 53,624
		05-JG-A01-6404	185,500	140,654
		04-DG-C01-7031	12,289	4,931
		05-JG-C01-6422	38,887	48,970
		04-DG-C01-7455	7,281	4,733
		03-BJ-E01-6427	52,050	45,213
		04-PC-NFS-7809	6,096	6,096
			<u>365,848</u>	<u>304,221</u>
Total U.S. Department of Justice			575,691	439,301
<u>U.S. DEPARTMENT OF TRANSPORTATION</u> (Direct Program)				
Airport Improvement Program	20.106	3-39-0049-1904	278,446	329
		3-39-0049-1803	7,109	-
		3-39-0049-2006	21,056	20,107
		3-39-0049-2106	-	2,095
Total Airport Improvement Program			<u>306,611</u>	<u>22,531</u>
(Passed through Ohio Dept of Public Safety - The Governor's Highway Safety Office)				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	2004-PT-MN/1	1,309	-
Total U.S. Department of Transportation			307,920	22,531
<u>U.S. DEPARTMENT OF LABOR</u> (Passed through the Ohio Dept of Job and Family Services) (Passed through the Richland County Job and Family Services)				
Workforce Investment Act-Youth Activities	17.259	01/01-06/30/05	3,594	-
Total U.S. Department of Labor			3,594	-
<u>U.S. DEPARTMENT OF EDUCATION</u> (Passed through the Ohio Department of Education)				
Twenty-First Century Community Learning Centers	84.359A	Not available	314,148	314,148
Total U.S. Department of Education			314,148	314,148
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> (Direct Program)				
Assistance to Firefighters	97.044	2004-57-6410RA- 63210000-4101-D	-	2,312
(Passed through the Ohio Dept of Public Safety) (Passed through the Emergency Management Agency)				
Public Assistance Program	97.036	FEMA-1580-DR- 139-47138	32,432	32,432
Total U.S. Department of Homeland Security			<u>32,432</u>	<u>34,744</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,391,754</u>	<u>\$ 1,998,858</u>

See Notes to the Accompanying Schedule of Federal Awards Expenditures

CITY OF MANSFIELD
Richland County, Ohio
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2006

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting, except expenditures of assistance passed through the Ohio Department of Jobs & Family Services Workforce Investment Act, which are presented on an accrual basis.

NOTE B – SUBRECIPIENTS

The City passes through certain Federal assistance received from the U.S. Department of Housing and Urban Development and U.S. Department of Labor to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of federal awards to subrecipients when paid in cash, except expenditures paid to Workforce Investment Act subrecipients are recorded on an accrual basis.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and the performance goals are achieved.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAM

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as an expenditure on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as expenditures on the Schedule. These loans are collateralized by the assets of the businesses.

NOTE D - WORKFORCE INVESTMENT ACT ATTACHMENT SCHEDULES

The City had no variances between Ohio Job & Family Services and the audit report figures to disclose; therefore, a Schedule of Variances is not included. The City had no program income; therefore, a Schedule of Program Income is not included. The City had no stand-in costs; therefore, a Schedule of Stand-in Costs is not included.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

City of Mansfield
Richland County
30 North Diamond Street
Mansfield, Ohio 44902

To the City Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield (the City) as of and for the year ended December 31, 2006 which collectively comprises the City's basic financial statements and have issued our report thereon dated August 1, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings, item 2006-Mansfield-01, to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above to be a material weakness.

Compliance and Other Matters

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

We also noted certain matters that we have reported to management of the City in a separate letter dated August 1, 2007.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
August 1, 2007

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Certified Public Accountants

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

City of Mansfield
Richland County
30 North Diamond Street
Mansfield, Ohio 44902

To the City Council:

Compliance

We have audited the compliance of the City of Mansfield (the City) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2006. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
August 1, 2007

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF MANSFIELD
RICHLAND COUNTY
For the Year Ended December 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(ii)	<i>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA #14.218-Community Development Block Grants/Entitlement Grants CFDA #16.579-Edward Byrne Formula Grant Program
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

CITY OF MANSFIELD
RICHLAND COUNTY
For the Year Ended December 31, 2006

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding 2006-Manfield-01 - Material Weakness

During our testing of capital assets, we noted that the City required a material restatement of capital assets due to the under-reporting of certain equipment in the prior year. We recommend the City improve internal controls over capital assets by implementing additional procedures to track capital assets when purchased and delivered to each department. Also, management should require departments to complete disposition forms when a department member disposes of equipment.

Management indicated that they were proactive in initiating this restatement and that it should be a one time occurrence. They feel their controls over capital assets are strong and they continue to reinforce the importance with department heads.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
For the Year Ending December 31, 2006**

SCHEDULE OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ended December 31, 2005, reported no material citations or recommendations.

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

Prepared By
Department of Finance

Sandra L. Converse
Director of Finance

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CITY OF MANSFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

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CITY OF MANSFIELD

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SANDRA CONVERSE • FINANCE DIRECTOR

August 1, 2007

Citizens of Mansfield
Mayor Lydia Reid
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, 2006. 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.

The CAFR provides the taxpayers of Mansfield with financial data in a format which enables them to gain a true understanding of the City’s financial affairs. The CAFR is divided into three sections: an Introductory Section, a Financial Section, and a Statistical Section. The Introductory Section includes the table of contents, this letter of transmittal, the GFOA Certificate of Achievement, a list of principal officials, and the City’s organizational chart. The Financial Section includes the Independent Accountants’ Report, Management’s Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements, Combining Statements and Individual Fund Schedules, Individual Fund Schedules of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Equity – Budget and Actual (Non-GAAP Budgetary Basis). The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Mansfield’s MD&A can be found immediately following the Independent Accountants’ Report.

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-growing racetrack that will host its fourth NASCAR event in 2007, the Craftsman Truck Series. Mansfield has 28 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 2006 to development possibilities. The City was able to assist 13 companies in 2006. 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 \$458,000 were granted which have leveraged approximately \$1,774,500 in additional investments in new and existing projects creating 212 new jobs and assisted in retaining 102 jobs.

Two companies moved into the Airport Industrial Parks during 2006. Express Publishing and Estes Trucking created 45 new full-time jobs. In addition, five expansion projects were completed by existing companies, which will create 52 new full-time jobs over the next two years. The expansion projects were Ohio Valley Manufacturing, Milark Industries, Summers Rubber Company, Tri-R-Tooling, and Conway Express.

Environmental Remediation of the former Ohio Brass site was completed with the assistance of a grant in the amount of \$504,000 from the Clean Ohio Assistance Fund. With the completion of the final remediation at this site, we have applied for a "No Further Action" (NFA) and "Covenant not to Sue" from the Ohio EPA. We should receive approval during the spring of 2007.

Moritz International, Inc. has completed renovations of the former Peabody Barnes office building and has expanded into the additional 26,000 square feet of space. They completed the purchase of the site during the first quarter of 2005. Their investment in the site as of year end 2005 was approximately \$550,000. Environmental remediation is complete at this site. We have applied for an "NFA" and requested a "Covenant not to Sue" from the Ohio EPA. We should receive approval during the spring of 2007.

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield. The Ohio Department of Development has approved our request for a grant from the Clean Ohio Assistance Fund to be used to complete phase two environmental assessments to Voluntary Action Program standards for the site. The contract for environmental assessments is underway at the site with a scheduled completion date of September 2007.

The Economic Development Department completed the second loan from the Mansfield Cleanup Revolving Loan Fund (MCRLF) to the Mansfield Reformatory Historical Preservation Society, Inc. in the amount of \$255,000. The MCRLF will be used in conjunction with the society's capital improvement funds to complete environmental remediation of asbestos based roofing materials in preparation for roof replacement over the west wing of the former Ohio State Reformatory. The MCRLF is funded through a \$1,000,000 grant from the US-EPA.

Other 2006 new project highlights are as follows:

- 1) Ohio Valley Manufacturing completed construction of a 15,000 square foot addition which included additional office space and new tool room facilities. The project created 10 new full-time jobs. Their investment was \$2,400,000.
- 2) Jay Industries completed construction of a new 20,000 square foot building at their East Longview Avenue site. The project created 20 new full-time jobs. The total investment was \$3,200,000.
- 3) Milark Industries completed construction of a 20,000 square foot addition to their manufacturing facility. The project created 20 new full-time jobs. The total project investment was \$400,000.
- 4) Conway Express (CCX) completed construction of a new 36 dock truck terminal at their Cairns Road site. The project created 10 new jobs. Their investment was \$2,000,000.
- 5) Kroger Company completed the 50,000 square foot expansion of their Lexington Avenue store. The project created 50 new part-time jobs. The project investment was \$6,000,000.
- 6) Wal-Mart completed construction of their new 204,000 square foot superstore at their Interstate 71/State Route 13 site. The project created 500 full and part time jobs. Their investment was \$12,000,000.
- 7) Our Detergent completed construction on a new 6,000 square foot facility at their Knight Parkway site. The project created three new jobs. The project investment was \$200,000.
- 8) Tri-R-Tooling completed construction of a 15,000 square foot addition to their Piper Road facility. The project created eight new jobs. Their investment was \$550,000.
- 9) Summer Rubber completed construction of their new 10,000 square foot facility on Piper Road. The project created four new jobs. The total investment was \$400,000.
- 10) Applebee's completed construction of a new restaurant on Stander Avenue near the Interstate 71/State Route 13 intersection. The project created 150 new full and part time jobs. The project investment was \$1,200,000.
- 11) Hampton Inn broke ground on a new 72 room hotel on South Main Street near the Interstate 71/State Route 13 intersection. The project will create 50 new full and part time jobs. The projected investment is \$3,400,000.
- 12) Mansfield Motorsports Park broke ground on an expansion project that will include a new state of the art drag strip. The total investment is \$5,500,000.
- 13) Sutton Bank broke ground on a new branch office as part of the Sterkle Boulevard Project. The overall project will include retail shops and medical buildings in addition to the new bank. The total projected investment is \$4,000,000.

MAJOR INITIATIVES

The Downtown Revitalization Plan continues to be implemented. In 2007 the City will begin to revitalize an area adjacent to downtown known as the Chamber District. In conjunction with a local non-profit, the City will build 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. Our downtown buildings are now filled with many unique businesses, which enhance our attraction to locals and tourists.

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

Construction continues on the Illinois Avenue overpass, improving transportation for local businesses and safety forces.

Projects at the Interstate 71/State Route 13 intersection continue to grow. The new Wal-Mart Superstore is now surrounded by restaurants, hotels, and retail stores with plans for more in the works.

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 2006. 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 disposition 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 \$5,687,012 as of December 31, 2006. 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 2006 totaled \$1,555,341. 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 discusses further the area of risk management.

INDEPENDENT AUDIT

An audit team from Charles Harris & Associates, Inc. has performed the City's 2006 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 2006 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 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, 2005. 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.

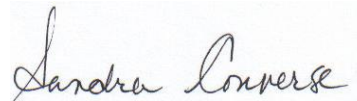
A Certificate of Achievement is valid for one year only. The City of Mansfield has received a Certificate of Achievement for the last twenty-one years (years ended 1985-2005). We believe our current report continues to

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 2006. Also, I would 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 cursive script that reads "Sandra Converse". The signature is written in black ink on a light-colored background.

Sandra Converse
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, 2005

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, 2006**

ELECTED OFFICIALS

EXECUTIVE:

Mayor Lydia J. Reid
Director of Finance Sandra L. Converse
Director of Law David L Remy
Municipal Court Judge Jeff Payton
Municipal Court Judge..... Jerry E. Ault
Clerk of CourtGene E. Coffey

LEGISLATIVE:

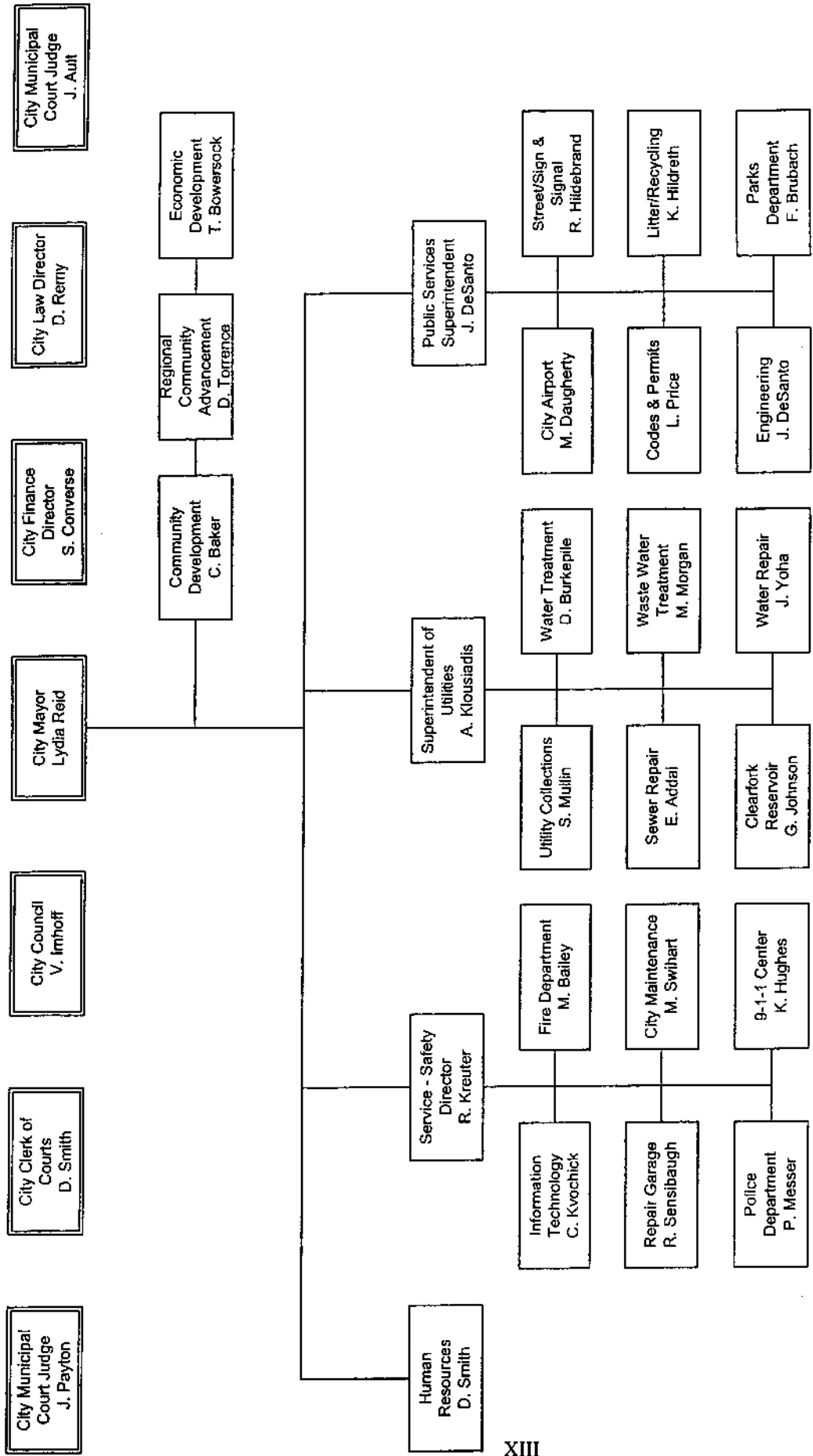
President of Council Virginia M. Imhoff
Council Members
 Ward 1 Douglas P. Versaw
 Ward 2 C. David Robinson
 Ward 3 Scott E. Hazen
 Ward 4Walden A. Jefferson
 Ward 5 Ethel M. (Pat) Hightower
 Ward 6 Sandra Carmichael
 At Large Donald R. Culliver
 At Large Michael N. Hill

APPOINTED OFFICIALS

Director of Service and SafetyRonald S. Kreuter
Superintendent of Public Services James DeSanto
Superintendent of Utilities Angelo Klousiadis
Director of Human Resources David Smith
Director of Industrial Development Timothy R. Bowersock
Director of Community Development Cynthia Baker
Director of Regional Community Advancement Deanna Torrence
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, 2007. The present terms of the legislative branch will expire November 30, 2007 or November 30, 2009. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

CITY OF MANSFIELD



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

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

INDEPENDENT ACCOUNTANTS' REPORT

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

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, 2006, 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.

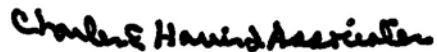
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2006, 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, Safety Services Fund and Grant 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 17 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 August 1, 2007 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 budgetary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual nonmajor fund financial statements and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

A handwritten signature in black ink that reads "Charles E. Harris".

Charles E. Harris & Associates, Inc.
August 1, 2007

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 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, 2006. 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 2006 are as follows:

- The total net assets of the City increased \$2,873,165. Net assets of governmental activities increased \$1,187,180 or 1.93% over 2005 and net assets of business-type activities increased \$1,685,985 or 3.26% from 2005.
- General revenues accounted for \$34,315,856 of total governmental activities revenue. Program specific revenues accounted for \$13,657,837 or 39.80% of total governmental activities revenue.
- The City had \$46,786,513 in expenses related to governmental activities; \$13,657,837 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$33,128,676 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$34,315,856.
- 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 \$11,155,683 in 2006. This represents an increase of \$677,844 from 2005. The expenditures and other financing uses of the general fund, which totaled \$9,090,175 in 2006, decreased \$605,490 from 2005. The net increase in fund balance for the general fund was \$2,065,508 or 697.94%.
- The community development fund had revenues of \$1,372,116 in 2006. The expenditures and other financing uses of the community development fund totaled \$1,582,041 in 2006. The net decrease in fund balance for the community development fund was \$209,925 or 8.00%.
- The safety services fund had revenues and other financing sources of \$22,140,127 in 2006. The expenditures and other financing uses for the safety services fund totaled \$22,293,234 in 2006. The net decrease in fund balance for the safety services fund was \$153,107 or 17.51%.
- The grant fund had revenues and other financing sources of \$1,367,405 in 2006. The expenditures and other financing uses for the safety services fund totaled \$1,252,324 in 2006. The net increase in fund balance for the safety services fund was \$115,081 or 72.19%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Airport Operating, and Parking Garage enterprise funds, increased in 2006 by \$1,685,985.
- In the general fund, the actual revenues came in \$803,827 higher than they were in the final budget and actual expenditures were \$1,032,298 less than the amount in the final budget. These positive variances are the result of the City's conservative budgeting. Budgeted revenues decreased \$52,000 from the original to the final budget due primarily to a decrease in projected intergovernmental revenue. Budgeted expenditures increased \$11,004 from the original to the final budget due to a decrease in various types of expenditures.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

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 2006?" 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, 2006
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 22-32 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 33-36 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 37 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 38-69 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2006 compared to 2005:

Net Assets

	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-Type Activities <u>2006</u>	Business-Type Activities <u>2005</u>	Total <u>2006</u>	Total <u>2005</u>
<u>Assets</u>						
Current and other assets	\$ 33,197,670	\$ 28,506,559	\$ 18,874,893	\$ 16,782,350	\$ 52,072,563	\$ 45,288,909
Capital assets	<u>49,048,570</u>	<u>50,735,398</u>	<u>41,732,190</u>	<u>42,908,612</u>	<u>90,780,760</u>	<u>93,644,010</u>
Total assets	<u>82,246,240</u>	<u>79,241,957</u>	<u>60,607,083</u>	<u>59,690,962</u>	<u>142,853,323</u>	<u>138,932,919</u>
<u>Liabilities</u>						
Long-term liabilities	10,725,285	10,898,350	6,044,847	6,842,471	16,770,132	17,740,821
Other liabilities	<u>8,858,344</u>	<u>6,868,176</u>	<u>1,163,473</u>	<u>1,135,713</u>	<u>10,021,817</u>	<u>8,003,889</u>
Total liabilities	<u>19,583,629</u>	<u>17,766,526</u>	<u>7,208,320</u>	<u>7,978,184</u>	<u>26,791,949</u>	<u>25,744,710</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	45,098,513	46,367,183	37,078,689	37,370,730	82,177,202	83,737,913
Restricted	15,824,043	15,521,272	3,979,276	3,979,276	19,803,319	19,500,548
Unrestricted	<u>1,740,055</u>	<u>(413,024)</u>	<u>12,340,798</u>	<u>10,362,772</u>	<u>14,080,853</u>	<u>9,949,748</u>
Total net assets	<u>\$ 62,662,611</u>	<u>\$ 61,475,431</u>	<u>\$ 53,398,763</u>	<u>\$ 51,712,778</u>	<u>\$ 116,061,374</u>	<u>\$ 113,188,209</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the City's assets exceeded liabilities by \$116,061,374. Net assets were \$62,662,611 and \$53,398,763 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 63.55% 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 \$44,594,988 and \$37,078,689 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, 2006, 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, \$19,803,319, 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, 2006
UNAUDITED**

The next table shows the changes in net assets for fiscal year 2006 and 2005.

Changes in Net Assets

	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-Type Activities <u>2006</u>	Business-Type Activities <u>2005</u>	Total <u>2006</u>	Total <u>2005</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 5,556,120	\$ 6,013,764	\$ 16,601,585	\$ 17,015,437	\$ 22,157,705	\$ 23,029,201
Operating grants and contributions	7,041,641	9,841,045	-	-	7,041,641	9,841,045
Capital grants and contributions	1,060,076	70,414	1,096,738	1,148,728	2,156,814	1,219,142
Total program revenues	<u>13,657,837</u>	<u>15,925,223</u>	<u>17,698,323</u>	<u>18,164,165</u>	<u>31,356,160</u>	<u>34,089,388</u>
General revenues:						
Property taxes	2,773,167	3,306,521	-	-	2,773,167	3,306,521
Income taxes	23,533,505	23,717,168	421,564	439,395	23,955,069	24,156,563
Unrestricted grants and entitlements	6,409,483	2,646,945	86,433	486,715	6,495,916	3,133,660
Investment earnings	1,548,036	1,029,572	7,305	-	1,555,341	1,029,572
Miscellaneous	51,665	174,500	99,161	123,738	150,826	298,238
Total general revenues	<u>34,315,856</u>	<u>30,874,706</u>	<u>614,463</u>	<u>1,049,848</u>	<u>34,930,319</u>	<u>31,924,554</u>
Total revenues	<u>47,973,693</u>	<u>46,799,929</u>	<u>18,312,786</u>	<u>19,214,013</u>	<u>66,286,479</u>	<u>66,013,942</u>
Program expenses:						
General government	9,960,681	12,154,838	-	-	9,960,681	12,154,838
Public safety	22,958,245	23,850,064	-	-	22,958,245	23,850,064
Public health and welfare	141,884	137,328	-	-	141,884	137,328
Transportation	10,396,560	10,078,954	-	-	10,396,560	10,078,954
Community environment	1,972,480	1,491,159	-	-	1,972,480	1,491,159
Leisure time activity	1,103,561	488,317	-	-	1,103,561	488,317
Interest and fiscal charges	253,102	253,405	-	-	253,102	253,405
Water	-	-	8,144,636	7,412,809	8,144,636	7,412,809
Sewer	-	-	7,695,342	8,158,651	7,695,342	8,158,651
Airport operating	-	-	774,342	784,276	774,342	784,276
Parking garage	-	-	12,481	230,928	12,481	230,928
Total program expenses	<u>46,786,513</u>	<u>48,454,065</u>	<u>16,626,801</u>	<u>16,586,664</u>	<u>63,413,314</u>	<u>65,040,729</u>
Increase (decrease) in net assets before special items and transfers	<u>1,187,180</u>	<u>(1,654,136)</u>	<u>1,685,985</u>	<u>2,627,349</u>	<u>2,873,165</u>	<u>973,213</u>
Change in net assets	1,187,180	(1,654,136)	1,685,985	2,627,349	2,873,165	973,213
Net assets, January 1, restated	<u>61,475,431</u>	<u>62,517,203</u>	<u>51,712,778</u>	<u>49,085,429</u>	<u>113,188,209</u>	<u>111,602,632</u>
Net assets, December 31	<u>\$ 62,662,611</u>	<u>\$ 60,863,067</u>	<u>\$ 53,398,763</u>	<u>\$ 51,712,778</u>	<u>\$ 116,061,374</u>	<u>\$ 112,575,845</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$1,187,180 in 2006. This increase is the result of a decrease in expenses and an increase in municipal income taxes versus amounts reported in the prior year.

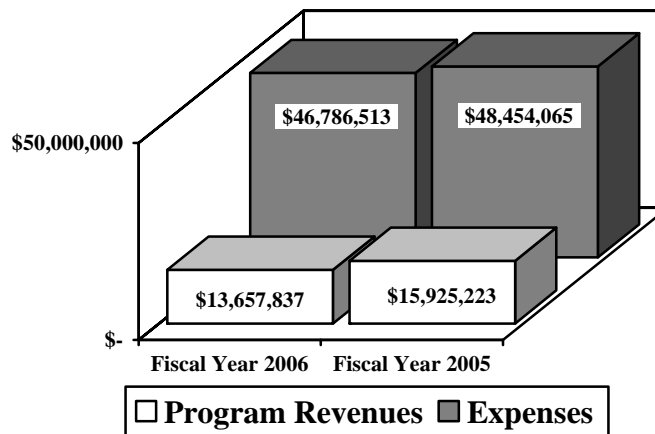
Public safety, which primarily supports the operations of the police and fire departments accounted for \$22,958,245 of the total expenses of the City. These expenses were partially funded by \$1,602,051 in direct charges to users of the services. Transportation expenses totaled \$10,396,560. Transportation expenses were partially funded by \$168,545 in direct charges to users of the services, \$3,152,325 in operating grants and contributions and \$655,076 in capital grants and contributions.

The state and federal government contributed to the City a total of \$7,041,641 in operating grants and contributions and \$1,060,076 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$655,076 subsidized transportation programs.

General revenues totaled \$34,315,856 and amounted to 71.53% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$26,306,672. 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 \$6,409,483.

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

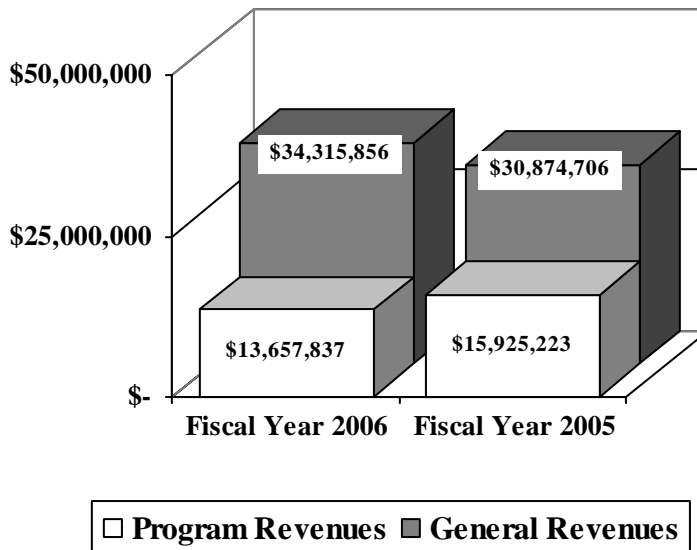
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
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Governmental Activities

	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program Expenses:				
General government	\$ 9,960,681	\$ 4,273,125	\$ 12,154,838	\$ 4,431,019
Public safety	22,958,245	20,608,229	23,850,064	21,436,247
Public health and welfare	141,884	69,760	137,328	46,312
Transportation	10,396,560	6,420,614	10,078,954	6,206,025
Community environment	1,972,480	582,389	1,491,159	(16,755)
Leisure activity	1,103,561	921,457	488,317	172,589
Interest and fiscal charges	<u>253,102</u>	<u>253,102</u>	<u>253,405</u>	<u>253,405</u>
 Total	 <u>\$ 46,786,513</u>	 <u>\$ 33,128,676</u>	 <u>\$ 48,454,065</u>	 <u>\$ 32,528,842</u>

The dependence upon general revenues for governmental activities is apparent, with 73.35% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

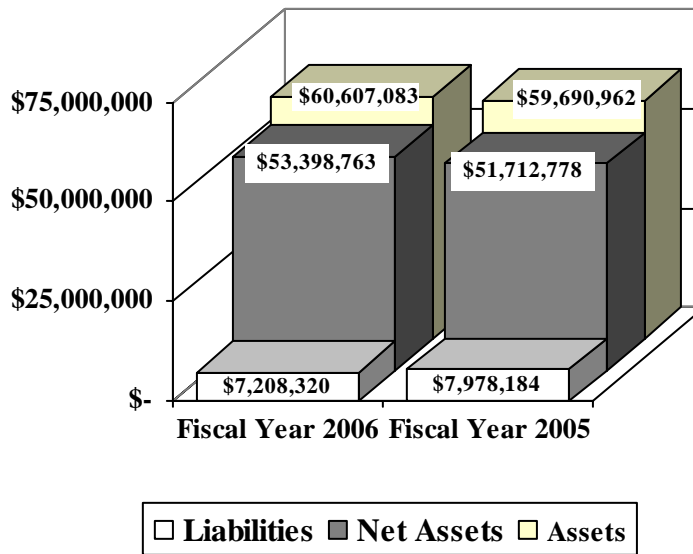


CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED

Business-Type Activities

Business-type activities include the water, sewer, airport and parking garage enterprise funds. These programs had program revenues of \$17,698,323 general revenues of \$614,463 and expenses of \$16,626,801 for 2006. 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 22-23) reported a combined fund balance of \$13,076,694 which is \$937,833 above last year's total of \$12,138,861.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2006 and December 31, 2005 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/06</u>	<u>Fund Balances</u> <u>12/31/05</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 2,373,998	\$ 295,944	\$ 2,078,054
Community development	2,413,502	2,623,002	(209,500)
Safety services	719,133	874,212	(155,079)
Grant Fund	279,528	159,419	120,109
Other nonmajor governmental funds	<u>7,290,533</u>	<u>8,186,284</u>	<u>(895,751)</u>
Total	<u>\$ 13,076,694</u>	<u>\$ 12,138,861</u>	<u>\$ 937,833</u>

General Fund

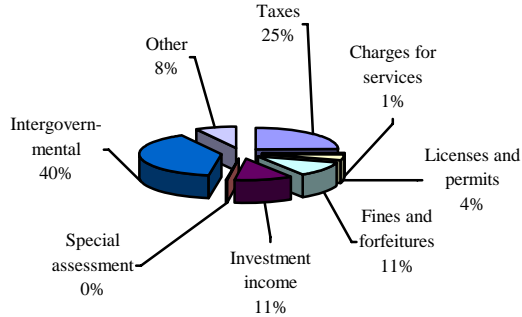
The City's general fund balance increased \$2,065,508, primarily due to a decline in expenses for general government. The table that follows assists in illustrating the revenues of the general fund.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,750,208	\$ 3,314,310	(17.02) %
Charges for services	76,893	103,223	(25.51) %
Licenses, permits and fees	479,959	498,424	(3.70) %
Fines and forfeitures	1,225,070	1,282,750	(4.50) %
Investment income	1,279,274	876,272	45.99 %
Special assessments	24,533	147,700	(83.39) %
Intergovernmental	4,404,015	4,128,338	6.68 %
Other	<u>885,848</u>	<u>118,453</u>	<u>647.85 %</u>
Total	<u>\$ 11,125,800</u>	<u>\$ 10,469,470</u>	<u>6.27 %</u>

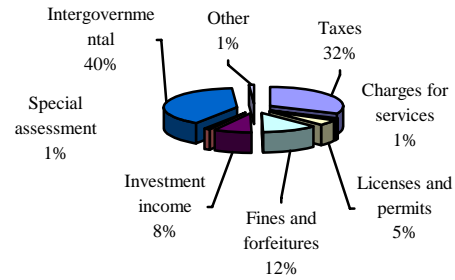
Tax revenue, which is a combination of property and income tax, represents 24.72% of all general fund revenue. Tax revenue decreased by 17.02% under the prior year primarily because of a decreasing delinquent tax base. Decreased charges for services are from a decline in incarceration fee collections. Special assessments declined because the City reached the end of an assessment period. Excess bond revenue resulted in an increase to other revenues. The increase in investment income is due to an increase in interest rates by the Federal Reserve Bank throughout the year. All other revenue remained comparable to 2005.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Revenues – Fiscal Year 2006



Revenues – Fiscal Year 2005



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

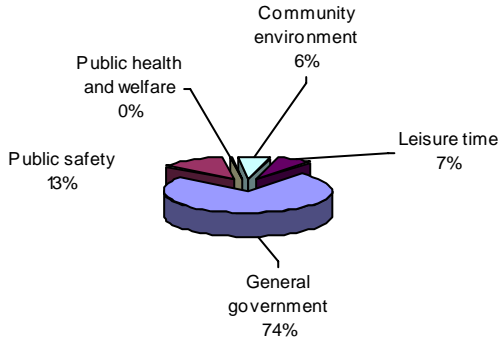
	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 6,467,420	\$ 6,701,642	(3.49) %
Public safety	1,104,747	1,027,420	7.53 %
Public health and welfare	40,774	40,730	0.11 %
Community environment	546,953	474,395	15.29 %
Leisure time activity	585,593	418,584	39.90 %
Total	<u>\$ 8,745,487</u>	<u>\$ 8,662,771</u>	<u>0.95 %</u>

General government expenditures decreased due to tighter management of the City's resources. Community environment expenditure increases are primarily due to the retirement of a department manager in the City's Codes and Permits. Leisure time expenditure increases are due to improvements made to the City's parks. All other expenditure increases are primarily due to an increase in cost of services.

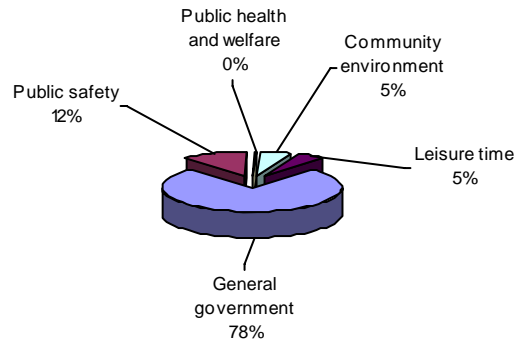
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
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Expenditures - Fiscal Year 2006



Expenditures - Fiscal Year 2005



Community Development Fund

The community development fund had revenues of \$1,372,116 in 2006. The expenditures of the community development fund totaled \$1,407,041 in 2006. The net decrease in fund balance for the community development fund was \$209,925.

Safety Services Fund

The safety services fund had revenues of \$21,820,995 in 2006. The expenditures for the safety services fund totaled \$21,999,362 in 2006. The net decrease in fund balance for the safety services fund was \$153,107.

Grant Fund

The grant fund had revenues of \$1,165,580 in 2006. The expenditures for the grant fund totaled \$1,252,324 in 2006. The net increase in fund balance for the grant fund was \$115,081.

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 \$8,000,960, was less than expenses of \$8,284,389 by \$283,429. The sewer enterprise fund had revenues of \$8,481,960, which was more than expenses of \$7,813,957 by \$668,003.

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 grant fund. For the General Fund, actual revenues of \$12,306,724 exceeded final budgeted revenues by \$803,827. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$1,032,298 lower than the final budgeted amounts.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
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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, 2006, the City had \$90,780,760 (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, \$49,048,570 was reported in governmental activities and \$41,732,190 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal 2006 balances compared to 2005:

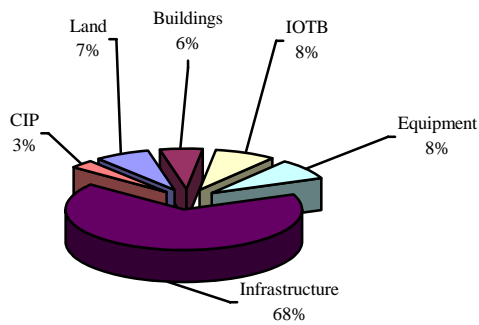
**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 3,640,639	\$ 3,640,639	\$ 2,164,307	\$ 2,164,307	\$ 5,804,946	\$ 5,804,946
Buildings	2,864,473	3,074,328	2,794,509	3,099,868	5,658,982	6,174,196
IOTB	4,162,360	4,256,328	11,742,733	12,618,003	15,905,093	16,874,331
Machinery & Equipment	4,101,254	4,035,314	1,401,224	1,471,571	5,502,478	5,506,885
Infrastructure	32,622,014	35,543,616	23,435,479	23,052,294	56,057,493	58,595,910
CIP	<u>1,657,830</u>	<u>185,173</u>	<u>193,938</u>	<u>502,569</u>	<u>1,851,768</u>	<u>687,742</u>
Totals	<u>\$ 49,048,570</u>	<u>\$ 50,735,398</u>	<u>\$ 41,732,190</u>	<u>\$ 42,908,612</u>	<u>\$ 90,780,760</u>	<u>\$ 93,644,010</u>

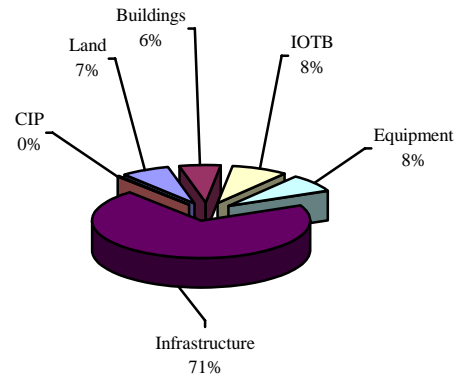
The following graphs show the breakdown of governmental capital assets by category for 2006 and 2005.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets - Governmental Activities 2006



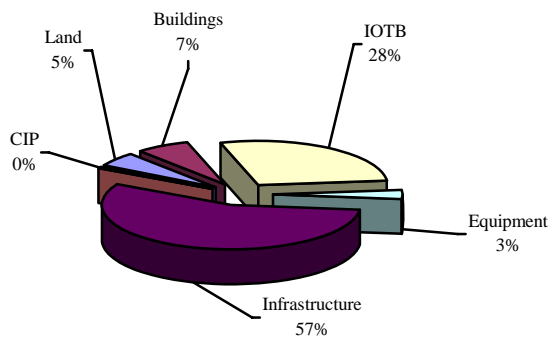
Capital Assets - Governmental Activities 2005



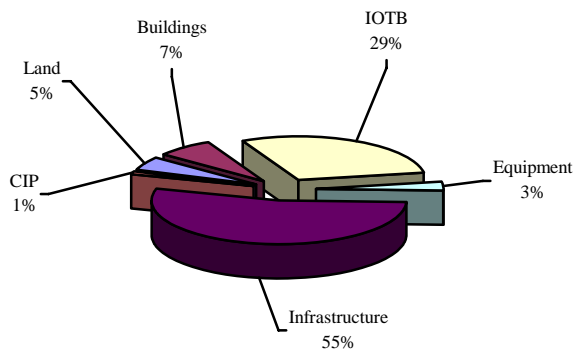
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 68% of the City's total governmental capital assets. The following graphs show the breakdown of business-type capital assets by category for 2006 and 2005.

Capital Assets - Business-Type Activities 2006



Capital Assets - Business-Type Activities 2005



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 57% of the City's total business-type capital assets.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

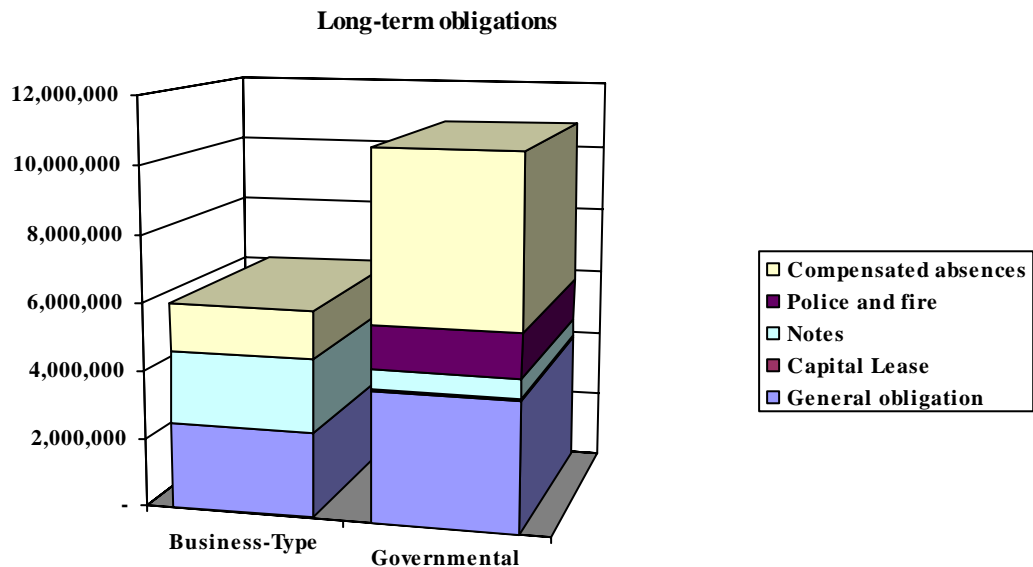
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2006 and 2005:

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 3,815,000	\$ 4,040,000
Special assessment bonds	-	-
Notes payable	580,000	655,430
Police and fire pension liability	1,288,573	1,311,555
Capital lease obligation	58,582	76,309
Compensated absences	<u>4,983,130</u>	<u>4,815,056</u>
Total long-term obligations	<u>\$ 10,725,285</u>	<u>\$ 10,898,350</u>

	Business-type Activities	
	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 2,490,000	\$ 2,805,000
Compensated absences	1,391,346	1,304,590
Notes payable	<u>2,163,501</u>	<u>2,732,881</u>
Total long-term obligations	<u>\$ 6,044,847</u>	<u>\$ 6,842,471</u>

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.



CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is 6.1%, which decreased from a rate of 6.3% a year ago. This rate exceeds the state's average unemployment rate of 5.5% and the national average of 4.6%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2007 fiscal year. At the end of the 2006 fiscal year, the cash basis fund balance of the general fund was \$2,355,671. This balance takes into consideration encumbrances for 2006 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 Sandra Converse, Finance Director, City of Mansfield, 30 North Diamond Street, Mansfield, Ohio 44902.

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 12,506,454	\$ 9,361,802	\$ 21,868,256
Cash and cash equivalents with fiscal agents	33,690	20,513	54,203
Receivables (net of allowances for uncollectibles):			
Taxes	7,481,864	-	7,481,864
Accounts	-	3,188,571	3,188,571
Accrued interest	369,100	-	369,100
Special assessments	9,247	23,533	32,780
Loans	2,975,360	-	2,975,360
Internal balances	(69,367)	69,367	-
Loans to other funds	-	1,660,000	1,660,000
Due from other governments	9,615,670	412,724	10,028,394
Materials and supplies inventory	275,652	164,582	440,234
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	3,973,801	3,973,801
Capital assets:			
Land and construction in progress	5,298,469	2,358,245	7,656,714
Depreciable capital assets, net	43,750,101	39,373,945	83,124,046
Total capital assets, net	49,048,570	41,732,190	90,780,760
Total assets	<u>82,246,240</u>	<u>60,607,083</u>	<u>142,853,323</u>
Liabilities:			
Accounts payable	789,194	540,527	1,329,721
Contracts payable	444,526	134,092	578,618
Retainage payable	33,690	20,513	54,203
Accrued wages and benefits	1,131,832	221,122	1,352,954
Due to other governments	1,670,253	235,078	1,905,331
Unearned revenue	1,646,400	-	1,646,400
Notes payable	650,000	-	650,000
Accrued interest payable	52,759	12,141	64,900
Claims payable	779,690	-	779,690
Loans from other funds	1,660,000	-	1,660,000
Long-term liabilities:			
Due within one year	1,554,503	2,857,901	4,412,404
Due in more than one year	9,170,782	3,186,946	12,357,728
Total liabilities	<u>19,583,629</u>	<u>7,208,320</u>	<u>26,791,949</u>
Net assets:			
Invested in capital assets, net of related debt	45,098,513	37,078,689	82,177,202
Restricted for:			
Capital projects	2,270,126	-	2,270,126
Debt service	125,037	-	125,037
Community development	5,035,547	-	5,035,547
Transportation projects	3,197,585	-	3,197,585
Industrial development	1,557,171	-	1,557,171
Grants	1,324,702	-	1,324,702
Replacement and improvement	-	3,979,276	3,979,276
Other purposes	2,313,875	-	2,313,875
Unrestricted	1,740,055	12,340,798	14,080,853
Total net assets	<u>\$ 62,662,611</u>	<u>\$ 53,398,763</u>	<u>\$ 116,061,374</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 9,960,681	\$ 3,452,357	\$ 1,830,199	\$ 405,000
Public safety	22,958,245	1,602,051	747,965	-
Public health and welfare	141,884	400	71,724	-
Transportation	10,396,560	168,545	3,152,325	655,076
Community environment.	1,972,480	150,663	1,239,428	-
Leisure time activities	1,103,561	182,104	-	-
Interest and fiscal charges	253,102	-	-	-
Total governmental activities	<u>46,786,513</u>	<u>5,556,120</u>	<u>7,041,641</u>	<u>1,060,076</u>
Business-Type Activities:				
Water	8,144,636	8,000,960	-	510,983
Sewer	7,695,342	8,481,960	-	585,755
Nonmajor:				
Airport operating	774,342	84,969	-	-
Parking garage	12,481	33,696	-	-
Total business-type activities	<u>16,626,801</u>	<u>16,601,585</u>	<u>-</u>	<u>1,096,738</u>
Total	<u>\$ 63,413,314</u>	<u>\$ 22,157,705</u>	<u>\$ 7,041,641</u>	<u>\$ 2,156,814</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 (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
\$ (4,273,125)	\$ -	\$ (4,273,125)
(20,608,229)	-	(20,608,229)
(69,760)	-	(69,760)
(6,420,614)	-	(6,420,614)
(582,389)	-	(582,389)
(921,457)	-	(921,457)
(253,102)	-	(253,102)
<u>(33,128,676)</u>	<u>-</u>	<u>(33,128,676)</u>
-	367,307	367,307
-	1,372,373	1,372,373
-	(689,373)	(689,373)
-	21,215	21,215
<u>-</u>	<u>1,071,522</u>	<u>1,071,522</u>
<u>(33,128,676)</u>	<u>1,071,522</u>	<u>(32,057,154)</u>
2,301,741	-	2,301,741
471,426	-	471,426
642,031	-	642,031
20,554,764	-	20,554,764
2,336,710	-	2,336,710
-	421,564	421,564
6,409,483	86,433	6,495,916
1,548,036	7,305	1,555,341
51,665	99,161	150,826
<u>34,315,856</u>	<u>614,463</u>	<u>34,930,319</u>
1,187,180	1,685,985	2,873,165
<u>61,475,431</u>	<u>51,712,778</u>	<u>113,188,209</u>
<u>\$ 62,662,611</u>	<u>\$ 53,398,763</u>	<u>\$ 116,061,374</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,863,052	\$ 235,510	\$ 941,650
Cash and cash equivalents with fiscal agent	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	2,901,535	-	4,580,329
Accrued interest	323,282	38,134	-
Loans	-	2,195,391	-
Special assessments	9,247	-	-
Due from other governments	2,472,504	2,713,594	41,481
Loans to other funds	60,283	-	-
Materials and supplies inventory	59,711	1,744	44,382
Total assets	<u>\$ 8,689,614</u>	<u>\$ 5,184,373</u>	<u>\$ 5,607,842</u>
Liabilities:			
Accounts payable	\$ 225,200	\$ 35,625	\$ 268,524
Contracts payable	-	-	-
Retainage payable	-	-	-
Accrued wages and benefits	202,333	7,948	783,193
Compensated absences	46,505	3,908	29,320
Notes payable	-	-	-
Loans from other funds	1,560,000	-	100,000
Due to other governments	285,520	40,256	1,171,884
Deferred revenue	3,996,058	2,683,134	2,535,788
Total liabilities	<u>6,315,616</u>	<u>2,770,871</u>	<u>4,888,709</u>
Fund Balances:			
Reserved for encumbrances	217,879	125,092	214,129
Reserved for materials and supplies inventory	59,711	1,744	44,382
Reserved for loans	-	2,195,390	-
Reserved for loans to other funds	60,283	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	2,014,261	-	-
Special revenue funds	-	91,276	460,622
Capital projects funds	-	-	-
Total fund balances	<u>2,373,998</u>	<u>2,413,502</u>	<u>719,133</u>
Total liabilities and fund balances	<u>\$ 8,689,614</u>	<u>\$ 5,184,373</u>	<u>\$ 5,607,842</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ 552,832	\$ 7,252,858	\$ 11,845,902
-	33,690	33,690
-	-	7,481,864
-	7,684	369,100
-	779,969	2,975,360
-	-	9,247
2,495,927	1,892,164	9,615,670
-	-	60,283
18,425	106,311	230,573
<u>\$ 3,067,184</u>	<u>\$ 10,072,676</u>	<u>\$ 32,621,689</u>
\$ 95,558	\$ 102,094	\$ 727,001
156,231	288,295	444,526
-	33,690	33,690
6,688	75,083	1,075,245
1,546	11,787	93,066
-	650,000	650,000
-	60,283	1,720,283
33,332	78,728	1,609,720
2,494,301	1,482,183	13,191,464
<u>2,787,656</u>	<u>2,782,143</u>	<u>19,544,995</u>
197,107	2,026,356	2,780,563
18,425	106,311	230,573
-	780,020	2,975,410
-	-	60,283
-	177,796	177,796
-	-	21,864
-	-	2,014,261
63,996	2,864,990	3,480,884
-	1,335,060	1,335,060
<u>279,528</u>	<u>7,290,533</u>	<u>13,076,694</u>
<u>\$ 3,067,184</u>	<u>\$ 10,072,676</u>	<u>\$ 32,621,689</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006

Total governmental fund balances \$ 13,076,694

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. 48,053,625

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

Property taxes	760,500
Income taxes	2,264,356
Special assessments	9,247
Intergovernmental revenues	<u>8,510,961</u>

Total 11,545,064

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: 402,328

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	(52,759)
Capital lease obligation	(58,582)
Notes payable	(580,000)
Compensated absences	(4,620,186)
Police and fire pension liability	(1,288,573)
General obligation bonds	<u>(3,815,000)</u>

(10,415,100)

Net assets of governmental activities \$ 62,662,611

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, 2006

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 496,433	\$ -	\$ 19,840,521
Property and other taxes	2,253,775	-	453,304
Charges for services	76,893	-	1,113,554
Licenses, permits and fees	479,959	-	91,272
Fines and forfeitures	1,225,070	-	129,787
Intergovernmental	4,404,015	1,239,428	146,212
Special assessments	24,533	-	-
Investment income	1,279,274	96,496	-
Other	885,848	36,192	46,345
Total revenues	<u>11,125,800</u>	<u>1,372,116</u>	<u>21,820,995</u>
Expenditures:			
Current:			
General government	6,467,420	-	-
Public safety	1,104,747	-	21,999,362
Public health and welfare	40,774	-	-
Transportation	-	-	-
Community environment	546,953	1,407,041	-
Leisure time activities	585,593	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,745,487</u>	<u>1,407,041</u>	<u>21,999,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,380,313</u>	<u>(34,925)</u>	<u>(178,367)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	29,883	-	-
Transfers in	-	-	319,132
Transfers out	(344,688)	(175,000)	(293,872)
Total other financing sources (uses)	<u>(314,805)</u>	<u>(175,000)</u>	<u>25,260</u>
Net change in fund balances	2,065,508	(209,925)	(153,107)
Fund balances (deficit) at beginning of year . . .	295,944	2,623,002	874,212
Increase (decrease) in reserve for inventory . .	12,546	425	(1,972)
Fund balances at end of year	<u>\$ 2,373,998</u>	<u>\$ 2,413,502</u>	<u>\$ 719,133</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,112,402	\$ 23,449,356
-	-	2,707,079
-	266,169	1,456,616
16,863	221,180	809,274
-	327,216	1,682,073
920,212	5,902,865	12,612,732
-	-	24,533
-	65,266	1,441,036
231,505	385,673	1,585,563
<u>1,168,580</u>	<u>10,280,771</u>	<u>45,768,262</u>
257,745	3,245,544	9,970,709
394,395	180,633	23,679,137
99,517	-	140,291
-	3,580,149	3,580,149
-	-	1,953,994
475,931	-	1,061,524
24,736	3,933,231	3,957,967
-	300,430	300,430
-	255,687	255,687
<u>1,252,324</u>	<u>11,495,674</u>	<u>44,899,888</u>
<u>(83,744)</u>	<u>(1,214,903)</u>	<u>868,374</u>
-	12,588	42,471
198,825	331,395	849,352
-	(35,792)	(849,352)
<u>198,825</u>	<u>308,191</u>	<u>42,471</u>
115,081	(906,712)	910,845
159,419	8,186,284	12,138,861
5,028	10,961	26,988
<u>\$ 279,528</u>	<u>\$ 7,290,533</u>	<u>\$ 13,076,694</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, 2006

Net change in fund balances - total governmental funds	\$	910,845
<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 (\$5,403,582) were less than depreciation expense (\$6,712,904) in the current period. Both amounts are exclusive of internal service funds activity.		(1,309,322)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(106,137)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		26,988
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,805,705
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.		341,140
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.		2,585
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.		(1,384,675)
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.		(99,949)
Change in net assets of governmental activities	\$	1,187,180

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,328,488	\$ 2,328,588	\$ 2,547,948	\$ 219,360
Charges for services	1,816,251	1,816,251	1,802,144	(14,107)
Licenses, permits and fees	489,165	445,165	479,959	34,794
Fines and forfeitures.	1,208,146	1,208,146	1,244,937	36,791
Intergovernmental	4,157,200	4,095,905	4,289,241	193,336
Special assessments	21,000	21,000	24,533	3,533
Investment income	663,474	663,474	1,003,299	339,825
Other	871,173	924,368	914,663	(9,705)
Total revenues.	<u>11,554,897</u>	<u>11,502,897</u>	<u>12,306,724</u>	<u>803,827</u>
Expenditures:				
Current:				
Public safety	1,518,348	1,528,198	1,188,147	340,051
Public health and welfare.	72,356	73,006	40,774	32,232
Community environment	777,191	777,938	734,879	43,059
Leisure time activities	976,194	976,195	952,765	23,430
General government	<u>8,244,537</u>	<u>8,244,293</u>	<u>7,650,767</u>	<u>593,526</u>
Total expenditures	<u>11,588,626</u>	<u>11,599,630</u>	<u>10,567,332</u>	<u>1,032,298</u>
Excess (deficiency) of revenues over (under) expenditures	(33,729)	(96,733)	1,739,392	1,836,125
Other financing sources (uses):				
Proceeds from sale of capital assets	58,109	58,109	54,359	(3,750)
Loan to other funds	(60,283)	(60,283)	(60,283)	-
Payment on loan from other funds	(275,100)	(275,100)	(275,100)	-
Repayment on loan to other funds	123,400	123,400	123,400	-
Transfers in	48,290	71	-	(71)
Transfers out	<u>(463,299)</u>	<u>(533,666)</u>	<u>(464,935)</u>	<u>68,731</u>
Total other financing sources (uses)	<u>(568,883)</u>	<u>(687,469)</u>	<u>(622,559)</u>	<u>64,910</u>
Net change in fund balance	(602,612)	(784,202)	1,116,833	1,901,035
Fund balance at beginning of year	883,879	883,879	883,879	-
Prior year encumbrances appropriated	<u>354,959</u>	<u>354,959</u>	<u>354,959</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 636,226</u>	<u>\$ 454,636</u>	<u>\$ 2,355,671</u>	<u>\$ 1,901,035</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,081,700	\$ 2,832,008	\$ 1,165,469	\$ (1,666,539)
Investment income	88,112	89,395	96,297	6,902
Other	374,302	388,058	446,623	58,565
Total revenues.	<u>2,544,114</u>	<u>3,309,461</u>	<u>1,708,389</u>	<u>(1,601,072)</u>
Expenditures:				
Current:				
Community environment	2,266,067	3,063,470	1,464,774	1,598,696
Total expenditures	<u>2,266,067</u>	<u>3,063,470</u>	<u>1,464,774</u>	<u>1,598,696</u>
Excess of revenues over expenditures	278,047	245,991	243,615	(2,376)
Other financing uses:				
Transfers out	(337,868)	(466,086)	(438,826)	27,260
Total other financing uses	<u>(337,868)</u>	<u>(466,086)</u>	<u>(438,826)</u>	<u>27,260</u>
Net change in fund balance	(59,821)	(220,095)	(195,211)	24,884
Fund balance at beginning of year	258,307	258,307	258,307	-
Prior year encumbrances appropriated	<u>15,440</u>	<u>15,440</u>	<u>15,440</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 213,926</u>	<u>\$ 53,652</u>	<u>\$ 78,536</u>	<u>\$ 24,884</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 19,698,505	\$ 19,752,991	\$ 19,782,688	\$ 29,697
Licenses, permits and fees	87,300	99,300	97,362	(1,938)
Charges for services	1,369,189	1,370,000	1,113,554	(256,446)
Fines and forfeitures.	148,626	148,626	127,673	(20,953)
Intergovernmental	151,946	152,446	140,122	(12,324)
Other	142	63,764	46,345	(17,419)
Total revenues.	<u>21,455,708</u>	<u>21,587,127</u>	<u>21,307,744</u>	<u>(279,383)</u>
Expenditures:				
Current:				
Public safety	<u>22,639,623</u>	<u>22,348,175</u>	<u>21,938,313</u>	<u>409,862</u>
Total expenditures	<u>22,639,623</u>	<u>22,348,175</u>	<u>21,938,313</u>	<u>409,862</u>
Deficiency of revenues under expenditures	(1,183,915)	(761,048)	(630,569)	130,479
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	621,067	386,525	319,133	(67,392)
Transfers out	<u>(273,756)</u>	<u>(562,067)</u>	<u>(427,931)</u>	<u>134,136</u>
Total other financing sources (uses)	<u>297,311</u>	<u>(225,542)</u>	<u>(158,798)</u>	<u>66,744</u>
Net change in fund balance	(886,604)	(986,590)	(789,367)	197,223
Fund balance at beginning of year	806,805	806,805	806,805	-
Prior year encumbrances appropriated	<u>179,785</u>	<u>179,785</u>	<u>179,785</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 99,986</u>	<u>\$ -</u>	<u>\$ 197,223</u>	<u>\$ 197,223</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,630,508	\$ 3,630,508	\$ 1,246,948	\$ (2,383,560)
Licenses, permits and fees	12,893	12,893	15,877	2,984
Other	78,442	77,667	77,665	(2)
Total revenues	<u>3,721,843</u>	<u>3,721,068</u>	<u>1,340,490</u>	<u>(2,380,578)</u>
Expenditures:				
Public safety.	1,628,135	1,635,459	521,193	1,114,266
Public health and welfare	120,427	119,354	99,048	20,306
General government	194,846	222,752	168,743	54,009
Capital outlay	1,835,616	1,914,456	543,714	1,370,742
Total expenditures	<u>3,779,024</u>	<u>3,892,021</u>	<u>1,332,698</u>	<u>2,559,323</u>
Excess (deficiency) of revenues over (under) expenses	<u>(57,181)</u>	<u>(170,953)</u>	<u>7,792</u>	<u>178,745</u>
Other financing sources (uses):				
Loan from other funds	(65,200)	(65,200)	(65,200)	-
Transfers in	150,814	201,526	201,526	-
Transfers out	<u>(26,286)</u>	<u>(27,651)</u>	<u>(26,762)</u>	<u>889</u>
Total other financing sources (uses)	<u>59,328</u>	<u>108,675</u>	<u>109,564</u>	<u>889</u>
Net change in fund balance	2,147	(62,278)	117,356	179,634
Fund balance at beginning of year	66	66	66	-
Prior year encumbrances appropriated	<u>125,447</u>	<u>125,447</u>	<u>125,447</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 127,660</u>	<u>\$ 63,235</u>	<u>\$ 242,869</u>	<u>\$ 179,634</u>

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2006

	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	\$ 3,780,567	\$ 5,319,842	\$ 261,393	\$ 9,361,802	\$ 660,552
Cash and cash equivalents with fiscal agent.	20,513	-	-	20,513	-
Receivables (net of allowance for uncollectibles)					
Accounts	1,550,411	1,582,044	56,116	3,188,571	-
Special assessments.	-	23,533	-	23,533	-
Due from other governments	7,464	405,260	-	412,724	-
Loans to other funds	-	1,660,000	-	1,660,000	-
Materials and supplies inventory	103,923	27,714	32,945	164,582	45,079
Restricted Assets:					
Equity in pooled cash and cash equivalents.	-	3,973,801	-	3,973,801	-
Total current assets	<u>5,462,878</u>	<u>12,992,194</u>	<u>350,454</u>	<u>18,805,526</u>	<u>705,631</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	537,166	155,598	1,665,481	2,358,245	-
Depreciable capital assets, net	9,273,156	28,237,104	1,863,685	39,373,945	989,575
Total capital assets, net	<u>9,810,322</u>	<u>28,392,702</u>	<u>3,529,166</u>	<u>41,732,190</u>	<u>989,575</u>
Total assets	<u>15,273,200</u>	<u>41,384,896</u>	<u>3,879,620</u>	<u>60,537,716</u>	<u>1,695,206</u>
Liabilities:					
Current liabilities:					
Accounts payable.	152,911	367,582	20,034	540,527	62,193
Contracts payable.	68,897	65,195	-	134,092	-
Retainage payable	20,513	-	-	20,513	-
Accrued wages and benefits	117,733	93,246	10,143	221,122	51,217
Due to other governments	131,212	95,315	8,551	235,078	60,533
Claims payable.	-	-	-	-	779,690
Current portion of bonds.	495,000	-	-	495,000	-
Accrued interest payable.	12,141	-	-	12,141	-
Total current liabilities	<u>998,407</u>	<u>621,338</u>	<u>38,728</u>	<u>1,658,473</u>	<u>953,633</u>
Long-term liabilities:					
General obligation bonds	1,995,000	-	-	1,995,000	-
Notes payable	98,501	2,065,000	-	2,163,501	-
Compensated absences	954,550	400,927	35,869	1,391,346	269,878
Total long-term liabilities	<u>3,048,051</u>	<u>2,465,927</u>	<u>35,869</u>	<u>5,549,847</u>	<u>269,878</u>
Total liabilities	<u>4,046,458</u>	<u>3,087,265</u>	<u>74,597</u>	<u>7,208,320</u>	<u>1,223,511</u>
Net assets:					
Invested in capital assets, net of related debt	7,221,821	26,327,702	3,529,166	37,078,689	989,575
Restricted for replacement and improvement	-	3,979,276	-	3,979,276	-
Unrestricted (deficit)	4,004,921	7,990,653	275,857	12,271,431	(517,880)
Total net assets	<u>\$ 11,226,742</u>	<u>\$ 38,297,631</u>	<u>\$ 3,805,023</u>	<u>53,329,396</u>	<u>\$ 471,695</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				69,367	
Net assets of business-type activities				<u>\$ 53,398,763</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, 2006

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise</u>	<u>Total</u>	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 8,000,960	\$ 8,481,960	\$ 118,665	\$ 16,601,585	\$ 12,523,512
Total operating revenues	<u>8,000,960</u>	<u>8,481,960</u>	<u>118,665</u>	<u>16,601,585</u>	<u>12,523,512</u>
Operating expenses:					
Personal services	2,740,968	1,893,033	203,472	4,837,473	1,168,308
Fringe benefits	2,088	11,878	8,551	22,517	5,602
Contractual services	3,740,242	2,910,259	240,763	6,891,264	5,344,334
Materials and supplies	827,489	532,893	52,831	1,413,213	625,008
Depreciation	575,328	1,862,552	237,473	2,675,353	356,960
Utilities	385,218	575,036	53,521	1,013,775	56,559
Claims expense	-	-	-	-	5,055,084
Other	13,056	28,306	200	41,562	422
Total operating expenses	<u>8,284,389</u>	<u>7,813,957</u>	<u>796,811</u>	<u>16,895,157</u>	<u>12,612,277</u>
Operating income (loss)	<u>(283,429)</u>	<u>668,003</u>	<u>(678,146)</u>	<u>(293,572)</u>	<u>(88,765)</u>
Nonoperating revenues (expenses):					
Other nonoperating revenue	42,755	62	1,269	44,086	7,255
Other nonoperating expenditure	(3,746)	-	(8,337)	(12,083)	-
Loss on disposal of assets	-	(1,440)	-	(1,440)	(15,098)
Interest Income	-	7,305	-	7,305	-
Municipal income tax	-	-	421,564	421,564	-
Tap and license fees	54,025	1,050	-	55,075	-
Intergovernmental	-	-	86,433	86,433	-
Interest expense and fiscal changes	(162,057)	(104,708)	-	(266,765)	-
Total nonoperating revenues (expenses)	<u>(69,023)</u>	<u>(97,731)</u>	<u>500,929</u>	<u>334,175</u>	<u>(7,843)</u>
Income (loss) before capital contributions and transfers	(352,452)	570,272	(177,217)	40,603	(96,608)
Capital contributions	<u>510,983</u>	<u>585,755</u>	<u>-</u>	<u>1,096,738</u>	<u>66,026</u>
Changes in net assets	158,531	1,156,027	(177,217)	1,137,341	(30,582)
Net assets at beginning of year	<u>11,068,211</u>	<u>37,141,604</u>	<u>3,982,240</u>		<u>502,277</u>
Net assets at end of year	<u>\$ 11,226,742</u>	<u>\$ 38,297,631</u>	<u>\$ 3,805,023</u>		<u>\$ 471,695</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>548,644</u>	
Changes in net assets of business-type activities				<u>\$ 1,685,985</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, 2006

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 7,845,744	\$ 8,395,489	\$ 98,937	\$ 16,340,170	\$ 12,523,512
Cash received from other operating revenues.	96,780	8,417	567,608	672,805	7,255
Cash payments to employees.	(2,716,693)	(1,966,907)	(204,287)	(4,887,887)	(1,232,363)
Cash payments to suppliers	(4,953,733)	(3,918,908)	(349,222)	(9,221,863)	(6,018,204)
Cash payments for claims expense.	-	-	-	-	(5,492,412)
Cash payments for other operating expenses.	(13,056)	(38,732)	(200)	(51,988)	(422)
Net cash provided by operating activities	<u>259,042</u>	<u>2,479,359</u>	<u>112,836</u>	<u>2,851,237</u>	<u>(212,634)</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	290,000	-	290,000	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(175,263)	(214,356)	(11,708)	(401,327)	(29,293)
Proceeds from notes	-	2,065,000	-	2,065,000	-
Principal paid on general obligation debt	(315,000)	-	-	(315,000)	-
Interest paid on general obligation debt.	(163,545)	-	-	(163,545)	-
Principal paid on notes	(9,381)	(2,625,000)	-	(2,634,381)	-
Interest paid on notes.	-	(104,708)	-	(104,708)	-
Net cash used in capital and related financing activities	<u>(663,189)</u>	<u>(879,064)</u>	<u>(11,708)</u>	<u>(1,553,961)</u>	<u>(29,293)</u>
Net increase in cash and cash equivalents	(404,147)	1,890,295	101,128	1,587,276	(241,927)
Cash and cash equivalents at beginning of year	<u>4,205,226</u>	<u>7,403,348</u>	<u>160,265</u>	<u>11,768,839</u>	<u>902,479</u>
Cash and cash equivalents at end of year.	<u>\$ 3,801,079</u>	<u>\$ 9,293,643</u>	<u>\$ 261,393</u>	<u>\$ 13,356,115</u>	<u>\$ 660,552</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<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)	\$ (283,429)	\$ 668,003	\$ (678,146)	\$ (293,572)	\$ (88,765)
Adjustments:					
Depreciation	575,328	1,862,552	237,473	2,675,353	356,960
Other nonoperating revenues	42,755	62	1,269	44,086	7,255
Municipal income tax	-	-	421,564	421,564	-
Tap and license fees	54,025	1,050	-	55,075	-
Gain on sale of capital asset	-	-	-	-	-
Intergovernmental	-	7,305	86,433	93,738	-
Changes in assets and liabilities:					
(Increase) in accounts receivable	(152,661)	(159,843)	(19,728)	(332,232)	-
Decrease in special assessments	-	7,844	-	7,844	-
Decrease in taxes receivable	-	-	57,837	57,837	-
(Increase) decrease in inventory of supplies	(25,392)	(10,363)	(7,794)	(43,549)	7,412
(Increase) decrease in due from other governments	(2,544)	67,916	505	65,877	-
Increase (decrease) in accounts payable	(26,459)	42,060	5,687	21,288	285
Increase in contracts payable	51,056	65,195	-	116,251	-
(Decrease) in accrued wages and benefits	(120,299)	(4,351)	(2,755)	(127,405)	(1,225)
Increase (decrease) in due to other governments	2,088	1,452	(1,215)	2,325	5,602
Increase (decrease) in compensated absences payable	144,574	(69,523)	11,706	86,757	(62,830)
(Decrease) in claims payable	-	-	-	-	(437,328)
Net cash provided by operating activities	<u>\$ 259,042</u>	<u>\$ 2,479,359</u>	<u>\$ 112,836</u>	<u>\$ 2,851,237</u>	<u>\$ (212,634)</u>

During the year land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$1,096,738.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2006

	Agency
Assets:	
Equity in pooled cash and cash equivalents	\$ 700,924
Cash and cash equivalents with fiscal agent	174,692
Investments	270,000
Receivables:	
Taxes	9,085
Due from other governments	5,924
 Total assets.	 1,160,625
 Liabilities:	
Due to other governments	357,943
Due to individuals	289,450
Undistributed monies	513,232
 Total liabilities	 \$ 1,160,625

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006

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, 2006

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.

Grant Fund - To account for monies received for various grants.

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, 2006

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, 2006

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, 2006, but which were levied to finance fiscal year 2007 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, 2006

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 2006.

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 2006.

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 2006.

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, 2006**

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

During 2006, 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 2006. 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, 2006.

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, 2006, the total restricted cash in the enterprise funds was \$3,973,801. It is in the Sewer

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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 2007 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, 2006.

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 2006, 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, 2006**

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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 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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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 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

For 2006, the City has implemented GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.” The objective of GASB Statement No. 44 is to improve the understandability and usefulness of the supplementary information in the statistical section. The Statistical Section begins on page 141.

NOTE 4 – ACCOUNTABILITY

A. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2006:

	<u>Deficit Balance</u>
Non-major governmental fund:	
Regional Community Advancement	\$ 10,170
2005 Service fleet	647,258
Internal service funds:	
Health insurance	450,463

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 operating 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).

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING - (Continued)

- 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).

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	Grant Fund
GAAP Basis	\$2,065,508	(\$209,925)	(\$153,107)	\$115,081
Adjustments:				
Revenue accruals	1,328,800	336,273	(513,250)	174,611
Expenditure accruals	(1,949,797)	(167,932)	324,762	128,559
Encumbrances	(327,678)	(153,627)	(447,772)	(300,895)
Budget Basis	<u>\$1,116,833</u>	<u>(\$195,211)</u>	<u>(\$789,367)</u>	<u>\$117,356</u>

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

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.
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 the National Credit Union Agency (NCUA), 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 \$419,847 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, 2006, the carrying amount of all City deposits was \$5,687,012. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2006, \$5,684,070 of the City’s bank balance of \$5,943,796 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation and \$59,726 was covered by the National Credit Union Agency.

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, 2006, the City had the following investments and maturities:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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>
FHLMC DN	\$ 3,939,000	2,971,840	967,160
FNMA DN	4,884,340	2,952,080	1,932,260
FNMA	1,996,970	-	1,996,970
FHLMC	1,974,520	-	1,974,520
FHLB	3,981,900	-	3,981,900
REPO	149,560	149,560	-
STAR OHIO	3,738,727	3,738,727	-
Total	<u>\$ 20,665,017</u>	<u>\$ 9,812,207</u>	<u>10,852,810</u>

The weighted average maturity of investments is .68 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, 2006:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC DN	\$ 3,939,000	19.06%
FNMA DN	4,884,340	23.64%
FNMA	1,996,970	9.66%
FHLMC	1,974,520	9.55%
FHLB	3,981,900	19.27%
REPO	149,560	0.72%
STAR OHIO	3,738,727	18.10%
Total	<u>\$20,665,017</u>	<u>100.00%</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006.

<u>Cash and Investments per Footnote</u>	
Carrying amount of deposits	\$ 5,687,012
Investments	20,665,017
Cash on hand	<u>419,847</u>
Total	<u><u>\$ 26,771,876</u></u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$ 12,540,144
Business-type activities	13,356,116
Agency funds	<u>875,616</u>
Total	<u><u>\$ 26,771,876</u></u>

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2006, 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>	
Safety Services	\$ 319,132	\$ -	\$ -	\$ -	\$ 319,132
Law Enforcement Block Grant	-	-	-	10,087	10,087
Grant Fund	25,556	-	-	173,270	198,826
Debt Service	<u>-</u>	<u>35,792</u>	<u>175,000</u>	<u>110,515</u>	<u>321,307</u>
Total	<u><u>\$ 344,688</u></u>	<u><u>\$ 35,792</u></u>	<u><u>\$ 175,000</u></u>	<u><u>\$ 293,872</u></u>	<u><u>\$ 849,352</u></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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - INTERFUND TRANSACTIONS - (Continued)

general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

- B.** Loans to/from other funds consisted of the following at December 31, 2006, as reported in the fund financial statements:

<u>Loans to other funds</u>	<u>Loans from other funds</u>		
	General	Safety Services	Total
Regional Comm. Advancement	\$ 60,283	\$ -	\$ 60,283
Sewer	1,560,000	100,000	1,660,000
Total	\$ 1,620,283	\$ 100,000	\$ 1,720,283

Loans to/from other funds at December 31, 2006, consisted of a loan of \$100,000 from the Sewer fund to the Safety Services fund. This loan was issued in 1996 for \$631,279 to pay for the purchase of a new ladder truck to be repaid on or before the end of a twelve year period. It will be completely repaid in 2008. 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. A loan totaling \$60,283 was issued in 2006 from the General Fund to the Regional Community Advancement Fund to cover expenses for grants that receive monies on a reimbursement basis. This loan will be repaid in 2007 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 2006 are levied after October 1, 2005 on the assessed value listed as of January 1, 2005, the lien date. Assessed values are established by State

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 8 – TAXES – (Continued)

laws at 35% of appraised market value. All property is required to be revalued every six years. 2006 real property taxes are collected in and intended to finance 2007. 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 2006 became a lien December 31, 2004, were levied after October 1, 2005, and were collected in 2006 with real property taxes. 2006 tangible personal property taxes were levied on or after October 1, 2005 on the value listed as of December 31, 2005. Tangible personal property assessments are 25% of true value on capital assets and 23% on inventory. The assessed value upon which the 2006 taxes were collected was \$742,313,487. The full tax rate for all City operations for the fiscal year ended December 31, 2006 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, 2006. 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 2006 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, and again in May of 2003. It is scheduled to expire December 31, 2007.

As of December 31, 2006, the City had income taxes receivable of \$4,045,969 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$268,495 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund and safety services fund.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2006, 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, 2006, as well as intended to finance fiscal 2006 operations.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9 – RECEIVABLES – (Continued)

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

Governmental Activities:

Taxes	\$	7,481,864
Special assessments		9,247
Accrued interest		369,100
Loans		2,975,360
Due from other governments		9,615,670

Business-Type Activities:

Accounts	\$	3,188,571
Due from other governments		412,724
Special assessments		23,533

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 \$268,296 and \$31,577 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

NOTE 10 - CAPITAL ASSETS

The capital asset balances of governmental activities have been restated for the fiscal year ended December 31, 2005 due to certain machinery and equipment not reported in prior years:

<u>Governmental Activities:</u>	<u>Balance 12/31/2005</u>	<u>Adjustment</u>	<u>Restated Balance 1/1/2006</u>
<i>Capital assets being depreciated:</i>			
Machinery and equipment	<u>18,566,291</u>	<u>702,106</u>	<u>19,268,397</u>
Total capital assets, being depreciated	<u>18,566,291</u>	<u>702,106</u>	<u>19,268,397</u>
<i>Less: accumulated depreciation:</i>			
Machinery and equipment	<u>(15,143,341)</u>	<u>(89,742)</u>	<u>(15,233,083)</u>
Total accumulated depreciation	<u>(15,143,341)</u>	<u>(89,742)</u>	<u>(15,233,083)</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS – (Continued)

Capital asset activity for the year ended December 31, 2006 was as follows:

	Restated Balance 01/01/06	Additions	Disposals	Balance 12/31/06
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,640,639	\$ -	\$ -	\$ 3,640,639
Construction in progress	<u>185,173</u>	<u>1,472,657</u>	<u>-</u>	<u>1,657,830</u>
Total capital assets, not being depreciated	<u>3,825,812</u>	<u>1,472,657</u>	<u>-</u>	<u>5,298,469</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,147,873	-	(53,835)	13,094,038
Improvements other than buildings	4,741,621	82,846	(12,539)	4,811,928
Machinery and equipment	19,268,397	1,266,700	(1,098,206)	19,436,891
Infrastructure	<u>104,864,769</u>	<u>2,785,345</u>	<u>(4,443)</u>	<u>107,645,671</u>
Total capital assets, being depreciated	<u>142,022,660</u>	<u>4,134,891</u>	<u>(1,169,023)</u>	<u>144,988,528</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,073,545)	(204,898)	48,878	(10,229,565)
Improvements other than buildings	(485,293)	(176,814)	12,539	(649,568)
Machinery and equipment	(15,233,083)	(981,900)	879,346	(15,335,637)
Infrastructure	<u>(69,321,153)</u>	<u>(5,706,252)</u>	<u>3,748</u>	<u>(75,023,657)</u>
Total accumulated depreciation	<u>(95,113,074)</u>	<u>(7,069,864)</u>	<u>944,511</u>	<u>(101,238,427)</u>
Total capital assets, being depreciated, net	<u>46,909,586</u>	<u>(2,934,973)</u>	<u>(224,512)</u>	<u>43,750,101</u>
Governmental activities capital assets, net	<u>\$ 50,735,398</u>	<u>\$ (1,462,316)</u>	<u>\$ (224,512)</u>	<u>\$ 49,048,570</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,164,307	\$ -	\$ -	\$ 2,164,307
Construction in progress	<u>502,569</u>	<u>46,935</u>	<u>(355,566)</u>	<u>193,938</u>
Total capital assets, not being depreciated	<u>2,666,876</u>	<u>46,935</u>	<u>(355,566)</u>	<u>2,358,245</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,469,790	-	(17,241)	13,452,549
Improvements other than buildings	30,954,031	13,500	-	30,967,531
Machinery and equipment	8,204,125	370,731	(251,095)	8,323,761
Infrastructure	<u>55,277,209</u>	<u>1,540,064</u>	<u>-</u>	<u>56,817,273</u>
Total capital assets, being depreciated	<u>107,905,155</u>	<u>1,924,295</u>	<u>(268,336)</u>	<u>109,561,114</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,369,922)	(303,793)	15,675	(10,658,040)
Improvements other than buildings	(18,336,028)	(888,770)	-	(19,224,798)
Machinery and equipment	(6,732,554)	(325,911)	135,928	(6,922,537)
Infrastructure	<u>(32,224,915)</u>	<u>(1,156,879)</u>	<u>-</u>	<u>(33,381,794)</u>
Total accumulated depreciation	<u>(67,663,419)</u>	<u>(2,675,353)</u>	<u>151,603</u>	<u>(70,187,169)</u>
Total capital assets, being depreciated, net	<u>40,241,736</u>	<u>(751,058)</u>	<u>(116,733)</u>	<u>39,373,945</u>
Business-type activities capital assets, net	<u>\$ 42,908,612</u>	<u>\$ (704,123)</u>	<u>\$ (472,299)</u>	<u>\$ 41,732,190</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 442,825
Public safety	497,550
Public health and welfare	617
Transportation	5,706,114
Community environment	7,066
Leisure time activity	58,732

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	356,960
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Total depreciation expense - governmental activities	\$ 7,069,864
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Business -type activities:

Water	\$ 575,328
Sewer	1,862,552
Airport	237,473

Total depreciation expense - business-type activities	\$ 2,675,353
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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 \$795,865 will accrue on January 1, 2007 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, 2006

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>
2007	\$ 21,094
2008	21,094
2009	<u>21,094</u>
Total minimum payments required	<u>\$ 63,282</u>
Less: amount representing interest at 4.83%	<u>(4,700)</u>
Present value of future minimum lease payments	<u>\$ 58,582</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 \$133,798 for the year ended December 31, 2006. 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, 2006:

<u>Year Ended December 31</u>	<u>Amount</u>
2007	\$ 81,557
2008	32,560
2009	<u>12,170</u>
Total minimum payments required	<u>\$ 126,287</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2006, 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>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/06</u>	<u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds</u>							
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	4,040,000	-	(225,000)	3,815,000	235,000
Total general obligation bonds			4,040,000	-	(225,000)	3,815,000	235,000
<u>Other Long-Term Obligations</u>							
Notes payable	0.00 - 4.50%	2007-2015	655,430	-	(75,430)	580,000	70,000
Capital lease obligation			76,309	-	(17,727)	58,582	18,599
Police and Fire Pension Liability	4.30%	2035	1,311,555	-	(22,982)	1,288,573	23,970
Compensated absences			4,815,056	1,146,914	(978,840)	4,983,130	1,206,934
Total other long-term obligations			6,858,350	1,146,914	(1,094,979)	6,910,285	1,319,503
Total governmental activities long-term obligations			<u>\$ 10,898,350</u>	<u>\$ 1,146,914</u>	<u>\$ (1,319,979)</u>	<u>\$ 10,725,285</u>	<u>\$ 1,554,503</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. \$1,153,525 of the original issue amount remains unspent. The related construction of a new fire station is currently under review.

In 1998, the City refinanced \$3,500,000 in sewer system bonds for improvements to the sewer system. The bonds are paid from the bond retirement fund.

The City issued \$1,000,000 in Section 108 Improvement Project Notes in 2002. The notes are paid from the section 108 improvement fund.

During 1996, the City issued \$54,310 in Ohio Public Works Commission Notes for improvements to Trimble Road. This note is being paid from the permissive sales tax fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2006 are as follows:

Year Ended December 31,	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	23,970	54,512	78,482
2008	24,999	53,483	78,482
2009	26,073	52,409	78,482
2010	27,193	51,289	78,482
2011	28,361	50,121	78,482
2012 - 2016	161,156	231,254	392,410
2017 - 2021	198,870	193,539	392,409
2022 - 2026	245,407	147,002	392,409
2027 - 2031	302,837	89,573	392,410
2032 - 2035	249,707	21,453	271,160
Total	<u>\$ 1,288,573</u>	<u>\$ 944,635</u>	<u>\$ 2,233,208</u>

Year Ended December 31,	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	235,000	170,447	405,447
2008	240,000	162,458	402,458
2009	250,000	153,697	403,697
2010	260,000	144,198	404,198
2011	270,000	133,797	403,797
2012-2016	1,065,000	516,628	1,581,628
2017-2021	1,215,000	263,340	1,478,340
2022	280,000	14,000	294,000
Total	<u>\$ 3,815,000</u>	<u>\$ 1,558,565</u>	<u>\$ 5,373,565</u>

Year Ended December 31,	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	70,000	43,356	113,356
2008	70,000	38,301	108,301
2009	70,000	33,249	103,249
2010	70,000	28,211	98,211
2011	70,000	22,996	92,996
2012-2015	230,000	38,698	268,698
Total	<u>\$ 580,000</u>	<u>\$ 204,811</u>	<u>\$ 784,811</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

At December 31, 2006, the City's legal voted and unvoted debt margin was \$37,115,674 and \$37,190,038 respectively.

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2006:

<i>Business-Type Activities:</i>	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/06</u>	Due in <u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 1993 Water System	2.85-9.65%	2013	\$ 1,525,000	\$ -	\$ (160,000)	\$ 1,365,000	\$ 165,000
Series 1992 Water System	3.00-6.20%	2012	<u>1,280,000</u>	<u>-</u>	<u>(155,000)</u>	<u>1,125,000</u>	<u>160,000</u>
Total general obligation bonds			<u>2,805,000</u>	<u>-</u>	<u>(315,000)</u>	<u>2,490,000</u>	<u>325,000</u>
<u>Other long-term obligations:</u>							
Notes payable	0.00-2.50%	2005-2017	2,732,881	2,065,000	(2,634,380)	2,163,501	2,069,691
Compensated absences			<u>1,304,590</u>	<u>475,611</u>	<u>(388,855)</u>	<u>1,391,346</u>	<u>463,210</u>
Total other long-term obligations			<u>4,037,471</u>	<u>2,540,611</u>	<u>(3,023,235)</u>	<u>3,554,847</u>	<u>2,532,901</u>
Total business-type activities long-term obligations			<u>\$ 6,842,471</u>	<u>\$ 2,540,611</u>	<u>\$ (3,338,235)</u>	<u>\$ 6,044,847</u>	<u>\$ 2,857,901</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. These general obligation bonds are payable from the revenues of the water operations for which the improvements were made.

In 2006, the City authorized the issuance of bond anticipation notes totaling \$2,065,000. These notes are to pay the \$2,625,000 in outstanding bond anticipation notes issued in 2005. The notes are for improving the City's wastewater treatment plant and are being paid from the sewer fund.

In 1997, the City issued \$187,620 in Ohio Public Works Commission Notes for the North Wells water line replacement. This note is being repaid from the water fund.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2006 are as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	325,000	145,695	470,695
2008	345,000	127,030	472,030
2009	365,000	106,690	471,690
2010	390,000	85,170	475,170
2011	410,000	62,160	472,160
2012-2013	<u>655,000</u>	<u>50,570</u>	<u>705,570</u>
Total	<u>\$ 2,490,000</u>	<u>\$ 577,315</u>	<u>\$ 3,067,315</u>

Year Ended <u>December 31,</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	2,069,691	92,925	2,162,616
2008	9,381	-	9,381
2009	9,381	-	9,381
2010	9,381	-	9,381
2011	9,381	-	9,381
2012-2016	46,905	-	46,905
2017	<u>9,381</u>	<u>-</u>	<u>9,381</u>
Total	<u>\$ 2,163,501</u>	<u>\$ 92,925</u>	<u>\$ 2,256,426</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 2005 and 2006, the City made contributions in the amounts of \$403,701 and \$432,742, and surplus contributions to the Pool in the amounts of \$44,856 and \$48,082, respectively.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - RISK MANAGEMENT - (Continued)

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.

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 \$526 single coverage and \$1,277 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 \$779,690 reported in the internal service funds at December 31, 2006 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 2005 and 2006 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>
2006	\$ 1,217,018	\$ 5,055,084	\$ (5,492,412)	\$ 779,690
2005	\$ 510,596	\$ 6,569,104	\$ (5,862,682)	\$ 1,217,018

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

All full-time city employees, other than uniformed police and fire employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is 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 is a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS 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 basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan 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 by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2006 was 9.0% for employees. The employer contribution rate was 13.70% of covered payroll and 4.50% was the portion used to fund healthcare for 2006. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2006, 2005, and 2004 were \$1,954,035, \$1,972,583, and \$1,911,508 respectively. The full amount has been contributed for 2004 and 2005. 88.78% has been contributed for 2006 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

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

Police officers and firefighters are required to contribute 10% of their annual covered salary to fund pension obligations. The City is required to contribute 19.50% for police officers and 24.00% for firefighters. Contributions are authorized by state statute. Contributions by the City to the Ohio Police and Fire Pension Fund for police officers for the years ended December 31, 2006, 2005, and 2004 were \$944,845, \$924,250, and \$946,578 respectively, and for firefighters the contributions were \$1,385,917, \$1,419,063, and \$1,240,618, respectively. The full amount has been contributed for 2004 and 2005. For police officers and firefighters, 70.40% and 71.87%, respectively, have been contributed for 2006 with the remainder being reported as a liability in the respective funds.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 16 - DEFINED BENEFIT PENSION PLANS – (Continued)

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, 2006, the unfunded liability of the City was \$1,288,573 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

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the Traditional or Combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the Member-Directed plan do not qualify for ancillary benefits, including postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2006 employer contribution rate for local government employers was 13.70% of covered payroll and 4.50% was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase .50% and 6.00% annually for the next nine years and 4.00% annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the Traditional and Combined plans was 369,214. The City's contribution actually made to fund postemployment benefits was \$641,900. As of December 31, 2005 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2006, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postemployment health care coverage to 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 the age of 18 whether 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 Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. 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 7.75% of covered payroll in 2006. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2005 (the latest information available), is 13,922 for police officers and 10,537 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$375,103 and \$447,651 for firefighters. OP&F's total health care expense for the year ending December 31, 2005 (the latest information available), was \$108,039,449, which was net of member contributions of \$55,271,881.

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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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:

General fund:	
Local government funds	\$ 1,735,077
Estate and inheritance tax	415,539
Richland County share of judge's salary	140,980
Public defenders reimbursement	34,326
State liquor permit fees	64,745
Tax revenue	<u>2,218</u>
Total General fund	<u>\$ 2,392,885</u>
Community Development fund:	
CDBG and HOME grants	<u>\$ 2,713,594</u>
Total Community Development fund	<u>\$ 2,713,594</u>
Safety Services fund:	
Tax revenue	\$ 32,275
Police fees	3,210
Court fees	<u>5,996</u>
Total Safety Services fund	<u>\$ 41,481</u>
Grant fund:	
Municipal Court grants	\$ 76,083
Police and Fire Department grants	862,721
FAA grant	1,551,754
Litter Control grant	<u>3,743</u>
Total Safety Services fund	<u>\$ 2,494,301</u>
Other Governmental funds:	
Gasoline tax	\$ 907,810
Motor vehicle registration	228,133
Permissive sales tax	480,985
Court fees	16,426
Regional Community Advancement grants	113,497
Regional Community Advancement contracts	126,104
Local Law Enforcement Block Grant	<u>260</u>
Total Other Governmental funds	<u>\$ 1,873,215</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Water fund:	
Township water contracts	\$ 3,600
County water samples	<u>3,864</u>
Total Water fund	<u>\$ 7,464</u>
Sewer fund:	
City of Ontario sewer agreement	\$ 204,947
Richland County sewer agreement	<u>200,313</u>
Total Sewer fund	<u>\$ 405,260</u>

NOTE 20 – SHORT-TERM OBLIGATIONS

During 2006, bond anticipation notes were issued in the amount of \$650,000. These notes are to pay the \$750,000 in outstanding notes issued in 2005. The notes are for the acquisition of vehicles and ancillary equipment for street maintenance. These bond anticipation notes are due to mature on November 15, 2007 bearing an interest rate of 4.50%.

NOTE 21 – RESTATEMENT OF NET ASSETS

A prior period adjustment is required to report capital assets from 2005 that were previously not reported. This adjustment had the following effect on governmental activities net assets:

	Governmental Activities
Governmental activities net assets, December 31, 2005	\$ 60,863,067
Adjustment for capital assets	<u>612,364</u>
Governmental activities restated net assets, January 1, 2006	<u>\$ 61,475,431</u>

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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.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

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 the building and maintenance of a new justice center.

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.

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.

Section 108 Improvement:

To account 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.

2005 Service Fleet:

To account for proceeds from a bond note sale for the purpose of acquiring vehicles and ancillary equipment for street maintenance.

Bowman Street Bridge Project:

To account for the receipt and expenditures of any funding from the Ohio Department of Development for improvements to the Bowman Street bridge.

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,870,337	\$ 177,796	\$ 3,204,725	\$ 7,252,858
Cash and cash equivalents with fiscal agent	-	-	33,690	33,690
Receivables (net of allowances of uncollectibles):				
Accrued interest	7,684	-	-	7,684
Loans	779,969	-	-	779,969
Due from other governments	1,892,164	-	-	1,892,164
Materials and supplies inventory	96,454	-	9,857	106,311
Total assets	<u>\$ 6,646,608</u>	<u>\$ 177,796</u>	<u>\$ 3,248,272</u>	<u>\$ 10,072,676</u>
Liabilities:				
Accounts payable	\$ 95,933	-	\$ 6,161	\$ 102,094
Contracts payable	-	-	288,295	288,295
Retainage payable	-	-	33,690	33,690
Accrued wages and benefits	75,083	-	-	75,083
Compensated absences	11,787	-	-	11,787
Loans from other funds	60,283	-	-	60,283
Due to other governments	78,728	-	-	78,728
Notes payable	-	-	650,000	650,000
Deferred revenue	1,482,183	-	-	1,482,183
Total liabilities	<u>1,803,997</u>	<u>-</u>	<u>978,146</u>	<u>2,782,143</u>
Fund Balances:				
Reserved for encumbrances	1,101,147	-	925,209	2,026,356
Reserved for materials and supplies inventory	96,454	-	9,857	106,311
Reserved for loans	779,969	-	-	779,969
Reserved for debt service	-	177,796	-	177,796
Unreserved, undesignated, reported in:				
Special revenue funds	2,865,041	-	-	2,865,041
Capital projects funds	-	-	1,335,060	1,335,060
Total fund balances	<u>4,842,611</u>	<u>177,796</u>	<u>2,270,126</u>	<u>7,290,533</u>
Total liabilities and fund balances	<u>\$ 6,646,608</u>	<u>\$ 177,796</u>	<u>\$ 3,248,272</u>	<u>\$ 10,072,676</u>

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents.	\$ 818,845	\$ 103,858	\$ 25,976	\$ 28,526
Receivables (net of allowances of uncollectibles):				
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	1,051,722	84,221	239,601	-
Materials and supplies inventory	90,377	-	1,416	-
Total assets.	<u>\$ 1,960,944</u>	<u>\$ 188,079</u>	<u>\$ 266,993</u>	<u>\$ 28,526</u>
Liabilities:				
Accounts payable.	\$ 24,434	\$ -	\$ 17,133	\$ -
Accrued wages and benefits	40,907	-	27,312	-
Compensated absences	3,632	-	5,577	-
Loans from other funds	-	-	60,283	-
Due to other governments	52,485	-	25,547	-
Deferred revenue	867,785	69,307	141,311	-
Total liabilities.	<u>989,243</u>	<u>69,307</u>	<u>277,163</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	54,963	-	11,883	-
Reserved for materials and supplies inventory	90,377	-	1,416	-
Reserved for loans	-	-	-	-
Unreserved, undesignated (deficit)	826,361	118,772	(23,469)	28,526
Total fund balances	<u>971,701</u>	<u>118,772</u>	<u>(10,170)</u>	<u>28,526</u>
Total liabilities and fund balances	<u>\$ 1,960,944</u>	<u>\$ 188,079</u>	<u>\$ 266,993</u>	<u>\$ 28,526</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ 78,249	\$ 936,855	\$ 779,082	\$ 256,181	\$ 583,067	\$ 77,604
-	-	7,684	-	-	-
-	-	779,969	-	-	-
-	480,985	-	1,006	17,943	260
-	-	-	-	4,599	-
<u>\$ 78,249</u>	<u>\$ 1,417,840</u>	<u>\$ 1,566,735</u>	<u>\$ 257,187</u>	<u>\$ 605,609</u>	<u>\$ 77,864</u>
\$ 4,250	\$ 20,321	\$ 14,702	\$ 11,574	\$ 1,224	\$ -
-	-	3,814	-	3,050	-
-	-	2,578	-	-	-
-	-	-	-	-	-
-	-	-	-	696	-
-	403,520	-	-	-	260
<u>4,250</u>	<u>423,841</u>	<u>21,094</u>	<u>11,574</u>	<u>4,970</u>	<u>260</u>
-	584,410	419,350	17,520	12,231	-
-	-	-	-	4,599	-
-	-	779,969	-	-	-
<u>73,999</u>	<u>409,589</u>	<u>346,322</u>	<u>228,093</u>	<u>583,809</u>	<u>77,604</u>
<u>73,999</u>	<u>993,999</u>	<u>1,545,641</u>	<u>245,613</u>	<u>600,639</u>	<u>77,604</u>
<u>\$ 78,249</u>	<u>\$ 1,417,840</u>	<u>\$ 1,566,735</u>	<u>\$ 257,187</u>	<u>\$ 605,609</u>	<u>\$ 77,864</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2006

	<u>Probation Services</u>	<u>Court Costs</u>	<u>FEMA</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 112,384	\$ 69,710	\$ -	\$ 3,870,337
Receivables (net of allowances of uncollectibles):				
Accrued interest.	-	-	-	7,684
Loans	-	-	-	779,969
Due from other governments	8,480	7,946	-	1,892,164
Materials and supplies inventory	62	-	-	96,454
Total assets.	<u>\$ 120,926</u>	<u>\$ 77,656</u>	<u>\$ -</u>	<u>\$ 6,646,608</u>
Liabilities:				
Accounts payable.	\$ 2,295	\$ -	\$ -	\$ 95,933
Accrued wages and benefits	-	-	-	75,083
Compensated absences	-	-	-	11,787
Loans from other funds	-	-	-	60,283
Due to other governments	-	-	-	78,728
Deferred revenue	-	-	-	1,482,183
Total liabilities.	<u>2,295</u>	<u>-</u>	<u>-</u>	<u>1,803,997</u>
Fund Balances:				
Reserved for encumbrances	790	-	-	1,101,147
Reserved for materials and supplies inventory	62	-	-	96,454
Reserved for loans	-	-	-	779,969
Unreserved, undesignated (deficit)	<u>117,779</u>	<u>77,656</u>	<u>-</u>	<u>2,865,041</u>
Total fund balances	<u>118,631</u>	<u>77,656</u>	<u>-</u>	<u>4,842,611</u>
Total liabilities and fund balances	<u>\$ 120,926</u>	<u>\$ 77,656</u>	<u>\$ -</u>	<u>\$ 6,646,608</u>

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CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2006

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Section 108 Improvement</u>	<u>Fixed Asset Acquisition</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,422,959	\$ 35,358	\$ 1,153,526	\$ 590,140
Cash and cash equivalents with fiscal agent	33,690	-	-	-
Materials and supplies inventory	9,857	-	-	-
Total assets.	<u>\$ 1,466,506</u>	<u>\$ 35,358</u>	<u>\$ 1,153,526</u>	<u>\$ 590,140</u>
Liabilities:				
Accounts payable	\$ 2,576	\$ 3,585	\$ -	\$ -
Contracts payable	288,295	-	-	-
Retainage payable	33,690	-	-	-
Notes payable	-	-	-	-
Total liabilities.	<u>324,561</u>	<u>3,585</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	301,876	33,193	-	590,140
Reserved for materials and supplies inventory	9,857	-	-	-
Unreserved, undesignated (deficit).	830,212	(1,420)	1,153,526	-
Total fund balances (deficit)	<u>1,141,945</u>	<u>31,773</u>	<u>1,153,526</u>	<u>590,140</u>
Total liabilities and fund balances	<u>\$ 1,466,506</u>	<u>\$ 35,358</u>	<u>\$ 1,153,526</u>	<u>\$ 590,140</u>

<u>2005 Service Fleet</u>	<u>Total</u>
\$ 2,742	\$ 3,204,725
-	33,690
-	9,857
<u>\$ 2,742</u>	<u>\$ 3,248,272</u>
\$ -	\$ 6,161
-	288,295
-	33,690
650,000	650,000
<u>650,000</u>	<u>978,146</u>
-	925,209
-	9,857
(647,258)	1,335,060
<u>(647,258)</u>	<u>2,270,126</u>
<u>\$ 2,742</u>	<u>\$ 3,248,272</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 253,026	\$ -	\$ 2,859,376	\$ 3,112,402
Charges for services	266,169	-	-	266,169
Licenses, permits and fees	221,180	-	-	221,180
Fines and forfeitures	327,216	-	-	327,216
Intergovernmental	4,735,789	-	1,167,076	5,902,865
Investment income	61,580	3,686	-	65,266
Other	383,072	-	2,601	385,673
Total revenues.	<u>6,248,032</u>	<u>3,686</u>	<u>4,029,053</u>	<u>10,280,771</u>
Expenditures:				
Current:				
General government	2,416,681	828,863	-	3,245,544
Public safety	180,633	-	-	180,633
Transportation	3,291,854	-	288,295	3,580,149
Capital outlay	-	-	3,933,231	3,933,231
Debt service:				
Principal retirement	5,430	295,000	-	300,430
Interest and fiscal charges.	-	225,770	29,917	255,687
Total expenditures.	<u>5,894,598</u>	<u>1,349,633</u>	<u>4,251,443</u>	<u>11,495,674</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>353,434</u>	<u>(1,345,947)</u>	<u>(222,390)</u>	<u>(1,214,903)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	12,588	-	-	12,588
Transfers in	10,087	321,308	-	331,395
Transfers out	(35,792)	-	-	(35,792)
Total other financing sources (uses)	<u>(13,117)</u>	<u>321,308</u>	<u>-</u>	<u>308,191</u>
Net change in fund balances	340,317	(1,024,639)	(222,390)	(906,712)
Fund balances at beginning of year	4,490,990	1,202,435	2,492,859	8,186,284
Increase (decrease) in reserve for inventory	11,304	-	(343)	10,961
Fund balances at end of year.	<u>\$ 4,842,611</u>	<u>\$ 177,796</u>	<u>\$ 2,270,126</u>	<u>\$ 7,290,533</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, 2006

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ 13,026	\$ -	\$ -	\$ -
Charges for services	168,200	-	-	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	5,262
Intergovernmental	2,100,161	170,284	1,017,110	-
Investment income	18,456	1,472	-	-
Other	345	-	90,933	-
Total revenues	<u>2,300,188</u>	<u>171,756</u>	<u>1,108,043</u>	<u>5,262</u>
Expenditures:				
Current:				
General government	-	-	1,120,139	-
Public safety	-	-	-	3,204
Community environment	-	-	-	-
Transportation	2,322,447	75,000	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>2,322,447</u>	<u>75,000</u>	<u>1,120,139</u>	<u>3,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,259)</u>	<u>96,756</u>	<u>(12,096)</u>	<u>2,058</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	12,588	-	-	-
Transfers in	-	-	-	-
Transfers out	(35,792)	-	-	-
Total other financing sources (uses):	<u>(23,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(45,463)	96,756	(12,096)	2,058
Fund balances at beginning of year (deficit) . . .	999,328	22,016	4,225	26,468
Increase (decrease) in reserve for inventory . .	17,836	-	(2,299)	-
Fund balances at end of year	<u>\$ 971,701</u>	<u>\$ 118,772</u>	<u>\$ (10,170)</u>	<u>\$ 28,526</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
39,992	-	-	13,145	268,817	-
-	881,880	500,000	29,737	-	30,000
4,465	-	14,390	-	-	22,797
12,700	-	279,094	-	-	-
<u>57,157</u>	<u>881,880</u>	<u>1,033,484</u>	<u>42,882</u>	<u>268,817</u>	<u>52,797</u>
-	-	733,455	-	102,373	-
21,023	-	-	128,259	-	28,147
-	-	-	-	-	-
-	894,407	-	-	-	-
-	5,430	-	-	-	-
<u>21,023</u>	<u>899,837</u>	<u>733,455</u>	<u>128,259</u>	<u>102,373</u>	<u>28,147</u>
<u>36,134</u>	<u>(17,957)</u>	<u>300,029</u>	<u>(85,377)</u>	<u>166,444</u>	<u>24,650</u>
-	-	-	-	-	-
-	-	-	-	-	10,087
-	-	-	-	-	-
-	-	-	-	-	10,087
36,134	(17,957)	300,029	(85,377)	166,444	34,737
37,865	1,011,956	1,245,612	330,990	438,428	42,867
-	-	-	-	(4,233)	-
<u>\$ 73,999</u>	<u>\$ 993,999</u>	<u>\$ 1,545,641</u>	<u>\$ 245,613</u>	<u>\$ 600,639</u>	<u>\$ 77,604</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, 2005

	Probation Services	Court Costs	FEMA	Total
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ 253,026
Charges for services	97,969	-	-	266,169
Licenses, permits and fees	1,098	220,082	-	221,180
Fines and forfeitures	-	-	-	327,216
Intergovernmental	-	-	6,617	4,735,789
Investment income	-	-	-	61,580
Other	-	-	-	383,072
Total revenues	<u>99,067</u>	<u>220,082</u>	<u>6,617</u>	<u>6,248,032</u>
Expenditures:				
Current:				
General government	186,196	242,086	32,432	2,416,681
Public safety	-	-	-	180,633
Community environment	-	-	-	-
Transportation	-	-	-	3,291,854
Debt service:				
Principal retirement	-	-	-	5,430
Total expenditures	<u>186,196</u>	<u>242,086</u>	<u>32,432</u>	<u>5,894,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,129)</u>	<u>(22,004)</u>	<u>(25,815)</u>	<u>353,434</u>
Other financing sources:				
Proceeds from sale of capital assets	-	-	-	12,588
Transfers in	-	-	-	10,087
Transfers out	-	-	-	(35,792)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,117)</u>
Net change in fund balances	(87,129)	(22,004)	(25,815)	340,317
Fund balances at beginning of year (deficit) . . .	205,760	99,660	25,815	4,490,990
Increase (decrease) in reserve for inventory . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,304</u>
Fund balances at end of year	<u>\$ 118,631</u>	<u>\$ 77,656</u>	<u>\$ -</u>	<u>\$ 4,842,611</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, 2006

	Street Resurfacing	Issue II Improvement	Section 108 Improvement	Fixed Asset Acquisition
Revenues:				
Municipal income taxes	\$ 2,859,376	\$ -	\$ -	\$ -
Intergovernmental	-	655,076	-	405,000
Miscellaneous	-	-	-	-
Total revenues	2,859,376	655,076	-	405,000
Expenditures:				
Transportation	288,295	-	-	-
Capital outlay	2,736,313	601,029	-	119,364
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	3,024,608	601,029	-	119,364
Excess (deficiency) of revenues over (under) expenditures.	(165,232)	54,047	-	285,636
Fund balances at beginning of year	1,307,520	(22,274)	1,153,526	304,504
(Decrease) in reserve for inventory.	(343)	-	-	-
Fund balances (deficit) at end of year	\$ 1,141,945	\$ 31,773	\$ 1,153,526	\$ 590,140

2005 Service Fleet	Total
\$ -	\$ 2,859,376
107,000	1,167,076
2,601	2,601
<u>109,601</u>	<u>4,029,053</u>
-	288,295
476,525	3,933,231
<u>29,917</u>	<u>29,917</u>
<u>506,442</u>	<u>4,251,443</u>
(396,841)	(222,390)
(250,417)	2,492,859
-	(343)
<u>\$ (647,258)</u>	<u>\$ 2,270,126</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,328,488	\$ 2,328,588	\$ 2,547,948	\$ 219,360
Charges for services	1,816,251	1,816,251	1,802,144	(14,107)
Licenses, permits and fees	489,165	445,165	479,959	34,794
Fines and forfeitures	1,208,146	1,208,146	1,244,937	36,791
Intergovernmental	4,157,200	4,095,905	4,289,241	193,336
Special assessments	21,000	21,000	24,533	3,533
Investment income	663,474	663,474	1,003,299	339,825
Other	871,173	924,368	914,663	(9,705)
Total revenues	11,554,897	11,502,897	12,306,724	803,827
Expenditures:				
Current:				
Public safety				
Safety town				
Materials and supplies	30,221	30,221	14,316	15,905
Street lighting				
Contractual services	575,000	575,000	389,798	185,202
Housing of prisoners				
Contractual services	913,127	922,977	784,033	138,944
Total public safety	1,518,348	1,528,198	1,188,147	340,051
Public health and welfare				
Human relations				
Other	34,356	34,356	2,124	32,232
Indigent burial				
Other	8,000	8,650	8,650	-
Dog warden				
Other	30,000	30,000	30,000	-
Total public health and welfare	72,356	73,006	40,774	32,232
Leisure time activities				
Parks				
Personal services	244,100	235,450	234,304	1,146
Capital outlay	35,000	42,388	42,388	-
Materials and supplies	93,116	78,117	75,200	2,917
Contractual services	480,166	496,928	483,368	13,560
Other	500	-	-	-
Adopt-a-park				
Other	4,520	4,520	1,815	2,705
Recreation				
Personal services	55,500	55,500	53,657	1,843
Materials and supplies	3,500	3,478	2,888	590
Contractual services	59,792	59,814	59,145	669
Total leisure time activities	976,194	976,195	952,765	23,430

(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, 2006

	<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.	404,800	361,420	353,396	8,024
Materials and supplies	11,000	10,000	8,435	1,565
Contractual services	290,980	330,607	330,153	454
Other.	12,500	18,000	17,895	105
Regional planning				
Other.	25,000	25,000	25,000	-
Sub-division fees				
Other.	32,911	32,911	-	32,911
Total community environment	<u>777,191</u>	<u>777,938</u>	<u>734,879</u>	<u>43,059</u>
General government				
Council				
Personal services.	142,118	142,118	141,914	204
Contractual services	78,437	78,437	78,437	-
Materials and supplies	1,400	1,900	1,708	192
Other.	3,400	3,400	3,009	391
Human resource director				
Personal services.	143,500	127,300	127,225	75
Materials and supplies	3,000	3,100	3,089	11
Contractual services	147,083	154,655	154,654	1
Other.	11,000	10,900	10,785	115
Mayor				
Personal services.	121,100	122,880	122,796	84
Materials and supplies	7,200	5,700	5,597	103
Contractual services	80,437	85,403	85,403	-
Other.	11,000	6,534	6,503	31
Finance director				
Personal services.	522,100	521,000	519,221	1,779
Materials and supplies	18,500	18,140	18,135	5
Contractual services	426,277	424,738	400,436	24,302
Other.	2,000	2,500	2,491	9
Law director				
Personal services.	495,410	495,544	469,768	25,776
Materials and supplies	56,987	56,987	51,933	5,054
Contractual services	277,458	277,458	272,991	4,467
Other.	75,024	69,390	56,530	12,860
Municipal court				
Personal services.	691,402	609,072	558,660	50,412
Materials and supplies	26,023	26,023	17,762	8,261
Contractual services	767,652	752,652	645,511	107,141
Other.	4,204	9,204	5,138	4,066
Clerk of court				
Personal services.	749,200	749,200	742,504	6,696
Contractual services	366,041	366,041	366,041	-
Materials and supplies	90,025	89,775	86,027	3,748
Other	18,000	18,250	3,397	14,853

(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, 2006

	<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.	19,501	19,501	19,500	1
Materials and supplies	500	500	74	426
Contractual services	15,000	24,000	23,656	344
Safety/service director				
Personal services.	77,100	88,600	88,592	8
Materials and supplies	2,589	2,589	2,578	11
Contractual services	64,317	64,317	59,939	4,378
Other.	1,000	1,000	62	938
Engineering				
Personal services.	276,600	260,849	245,112	15,737
Materials and supplies	8,000	8,000	6,915	1,085
Contractual services	180,339	186,339	181,497	4,842
Capital outlay	6,898	6,898	530	6,368
Other.	6,400	7,400	6,853	547
City building and public lands				
Personal services.	200,300	242,734	240,439	2,295
Materials and supplies	12,750	12,750	5,778	6,972
Contractual services	447,020	478,520	461,091	17,429
Income tax administration				
Personal services.	479,800	479,800	453,356	26,444
Materials and supplies	66,208	67,788	66,905	883
Capital outlay	20,000	20,000	18,987	1,013
Contractual services	248,493	248,493	248,277	216
Other.	2,000	420	420	-
Miscellaneous				
Fringe benefits.	7,000	9,150	9,065	85
Contractual services	654,057	654,057	498,160	155,897
Festivals	25,000	24,600	20,786	3,814
Other.	36,958	56,958	29,647	27,311
Unclaimed money				
Other.	46,863	46,863	1,405	45,458
Shade tree commission				
Other.	756	756	749	7
Special assessments				
Special assessments	3,110	3,110	2,729	381
Total general government	8,244,537	8,244,293	7,650,767	593,526

(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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	11,588,626	11,599,630	10,567,332	1,032,298
Excess (deficiency) of revenues over under expenditures	(33,729)	(96,733)	1,739,392	1,836,125
Other financing sources (uses):				
Proceeds from the sale of capital assets	58,109	58,109	54,359	(3,750)
Loan to other funds	(60,283)	(60,283)	(60,283)	-
Payment on loan from other funds	(275,100)	(275,100)	(275,100)	-
Repayment of loan to other funds	123,400	123,400	123,400	-
Transfers in	48,290	71	-	(71)
Transfers out	(463,299)	(533,666)	(464,935)	68,731
Total other financing uses	(568,883)	(687,469)	(622,559)	64,910
Net change in fund balance	(602,612)	(784,202)	1,116,833	1,901,035
Fund balance at beginning of year	883,879	883,879	883,879	-
Prior year encumbrances appropriated	354,959	354,959	354,959	-
Fund balance at end of year.	<u>\$ 636,226</u>	<u>\$ 454,636</u>	<u>\$ 2,355,671</u>	<u>\$ 1,901,035</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,081,700	\$ 2,832,008	\$ 1,165,469	\$ (1,666,539)
Investment income	88,112	89,395	96,297	6,902
Other	374,302	388,058	446,623	58,565
	<u>2,544,114</u>	<u>3,309,461</u>	<u>1,708,389</u>	<u>(1,601,072)</u>
Expenditures:				
Current:				
Community environment				
Personal services	234,200	230,982	201,272	29,710
Materials and supplies	28,000	28,000	4,048	23,952
Contractual services	1,745,267	2,035,550	723,548	1,312,002
Other	258,600	768,938	535,906	233,032
	<u>2,266,067</u>	<u>3,063,470</u>	<u>1,464,774</u>	<u>1,598,696</u>
Total expenditures				
Excess of revenues over expenditures	<u>278,047</u>	<u>245,991</u>	<u>243,615</u>	<u>(2,376)</u>
Other financing uses:				
Transfers out	<u>(337,868)</u>	<u>(466,086)</u>	<u>(438,826)</u>	<u>27,260</u>
Total other financing uses	<u>(337,868)</u>	<u>(466,086)</u>	<u>(438,826)</u>	<u>27,260</u>
Net change in fund balance	(59,821)	(220,095)	(195,211)	24,884
Fund balance at beginning of year	258,307	258,307	258,307	-
Prior year encumbrances appropriated	15,440	15,440	15,440	-
Fund balance at end of year	<u>\$ 213,926</u>	<u>\$ 53,652</u>	<u>\$ 78,536</u>	<u>\$ 24,884</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, 2006

	<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	\$ 19,698,505	\$ 19,752,991	\$ 19,782,688	\$ 29,697
Charges for services	1,369,189	1,370,000	1,113,554	(256,446)
Licenses, permits and fees.	87,300	99,300	97,362	(1,938)
Fines and forfeitures.	148,626	148,626	127,673	(20,953)
Intergovernmental	151,946	152,446	140,122	(12,324)
Other	142	63,764	46,345	(17,419)
Total revenues	21,455,708	21,587,127	21,307,744	(279,383)
Expenditures:				
Current:				
Public safety				
Personal services.	13,768,647	13,324,793	13,127,665	197,128
Fringe benefits.	3,088,783	3,078,533	2,970,585	107,948
Materials and supplies	574,556	571,756	526,831	44,925
Contractual services	4,504,290	4,495,752	4,468,905	26,847
Capital outlay	493,776	665,570	660,179	5,391
Other.	209,571	211,771	184,148	27,623
Total expenditures	22,639,623	22,348,175	21,938,313	409,862
Deficiency of revenues under expenditures . . .	(1,183,915)	(761,048)	(630,569)	130,479
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	621,067	386,525	319,133	(67,392)
Transfers out	(273,756)	(562,067)	(427,931)	134,136
Total other financing sources (uses)	297,311	(225,542)	(158,798)	66,744
Net change in fund balance	(886,604)	(986,590)	(789,367)	197,223
Fund balance at beginning of year	806,805	806,805	806,805	-
Prior year encumbrances appropriated	179,785	179,785	179,785	-
Fund balance at end of year.	\$ 99,986	\$ -	\$ 197,223	\$ 197,223

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, 2006

	<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:				
Intergovernmental	\$ 3,630,508	\$ 3,630,508	\$ 1,246,948	\$ (2,383,560)
Licenses, permits and fees	12,893	12,893	15,877	2,984
Other	78,442	77,667	77,665	(2)
Total revenues	3,721,843	3,721,068	1,340,490	(2,380,578)
Expenditures:				
Current:				
Public safety				
Personal services	191,368	180,440	90,679	89,761
Materials and supplies	156,553	111,401	69,295	42,106
Contractual services	339,340	395,216	195,992	199,224
Capital outlay	891,492	895,196	152,270	742,926
Other	49,382	53,206	12,957	40,249
Total public safety	1,628,135	1,635,459	521,193	1,114,266
Public health and welfare				
Personal services	62,900	61,827	48,396	13,431
Materials and supplies	25,605	24,861	18,724	6,137
Capital outlay	650	1,394	656	738
Contractual services	31,272	31,272	31,272	-
Total public health and welfare	120,427	119,354	99,048	20,306
General government				
Personal services	138,082	165,000	162,256	2,744
Materials and supplies	9,772	8,160	1,152	7,008
Contractual services	46,992	49,592	5,335	44,257
Total general government	194,846	222,752	168,743	54,009
Capital outlay				
Contractual services	1,835,616	1,914,456	543,714	1,370,742
Total capital outlay	1,835,616	1,914,456	543,714	1,370,742
Total expenditures	3,779,024	3,892,021	1,332,698	2,559,323
Excess (deficiency) of revenues over (under) expenses	(57,181)	(170,953)	7,792	178,745
Other financing sources (uses):				
Loan from other funds	(65,200)	(65,200)	(65,200)	-
Transfers in	150,814	201,526	201,526	-
Transfers out	(26,286)	(27,651)	(26,762)	889
Total other financing sources	59,328	108,675	109,564	889
Net change in fund balance	2,147	(62,278)	117,356	179,634
Fund balance at beginning of year	66	66	66	-
Prior year encumbrances appropriated	125,447	125,447	125,447	-
Fund balance at end of year	\$ 127,660	\$ 63,235	\$ 242,869	\$ 179,634

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, 2006

	<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	\$ 13,026	\$ 13,026	\$ 13,026	\$ -
Intergovernmental	1,950,000	1,916,926	2,094,672	177,746
Charges for services	168,200	168,200	168,200	-
Investment income	14,000	14,000	18,456	4,456
Other	4,412	25,486	17,510	(7,976)
Total revenues	2,149,638	2,137,638	2,311,864	174,226
Expenditures:				
Current:				
Transportation				
Personal services	945,000	934,275	889,594	44,681
Materials and supplies	550,789	550,789	312,774	238,015
Contractual services	1,582,612	1,593,337	1,296,011	297,326
Total expenditures	3,078,401	3,078,401	2,498,379	580,022
Deficiency of revenues under expenditures	(928,763)	(940,763)	(186,515)	754,248
Other financing sources (uses):				
Proceeds from the sale of capital assets	12,588	22,588	23,931	1,343
Transfers in	33,774	-	-	-
Transfers out	(35,897)	(35,897)	(35,792)	105
Total other financing sources (uses)	10,465	(13,309)	(11,861)	1,448
Net change in fund balance	(918,298)	(954,072)	(198,376)	755,696
Fund balance at beginning of year	576,536	576,536	576,536	-
Prior year encumbrances appropriated	377,604	377,604	377,604	-
Fund balance at end of year.	\$ 35,842	\$ 68	\$ 755,764	\$ 755,696

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 158,000	\$ 158,000	\$ 169,838	\$ 11,838
Investment income	1,000	1,000	1,472	472
Total revenues	<u>159,000</u>	<u>159,000</u>	<u>171,310</u>	<u>12,310</u>
Expenditures:				
Current:				
Transportation				
Personal services	75,000	75,000	75,000	-
Materials and supplies	96,548	96,548	5,000	91,548
Total expenditures	<u>171,548</u>	<u>171,548</u>	<u>80,000</u>	<u>91,548</u>
Net change in fund balance	(12,548)	(12,548)	91,310	103,858
Fund balance at beginning of year	7,550	7,550	7,550	-
Prior year encumbrances appropriated	5,000	5,000	5,000	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 103,860</u>	<u>\$ 103,858</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 999,285	\$ 999,285	\$ 1,055,491	56,206
Other	156,897	156,897	94,249	(62,648)
Total revenues	<u>1,156,182</u>	<u>1,156,182</u>	<u>1,149,740</u>	<u>(6,442)</u>
Expenditures:				
Current:				
General government				
Personal services	546,200	554,975	554,740	235
Fringe benefits	21,650	8,865	7,976	889
Materials and supplies	76,034	81,527	76,167	5,360
Contractual services	451,927	493,213	492,595	618
Capital outlay	10,000	5,000	5,000	-
Other	5,747	6,052	5,325	727
Total expenditures	<u>1,111,558</u>	<u>1,149,632</u>	<u>1,141,803</u>	<u>7,829</u>
Excess of revenues over expenditures	<u>44,624</u>	<u>6,550</u>	<u>7,937</u>	<u>1,387</u>
Other financing sources (uses):				
Loan from other funds	60,283	60,283	60,283	-
Repayment of loan from other funds	(58,200)	(58,200)	(58,200)	-
Transfers out	(49,285)	(11,211)	(10,188)	1,023
Total other financing uses	<u>(47,202)</u>	<u>(9,128)</u>	<u>(8,105)</u>	<u>1,023</u>
Net change in fund balance	(2,578)	(2,578)	(168)	2,410
Fund balance at beginning of year	44	44	44	-
Prior year encumbrances appropriated	<u>4,839</u>	<u>4,839</u>	<u>4,839</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,305</u>	<u>\$ 2,305</u>	<u>\$ 4,715</u>	<u>\$ 2,410</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, 2006

	<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	\$ 30,000	\$ 30,000	\$ 5,263	\$ (24,737)
Total revenues	30,000	30,000	5,263	(24,737)
Expenditures:				
Current:				
Public safety				
Other	56,467	56,467	3,204	53,263
Total expenditures	56,467	56,467	3,204	53,263
Net change in fund balance	(26,467)	(26,467)	2,059	28,526
Fund balance at beginning of year	<u>26,468</u>	<u>26,468</u>	<u>26,468</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 28,527</u>	<u>\$ 28,526</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, 2006

	<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	\$ 5,685	\$ 17,700	\$ 39,993	\$ 22,293
Investment income	4,000	4,000	4,464	464
Other	-	12,985	12,700	(285)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	9,685	34,685	57,157	22,472
Expenditures:				
Current:				
Public safety				
Other	46,606	46,606	21,050	25,556
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	46,606	46,606	21,050	25,556
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(36,921)	(11,921)	36,107	48,028
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	37,774	37,774	37,774	-
Prior year encumbrances appropriated	121	121	121	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ 974	\$ 25,974	\$ 74,002	\$ 48,028

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 843,000	\$ 843,000	\$ 879,078	\$ 36,078
Total revenues	<u>843,000</u>	<u>843,000</u>	<u>879,078</u>	<u>36,078</u>
Expenditures:				
Current:				
Transportation				
Contractual services	1,638,443	1,837,443	1,544,450	292,993
Debt service:				
Principal retirement	199,000	-	-	-
Other.	5,431	5,431	5,431	-
Total expenditures	<u>1,842,874</u>	<u>1,842,874</u>	<u>1,549,881</u>	<u>292,993</u>
Net change in fund balance	(999,874)	(999,874)	(670,803)	(329,071)
Fund balance at beginning of year	749,686	749,686	749,686	-
Prior year encumbrances appropriated	<u>253,242</u>	<u>253,242</u>	<u>253,242</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,054</u>	<u>\$ 3,054</u>	<u>\$ 332,125</u>	<u>\$ (329,071)</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, 2006

	<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	\$ 240,000	\$ -
Intergovernmental	550,000	550,000	500,000	(50,000)
Investment income	12,000	12,000	12,789	789
Other	355,187	355,187	82,409	(272,778)
	<u>1,157,187</u>	<u>1,157,187</u>	<u>835,198</u>	<u>(321,989)</u>
Total revenues				
Expenditures:				
Current:				
General government				
Personal services.	87,000	87,000	85,464	1,536
Materials and supplies	45,000	63,140	61,795	1,345
Contractual services	1,710,944	1,650,304	937,509	712,795
Other.	25,000	67,500	67,500	-
	<u>1,867,944</u>	<u>1,867,944</u>	<u>1,152,268</u>	<u>715,676</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(710,757)</u>	<u>(710,757)</u>	<u>(317,070)</u>	<u>393,687</u>
Other financing sources:				
Proceeds from the sale of capital assets	50,000	50,000	-	(50,000)
	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources				
Net change in fund balance	(660,757)	(660,757)	(317,070)	343,687
Fund balance at beginning of year	567	567	567	-
Prior year encumbrances appropriated	661,907	661,907	661,907	-
	<u>\$ 1,717</u>	<u>\$ 1,717</u>	<u>\$ 345,404</u>	<u>\$ 343,687</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)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 29,737	\$ 29,737	\$ 29,737	\$ -
Fines and forfeitures.	12,263	12,263	13,083	820
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>42,820</u>	<u>820</u>
Expenditures:				
Current:				
Public safety				
Other.	<u>385,435</u>	<u>385,435</u>	<u>154,589</u>	<u>230,846</u>
Total expenditures	<u>385,435</u>	<u>385,435</u>	<u>154,589</u>	<u>230,846</u>
Net change in fund balance	(343,435)	(343,435)	(111,769)	231,666
Fund balance at beginning of year	304,418	304,418	304,418	-
Prior year encumbrances appropriated	<u>39,017</u>	<u>39,017</u>	<u>39,017</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,666</u>	<u>\$ 231,666</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, 2006

	<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	\$ 268,968	\$ 8,968
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>268,968</u>	<u>8,968</u>
Expenditures:				
Current:				
General government				
Personal services	49,500	48,963	47,160	1,803
Materials and supplies	347,962	347,185	39,390	307,795
Contractual services	<u>36,282</u>	<u>36,282</u>	<u>27,893</u>	<u>8,389</u>
Total expenditures	<u>433,744</u>	<u>432,430</u>	<u>114,443</u>	<u>317,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(173,744)</u>	<u>(172,430)</u>	<u>154,525</u>	<u>326,955</u>
Other financing uses:				
Transfers out	<u>(788)</u>	<u>(2,102)</u>	<u>-</u>	<u>2,102</u>
Total other financing uses	<u>(788)</u>	<u>(2,102)</u>	<u>-</u>	<u>2,102</u>
Net change in fund balance	<u>(174,532)</u>	<u>(174,532)</u>	<u>154,525</u>	<u>329,057</u>
Fund balance at beginning of year	413,231	413,231	413,231	
Prior year encumbrances appropriated	<u>1,857</u>	<u>1,857</u>	<u>1,857</u>	<u>-</u>
Fund balance at end of year	<u>\$ 240,556</u>	<u>\$ 240,556</u>	<u>\$ 569,613</u>	<u>\$ 329,057</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 36,010	\$ 36,010	\$ 30,000	\$ (6,010)
Investment income	6,000	6,000	22,797	16,797
Other	50	50	-	(50)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	42,060	42,060	52,797	10,737
Expenditures:				
Current:				
Public safety				
Capital outlay	55,012	55,012	28,147	26,865
Other.	40,000	40,000	-	40,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	95,012	95,012	28,147	66,865
Excess (deficiency) of revenues over (under) expenses	<hr/>	<hr/>	<hr/>	<hr/>
	(52,952)	(52,952)	24,650	77,602
Other financing sources:				
Transfers in	<hr/>	<hr/>	<hr/>	<hr/>
	10,087	10,087	10,087	-
Total other financing sources	<hr/>	<hr/>	<hr/>	<hr/>
	10,087	10,087	10,087	-
Net change in fund balance	(42,865)	(42,865)	34,737	77,602
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	42,865	42,865	42,865	-
Fund balance at end of year.	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 77,602	\$ 77,602

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, 2006

	<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	\$ 134,500	\$ 134,500	\$ 97,969	\$ (36,531)
Other	2,400	2,400	-	(2,400)
Total revenues	<u>136,900</u>	<u>136,900</u>	<u>97,969</u>	<u>(38,931)</u>
Expenditures:				
Current:				
General government				
Personal services	131,800	129,655	101,122	28,533
Materials and supplies	150,936	147,828	31,683	116,145
Contractual services	47,697	52,950	52,950	-
Total expenditures	<u>330,433</u>	<u>330,433</u>	<u>185,755</u>	<u>144,678</u>
Deficiency of revenues under expenditures . . .	<u>(193,533)</u>	<u>(193,533)</u>	<u>(87,786)</u>	<u>105,747</u>
Other financing uses:				
Transfers out	<u>(5,258)</u>	<u>(5,258)</u>	<u>-</u>	<u>5,258</u>
Total other financing uses	<u>(5,258)</u>	<u>(5,258)</u>	<u>-</u>	<u>5,258</u>
Net change in fund balance	(198,791)	(198,791)	(87,786)	111,005
Fund balance at beginning of year	197,467	197,467	197,467	-
Prior year encumbrances appropriated	<u>1,324</u>	<u>1,324</u>	<u>1,324</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,005</u>	<u>\$ 111,005</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, 2006

	<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	\$ 220,000	\$ 220,000	\$ 227,321	\$ 7,321
Total revenues	220,000	220,000	227,321	7,321
Expenditures:				
Current:				
General government				
Personal services	241,100	241,100	241,100	-
Other	63,867	63,867	1,479	62,388
Total expenditures	304,967	304,967	242,579	62,388
Net change in fund balance	(84,967)	(84,967)	(15,258)	69,709
Fund balance at beginning of year	82,396	82,396	82,396	-
Prior year encumbrances appropriated	2,571	2,571	2,571	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,709</u>	<u>\$ 69,709</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 6,617	\$ 6,617	\$ 6,617	\$ -
Total revenues	<u>6,617</u>	<u>6,617</u>	<u>6,617</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Capital outlay	<u>32,432</u>	<u>32,432</u>	<u>32,432</u>	<u>-</u>
Total expenditures	<u>32,432</u>	<u>32,432</u>	<u>32,432</u>	<u>-</u>
Net change in fund balance	(25,815)	(25,815)	(25,815)	-
Fund balance at beginning of year	<u>25,815</u>	<u>25,815</u>	<u>25,815</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,686	\$ 3,686	\$ 3,686	\$ -
Investment income	5,000	5,000	-	(5,000)
Total revenues	8,686	8,686	3,686	(5,000)
Expenditures:				
Current:				
General government				
Other	833,863	833,863	829,207	4,656
Debt service				
Principal retirement	295,000	295,000	295,000	-
Interest and fiscal charges	225,770	225,770	225,770	-
Total expenditures	1,354,633	1,354,633	1,349,977	(344)
Deficiency of revenues under expenditures . . .	(1,345,947)	(1,345,947)	(1,346,291)	4,656
Other financing sources:				
Transfers in	1,242,853	1,242,853	321,308	(921,545)
Total other financing sources	1,242,853	1,242,853	321,308	(921,545)
Net change in fund balance	(103,094)	(103,094)	(1,024,983)	(921,889)
Fund balance at beginning of year	1,202,780	1,202,780	1,202,780	-
Fund balance at end of year	\$ 1,099,686	\$ 1,099,686	\$ 177,797	\$ (921,889)

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, 2006

	<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	\$ 3,411,917	\$ 3,411,917	\$ 3,411,917	\$ -
Other	45,000	45,000	-	(45,000)
Total revenues	<u>3,456,917</u>	<u>3,456,917</u>	<u>3,411,917</u>	<u>(45,000)</u>
Expenditures:				
Capital outlay	<u>4,374,581</u>	<u>4,374,581</u>	<u>3,346,347</u>	<u>1,028,234</u>
Total expenditures	<u>4,374,581</u>	<u>4,374,581</u>	<u>3,346,347</u>	<u>1,028,234</u>
Excess (deficiency) of revenues over (under) expenses	<u>(917,664)</u>	<u>(917,664)</u>	<u>65,570</u>	<u>983,234</u>
Other financing sources:				
Transfers in	<u>122,369</u>	<u>122,369</u>	<u>-</u>	<u>(122,369)</u>
Total other financing sources	<u>122,369</u>	<u>122,369</u>	<u>-</u>	<u>(122,369)</u>
Net change in fund balance	<u>(795,295)</u>	<u>(795,295)</u>	<u>65,570</u>	<u>860,865</u>
Fund balance at beginning of year	<u>496,398</u>	<u>496,398</u>	<u>496,398</u>	<u>-</u>
Prior year encumbrances appropriated	<u>346,556</u>	<u>346,556</u>	<u>346,556</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,659</u>	<u>\$ 47,659</u>	<u>\$ 908,524</u>	<u>\$ 860,865</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 902,000	\$ 890,000	\$ 655,076	\$ (234,924)
Total revenues	902,000	890,000	655,076	(234,924)
Expenditures:				
Capital outlay	1,735,016	1,735,016	1,387,457	347,559
Total expenditures	1,735,016	1,735,016	1,387,457	347,559
Net change in fund balance	(833,016)	(845,016)	(732,381)	112,635
Fund balance at beginning of year	272,145	272,145	272,145	-
Prior year encumbrances appropriated	668,738	668,738	668,738	-
Fund balance at end of year	<u>\$ 107,867</u>	<u>\$ 95,867</u>	<u>\$ 208,502</u>	<u>\$ 112,635</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,004	\$ 1,004	\$ -	\$ (1,004)
Total revenues	1,004	1,004	-	(1,004)
Expenditures:				
Capital outlay	143,847	143,847	-	143,847
Total expenditures	143,847	143,847	-	143,847
Deficiency of revenues under expenditures . . .	(142,843)	(142,843)	-	142,843
Other financing uses:				
Transfers out	(871,545)	(871,545)	-	871,545
Total other financing uses	(871,545)	(871,545)	-	871,545
Net change in fund balance	(1,014,388)	(1,014,388)	-	1,014,388
Fund balance at beginning of year	<u>1,151,445</u>	<u>1,151,445</u>	<u>1,151,445</u>	<u>-</u>
Fund balance at end of year	<u>\$ 137,057</u>	<u>\$ 137,057</u>	<u>\$ 1,151,445</u>	<u>\$ 1,014,388</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 405,000	\$ 405,000	\$ 405,000	\$ -
Total revenues	<u>405,000</u>	<u>405,000</u>	<u>405,000</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>709,504</u>	<u>709,504</u>	<u>709,504</u>	<u>-</u>
Total expenditures	<u>709,504</u>	<u>709,504</u>	<u>709,504</u>	<u>-</u>
Net change in fund balance	(304,504)	(304,504)	(304,504)	-
Fund balance at beginning of year	<u>304,504</u>	<u>304,504</u>	<u>304,504</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)
 2005 SERVICE FLEET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 107,000	\$ 107,000	\$ 107,000	\$ -
Investment income	30,000	29,756	-	(29,756)
Other	-	244	663	419
Total revenues	137,000	137,000	107,663	(29,337)
Expenditures:				
Capital outlay	\$ 507,043	\$ 507,043	\$ 476,985	\$ 30,058
Principal retirement	750,000	750,000	750,000	-
Interest and fiscal charges	30,000	30,000	29,917	83
Total expenditures	1,287,043	1,287,043	1,256,902	30,141
Deficiency of revenues under expenditures	(1,150,043)	(1,150,043)	(1,149,239)	804
Other financing sources (uses):				
Note proceeds	650,000	650,000	651,939	1,939
Total other financing uses	650,000	650,000	651,939	1,939
Net change in fund balance	(500,043)	(500,043)	(497,300)	2,743
Fund balance at beginning of year	23,058	23,058	23,058	
Prior year encumbrances appropriated	476,985	476,985	476,985	-
Fund balance at end of year	\$ -	\$ -	\$ 2,743	\$ 2,743

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BOWMAN STREET BRIDGE PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,224,000	\$ 1,224,000	\$ -	\$ (1,224,000)
Total revenues	1,224,000	1,224,000	-	(1,224,000)
Expenditures:				
Capital outlay	1,530,000	1,530,000	-	1,530,000
Total expenditures	1,530,000	1,530,000	-	1,530,000
Deficiency of revenues under expenditures	(306,000)	(306,000)	-	306,000
Other financing sources:				
Transfers in	306,000	306,000	-	(306,000)
Total other financing sources	306,000	306,000	-	(306,000)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2006

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 181,368	\$ 80,025	\$ 261,393
Receivables (net of allowances of uncollectibles):			
Accounts	56,116	-	56,116
Materials and supplies inventory.	32,945	-	32,945
Total current assets	<u>270,429</u>	<u>80,025</u>	<u>350,454</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,493,629	171,852	1,665,481
Depreciable capital assets, net	1,863,685	-	1,863,685
Total capital assets	<u>3,357,314</u>	<u>171,852</u>	<u>3,529,166</u>
Total assets	<u>\$ 3,627,743</u>	<u>\$ 251,877</u>	<u>\$ 3,879,620</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 20,034	\$ -	\$ 20,034
Accrued wages and benefits	10,143	-	10,143
Due to other governments	8,551	-	8,551
Total current liabilities	<u>38,728</u>	<u>-</u>	<u>38,728</u>
Long-term liabilities:			
Compensated absences	35,869	-	35,869
Total long-term liabilities.	<u>35,869</u>	<u>-</u>	<u>35,869</u>
Total liabilities.	<u>74,597</u>	<u>-</u>	<u>74,597</u>
Net assets:			
Invested in capital assets, net of related debt	3,357,314	171,852	3,529,166
Unrestricted	195,832	80,025	275,857
Total net assets	<u>\$ 3,553,146</u>	<u>\$ 251,877</u>	<u>\$ 3,805,023</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 84,969	\$ 33,696	\$ 118,665
Total operating revenues	<u>84,969</u>	<u>33,696</u>	<u>118,665</u>
Operating expenses:			
Personal services	203,472	-	203,472
Fringe benefits	8,551	-	8,551
Contractual services	226,765	13,998	240,763
Materials and supplies	52,831	-	52,831
Depreciation	237,473	-	237,473
Utilities	53,521	-	53,521
Other	200	-	200
Total operating expenses	<u>782,813</u>	<u>13,998</u>	<u>796,811</u>
Operating (loss)	<u>(697,844)</u>	<u>19,698</u>	<u>(678,146)</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	1,263	6	1,269
Other nonoperating expenses	(8,337)	-	(8,337)
Intergovernmental	86,433	-	86,433
Municipal income tax	421,564	-	421,564
Total nonoperating revenues	<u>500,923</u>	<u>6</u>	<u>500,929</u>
Changes in net assets	(196,921)	19,704	(177,217)
Net assets at beginning of year	<u>3,750,067</u>	<u>232,173</u>	<u>3,982,240</u>
Net assets at end of year	<u>\$ 3,553,146</u>	<u>\$ 251,877</u>	<u>\$ 3,805,023</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 65,241	\$ 33,696	\$ 98,937
Cash received from other operating revenues	567,602	6	567,608
Cash payments to employees.	(204,287)	-	(204,287)
Cash payments to suppliers	(335,224)	(13,998)	(349,222)
Cash payments for other operating expenses.	<u>(200)</u>	<u>-</u>	<u>(200)</u>
Net cash provided by (used in) operating activities . . .	<u>93,132</u>	<u>19,704</u>	<u>112,836</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(11,708)</u>	<u>-</u>	<u>(11,708)</u>
Net cash used in capital and related financing activities	<u>(11,708)</u>	<u>-</u>	<u>(11,708)</u>
Net increase (decrease) in cash and cash equivalents . .	81,424	19,704	101,128
Cash and cash equivalents at beginning of year. . . .	<u>99,944</u>	<u>60,321</u>	<u>160,265</u>
Cash and cash equivalents at end of year	<u><u>\$ 181,368</u></u>	<u><u>\$ 80,025</u></u>	<u><u>\$ 261,393</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (697,844)	\$ 19,698	\$ (678,146)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	237,473	-	237,473
Other non-operating revenues.	1,263	6	1,269
Intergovernmental	86,433	-	86,433
Municipal income tax.	421,564	-	421,564
Changes in assets and liabilities:			
(Increase) in accounts receivable	(19,728)	-	(19,728)
Decrease in taxes receivable.	57,837	-	57,837
(Increase) in inventory of supplies	(7,794)	-	(7,794)
Decrease in due from other governments.	505	-	505
Increase in accounts payable.	5,687	-	5,687
(Decrease) in accrued wages and benefits	(2,755)	-	(2,755)
(Decrease) in due to other governments	(1,215)	-	(1,215)
Increase in compensated absences payable	<u>11,706</u>	<u>-</u>	<u>11,706</u>
Net cash provided by (used in) operating activities . . .	<u><u>\$ 93,132</u></u>	<u><u>\$ 19,704</u></u>	<u><u>\$ 112,836</u></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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 7,892,875	\$ 7,736,875	\$ 7,845,744	\$ 108,869
Tap and license fees	74,150	203,150	54,025	(149,125)
Other	15,075	42,075	42,755	680
Total revenues.	<u>7,982,100</u>	<u>7,982,100</u>	<u>7,942,524</u>	<u>(39,576)</u>
Expenses:				
Personal services.	3,069,100	3,064,100	2,716,693	347,407
Fringe benefits.	4,000	4,000	-	4,000
Materials and supplies	1,210,634	1,223,334	935,410	287,924
Contractual services	5,781,288	5,781,288	5,299,639	481,649
Utilities	539,950	532,250	422,454	109,796
Capital outlay	251,000	251,000	22,223	228,777
Other	34,382	34,382	22,534	11,848
Total expenses	<u>10,890,354</u>	<u>10,890,354</u>	<u>9,418,953</u>	<u>1,471,401</u>
Deficiency of revenues under expenses	<u>(2,908,254)</u>	<u>(2,908,254)</u>	<u>(1,476,429)</u>	<u>1,431,825</u>
Transfers out	<u>(47,910)</u>	<u>(47,910)</u>	<u>-</u>	<u>47,910</u>
Net change in fund equity	<u>(2,956,164)</u>	<u>(2,956,164)</u>	<u>(1,476,429)</u>	<u>1,479,735</u>
Fund equity at beginning of year	2,570,931	2,570,931	2,570,931	-
Prior year encumbrances appropriated	<u>1,577,410</u>	<u>1,577,410</u>	<u>1,577,410</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 1,192,177</u>	<u>\$ 1,192,177</u>	<u>\$ 2,671,912</u>	<u>\$ 1,479,735</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, 2006

	<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	\$ 8,454,917	\$ 8,446,843	\$ 8,387,645	\$ (59,198)
Special assessments	8,000	8,000	7,844	(156)
Intergovernmental	50,000	-	-	-
Investment earnings	70,000	11,000	7,305	(3,695)
Tap and license fees	1,050	1,050	1,050	-
Other	767	769	62	(707)
	<u>8,584,734</u>	<u>8,467,662</u>	<u>8,403,906</u>	<u>(63,756)</u>
Expenses:				
Personal services	2,178,500	2,178,500	1,966,907	211,593
Fringe benefits	30,000	30,000	10,426	19,574
Materials and supplies	728,312	720,239	613,428	106,811
Contractual services	6,477,151	6,477,151	3,936,532	2,540,619
Utilities	887,221	887,221	602,248	284,973
Capital Outlay	-	175,000	-	175,000
Other	41,432	46,563	25,963	20,600
Debt service				
Interest and fiscal charges	65,625	104,709	104,709	-
	<u>10,408,241</u>	<u>10,619,383</u>	<u>7,260,213</u>	<u>3,359,170</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,823,507)</u>	<u>(2,151,721)</u>	<u>1,143,693</u>	<u>3,295,414</u>
Proceeds from the sale of notes	2,625,000	2,065,000	2,065,000	-
Payment on notes payable	(2,625,000)	(2,625,000)	(2,625,000)	-
Payment on loan to other funds	290,000	290,000	290,000	-
Transfers out	(27,416)	(27,417)	-	27,417
	<u>(1,560,923)</u>	<u>(2,449,138)</u>	<u>873,693</u>	<u>3,322,831</u>
Fund equity at beginning of year	6,245,558	6,245,558	6,245,558	-
Prior year encumbrances appropriated	1,094,715	1,094,715	1,094,715	-
	<u>7,340,273</u>	<u>7,340,273</u>	<u>7,340,273</u>	<u>-</u>
Fund equity at end of year	\$ 5,779,350	\$ 4,891,135	\$ 8,213,966	\$ 3,322,831

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, 2006

	<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	\$ 484,785	\$ 484,785	\$ 484,785	\$ -
Charges for services	79,600	79,600	65,241	(14,359)
Intergovernmental	60,000	60,000	86,433	26,433
Other	1,279	1,279	1,263	(16)
	<u>625,664</u>	<u>625,664</u>	<u>637,722</u>	<u>12,058</u>
Expenses:				
Personal services	245,800	242,582	204,287	38,295
Materials and supplies	66,238	66,238	55,626	10,612
Contractual services	238,229	266,447	241,793	24,654
Utilities	60,000	62,000	57,427	4,573
Capital outlay	75,213	50,213	22,292	27,921
Other	30,000	28,000	13,124	14,876
	<u>715,480</u>	<u>715,480</u>	<u>594,549</u>	<u>120,931</u>
Excess (deficiency) of revenues over (under) expenses	<u>(89,816)</u>	<u>(89,816)</u>	<u>43,173</u>	<u>132,989</u>
Transfers out	<u>(5,198)</u>	<u>(5,198)</u>	<u>-</u>	<u>5,198</u>
Net change in fund equity	<u>(95,014)</u>	<u>(95,014)</u>	<u>43,173</u>	<u>138,187</u>
Fund equity at beginning of year	<u>67,384</u>	<u>67,384</u>	<u>67,384</u>	<u>-</u>
Prior year encumbrances appropriated	<u>27,683</u>	<u>27,683</u>	<u>27,683</u>	<u>-</u>
Fund equity at end of year	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 138,240</u>	<u>\$ 138,187</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, 2006

	<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	\$ 28,612	\$ 25,495	\$ 33,697	\$ 8,202
Other	-	6	6	-
Total revenues.	<u>28,612</u>	<u>25,501</u>	<u>33,703</u>	<u>8,202</u>
Expenses:				
Contractual services	85,552	82,441	13,998	68,443
Contractual services	-	100	-	100
Total expenses	<u>85,552</u>	<u>82,541</u>	<u>13,998</u>	<u>68,543</u>
Net change in fund equity	(56,940)	(57,040)	19,705	76,745
Fund equity at beginning of year	24,358	24,358	24,358	-
Prior year encumbrances appropriated	<u>35,313</u>	<u>35,313</u>	<u>35,313</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 2,731</u>	<u>\$ 2,631</u>	<u>\$ 79,376</u>	<u>\$ 76,745</u>

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, 2006

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 97,675	\$ 55,875	\$ 143,203
Materials and supplies inventory	<u>4,076</u>	<u>11,865</u>	<u>29,138</u>
Total current assets.	<u>101,751</u>	<u>67,740</u>	<u>172,341</u>
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	<u>882,717</u>	<u>59,290</u>	<u>47,568</u>
Total capital assets	<u>882,717</u>	<u>59,290</u>	<u>47,568</u>
Total assets	<u>\$ 984,468</u>	<u>\$ 127,030</u>	<u>\$ 219,909</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 42,762	\$ 10,811	\$ 8,000
Accrued wages and benefits	15,807	7,452	27,958
Due to other governments	18,127	7,705	34,701
Claims payable.	-	-	-
Total current liabilities.	<u>76,696</u>	<u>25,968</u>	<u>70,659</u>
Long-term liabilities:			
Compensated absences	<u>118,392</u>	<u>18,475</u>	<u>133,011</u>
Total long-term liabilities.	<u>118,392</u>	<u>18,475</u>	<u>133,011</u>
Total liabilities	<u>195,088</u>	<u>44,443</u>	<u>203,670</u>
Net assets:			
Invested in capital assets, net of related debt.	882,717	59,290	47,568
Unrestricted (deficit).	<u>(93,337)</u>	<u>23,297</u>	<u>(31,329)</u>
Total net assets (deficit).	<u>\$ 789,380</u>	<u>\$ 82,587</u>	<u>\$ 16,239</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ 329,847	\$ 4,783	\$ 29,169	\$ 660,552
-	-	-	45,079
<u>329,847</u>	<u>4,783</u>	<u>29,169</u>	<u>705,631</u>
-	-	-	989,575
-	-	-	<u>989,575</u>
<u>\$ 329,847</u>	<u>\$ 4,783</u>	<u>\$ 29,169</u>	<u>\$ 1,695,206</u>
\$ 620	\$ -	\$ -	\$ 62,193
-	-	-	51,217
-	-	-	60,533
779,690	-	-	779,690
<u>780,310</u>	<u>-</u>	<u>-</u>	<u>953,633</u>
-	-	-	269,878
-	-	-	<u>269,878</u>
<u>780,310</u>	<u>-</u>	<u>-</u>	<u>1,223,511</u>
-	-	-	989,575
(450,463)	4,783	29,169	(517,880)
<u>\$ (450,463)</u>	<u>\$ 4,783</u>	<u>\$ 29,169</u>	<u>\$ 471,695</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,001,659	\$ 419,594	\$ 1,507,171
Total operating revenues	<u>1,001,659</u>	<u>419,594</u>	<u>1,507,171</u>
Operating expenses:			
Personal services	360,696	162,759	644,853
Fringe benefits	498	16	5,088
Contractual services	266,199	228,765	513,632
Materials and supplies.	387,792	52,003	185,213
Depreciation.	325,508	22,264	9,188
Utilities	53,067	3,492	-
Claims expense	-	-	-
Other	-	422	-
Total operating expenses	<u>1,393,760</u>	<u>469,721</u>	<u>1,357,974</u>
Operating income (loss)	<u>(392,101)</u>	<u>(50,127)</u>	<u>149,197</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	4,075	-	3,180
Loss on disposal of assets	<u>(13,812)</u>	<u>-</u>	<u>(1,286)</u>
Total nonoperating revenues (expenses)	<u>(9,737)</u>	<u>-</u>	<u>1,894</u>
Income (loss) before capital contributions and transfers	(401,838)	(50,127)	151,091
Capital contributions	<u>65,691</u>	<u>335</u>	<u>-</u>
Changes in net assets	(336,147)	(49,792)	151,091
Net assets (deficit) at beginning of year	<u>1,125,527</u>	<u>132,379</u>	<u>(134,852)</u>
Net assets (deficit) at end of year	<u>\$ 789,380</u>	<u>\$ 82,587</u>	<u>\$ 16,239</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 5,612,253	\$ 476,212	\$ 663,911	\$ 2,842,712	\$ 12,523,512
5,612,253	476,212	663,911	2,842,712	12,523,512
-	-	-	-	1,168,308
-	-	-	-	5,602
322,834	479,359	690,833	2,842,712	5,344,334
-	-	-	-	625,008
-	-	-	-	356,960
-	-	-	-	56,559
5,055,084	-	-	-	5,055,084
-	-	-	-	422
5,377,918	479,359	690,833	2,842,712	12,612,277
234,335	(3,147)	(26,922)	-	(88,765)
-	-	-	-	7,255
-	-	-	-	(15,098)
-	-	-	-	(7,843)
234,335	(3,147)	(26,922)	-	(96,608)
-	-	-	-	66,026
234,335	(3,147)	(26,922)	-	(30,582)
(684,798)	7,930	56,091	-	502,277
\$ (450,463)	\$ 4,783	\$ 29,169	\$ -	\$ 471,695

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,001,659	\$ 419,594	\$ 1,507,171
Cash received from other operating revenues	4,075	-	3,180
Cash payments to employees	(354,324)	(160,778)	(717,261)
Cash payments for suppliers	(721,489)	(270,811)	(690,322)
Cash payments for other operating expenses.	-	(422)	-
Cash payments for claims expense	-	-	-
Net cash provided by (used in) operating activities	<u>(70,079)</u>	<u>(12,417)</u>	<u>102,768</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(24,877)	(4,416)
Net cash used in capital and related financing activities	<u>-</u>	<u>(24,877)</u>	<u>(4,416)</u>
Net increase (decrease) in cash and cash equivalents	(70,079)	(37,294)	98,352
Cash and cash equivalents at beginning of year	<u>167,754</u>	<u>93,169</u>	<u>44,851</u>
Cash and cash equivalents at end of year.	<u>\$ 97,675</u>	<u>\$ 55,875</u>	<u>\$ 143,203</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (392,101)	\$ (50,127)	\$ 149,197
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	325,508	22,264	9,188
Other nonoperating revenues	4,075	-	3,180
Changes in assets and liabilities:			
Decrease in inventory of supplies	2,475	3,631	1,306
Increase (decrease) in accounts payable	(16,906)	9,818	7,217
Increase (decrease) in accrued wages and benefits	(1,048)	1,169	(1,346)
Increase in due to other governments	498	16	5,088
Increase (decrease) in compensated absences payable	7,420	812	(71,062)
(Decrease) in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (70,079)</u>	<u>\$ (12,417)</u>	<u>\$ 102,768</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Benefit Fund</u>	<u>Total</u>
\$ 5,612,253	\$ 476,212	\$ 663,911	\$ 2,842,712	\$ 12,523,512
-	-	-	-	7,255
-	-	-	-	(1,232,363)
(322,678)	(479,359)	(690,833)	(2,842,712)	(6,018,204)
-	-	-	-	(422)
(5,492,412)	-	-	-	(5,492,412)
<u>(202,837)</u>	<u>(3,147)</u>	<u>(26,922)</u>	<u>-</u>	<u>(212,634)</u>
-	-	-	-	(29,293)
-	-	-	-	(29,293)
(202,837)	(3,147)	(26,922)	-	(241,927)
532,684	7,930	56,091	-	902,479
<u>\$ 329,847</u>	<u>\$ 4,783</u>	<u>\$ 29,169</u>	<u>\$ -</u>	<u>\$ 660,552</u>
\$ 234,335	\$ (3,147)	\$ (26,922)	\$ -	\$ (88,765)
-	-	-	-	356,960
-	-	-	-	7,255
-	-	-	-	7,412
156	-	-	-	285
-	-	-	-	(1,225)
-	-	-	-	5,602
-	-	-	-	(62,830)
<u>(437,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(437,328)</u>
<u>\$ (202,837)</u>	<u>\$ (3,147)</u>	<u>\$ (26,922)</u>	<u>\$ -</u>	<u>\$ (212,634)</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, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,001,659	\$ 1,001,659	\$ 1,001,659	\$ -
Other	8,198	8,198	4,075	(4,123)
Total revenues.	<u>1,009,857</u>	<u>1,009,857</u>	<u>1,005,734</u>	<u>(4,123)</u>
Expenses:				
Personal services.	412,200	406,837	354,324	52,513
Materials and supplies	439,686	434,884	400,994	33,890
Contractual services	279,649	285,012	278,156	6,856
Utilities	75,000	75,000	58,932	16,068
Capital outlay	101,198	101,198	-	101,198
Total expenses	<u>1,307,733</u>	<u>1,302,931</u>	<u>1,092,406</u>	<u>210,525</u>
Deficiency of revenues under expenses	<u>(297,876)</u>	<u>(293,074)</u>	<u>(86,672)</u>	<u>206,402</u>
Transfers in	138,612	138,612	-	(138,612)
Transfers out	<u>(3,291)</u>	<u>(3,291)</u>	<u>-</u>	<u>3,291</u>
Net change in fund equity	<u>(162,555)</u>	<u>(157,753)</u>	<u>(86,672)</u>	<u>71,081</u>
Fund equity at beginning of year	<u>59,364</u>	<u>59,364</u>	<u>59,364</u>	<u>-</u>
Prior year encumbrances appropriated	<u>108,386</u>	<u>108,386</u>	<u>108,386</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 5,195</u>	<u>\$ 9,997</u>	<u>\$ 81,078</u>	<u>\$ 71,081</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, 2006

	<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	\$ 419,594	\$ 419,594	\$ 419,594	\$ -
Other	40	40	-	(40)
Total revenues.	419,634	419,634	419,594	(40)
Expenses:				
Personal services.	191,800	181,555	160,778	20,777
Materials and supplies	52,711	52,711	49,947	2,764
Contractual services	270,878	273,023	265,808	7,215
Capital outlay	21,168	29,268	29,087	181
Other	2,500	2,500	1,422	1,078
Total expenses	539,057	539,057	507,042	32,015
Deficiency of revenues under expenses	(119,423)	(119,423)	(87,448)	31,975
Transfers in	140,406	28,465	-	(28,465)
Transfers out	(2,212)	(2,212)	-	2,212
Net change in fund equity	18,771	(93,170)	(87,448)	5,722
Fund equity at beginning of year	74,770	74,770	74,770	-
Prior year encumbrances appropriated	18,400	18,400	18,400	-
Fund equity at end of year.	\$ 111,941	\$ -	\$ 5,722	\$ 5,722

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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,507,171	\$ 1,507,171	\$ 1,507,171	\$ -
Other	4,600	4,600	3,180	(1,420)
Total revenues.	<u>1,511,771</u>	<u>1,511,771</u>	<u>1,510,351</u>	<u>(1,420)</u>
Expenses:				
Personal services.	728,609	728,609	717,261	11,348
Capital outlay	35,416	35,416	4,416	31,000
Materials and supplies	290,784	290,784	184,026	106,758
Contractual services	537,172	537,172	513,789	23,383
Total expenses	<u>1,591,981</u>	<u>1,591,981</u>	<u>1,419,492</u>	<u>172,489</u>
Excess (deficiency) of revenues over (under) expenses	<u>(80,210)</u>	<u>(80,210)</u>	<u>90,859</u>	<u>171,069</u>
Transfers in	<u>35,481</u>	<u>35,481</u>	<u>-</u>	<u>(35,481)</u>
Net change in fund equity	<u>(44,729)</u>	<u>(44,729)</u>	<u>90,859</u>	<u>135,588</u>
Fund equity at beginning of year	<u>44,529</u>	<u>44,529</u>	<u>44,529</u>	<u>-</u>
Prior year encumbrances appropriated	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,588</u>	<u>\$ 135,588</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, 2006

	<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	\$ 5,612,253	\$ 5,261,480	\$ 5,612,253	\$ 350,773
Other	20,929	20,929	-	(20,929)
Total revenues.	<u>5,633,182</u>	<u>5,282,409</u>	<u>5,612,253</u>	<u>329,844</u>
Expenses:				
Contractual services	387,258	322,678	322,678	-
Claims expense	<u>5,427,832</u>	<u>5,492,412</u>	<u>5,492,412</u>	<u>-</u>
Total expenses	<u>5,815,090</u>	<u>5,815,090</u>	<u>5,815,090</u>	<u>-</u>
Deficiency of revenues under expenses	<u>(181,908)</u>	<u>(532,681)</u>	<u>(202,837)</u>	<u>329,844</u>
Transfers in	<u>677,979</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund equity	496,071	(532,681)	(202,837)	329,844
Fund equity at beginning of year	<u>532,681</u>	<u>532,681</u>	<u>532,681</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 1,028,752</u>	<u>\$ -</u>	<u>\$ 329,844</u>	<u>\$ 329,844</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, 2006

	<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	\$ 476,212	\$ 476,212	\$ 476,212	\$ -
Other	796	796	-	(796)
Total revenues.	<u>477,008</u>	<u>477,008</u>	<u>476,212</u>	<u>(796)</u>
Expenses:				
Contractual services	<u>485,000</u>	<u>485,000</u>	<u>479,359</u>	<u>5,641</u>
Total expenses	<u>485,000</u>	<u>485,000</u>	<u>479,359</u>	<u>5,641</u>
Deficiency of revenues under expenses	<u>(7,992)</u>	<u>(7,992)</u>	<u>(3,147)</u>	<u>4,845</u>
Transfers in	<u>60</u>	<u>60</u>	<u>-</u>	<u>(60)</u>
Net change in fund equity	<u>(7,932)</u>	<u>(7,932)</u>	<u>(3,147)</u>	<u>4,785</u>
Fund equity at beginning of year	<u>7,932</u>	<u>7,932</u>	<u>7,932</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,785</u>	<u>\$ 4,785</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, 2006

	<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	\$ 663,910	\$ 663,910	\$ 663,911	\$ 1
Total revenues.	<u>663,910</u>	<u>663,910</u>	<u>663,911</u>	<u>1</u>
Expenses:				
Contractual services	<u>720,000</u>	<u>720,000</u>	<u>690,833</u>	<u>29,167</u>
Total expenses	<u>720,000</u>	<u>720,000</u>	<u>690,833</u>	<u>29,167</u>
Deficiency of revenues under expenses	<u>(56,090)</u>	<u>(56,090)</u>	<u>(26,922)</u>	<u>29,168</u>
Net change in fund equity	<u>(56,090)</u>	<u>(56,090)</u>	<u>(26,922)</u>	<u>29,168</u>
Fund equity at beginning of year	<u>56,090</u>	<u>56,090</u>	<u>56,090</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,168</u>	<u>\$ 29,168</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,233,519	\$ 3,233,519	\$ 2,842,712	\$ (390,807)
Total operating revenues.	3,233,519	3,233,519	2,842,712	(390,807)
Expenses:				
Contractual services	3,233,519	3,233,519	2,842,712	390,807
Total expenses	3,233,519	3,233,519	2,842,712	390,807
Net change in fund equity	-	-	-	-
Fund equity at beginning of year	-	-	-	-
Fund equity at end of year.	\$ -	\$ -	\$ -	\$ -

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, 2006

	<u>Balance 01/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
OSP Fines				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 56,758	\$ 56,758	\$ -
Receivables (net of allowances of uncollectibles):				
Due from other governments	3,881	58,801	56,758	5,924
Total assets	<u>\$ 3,881</u>	<u>\$ 115,559</u>	<u>\$ 113,516</u>	<u>\$ 5,924</u>
Liabilities:				
Due to individuals	\$ 3,881	\$ 58,801	\$ 56,758	\$ 5,924
Total liabilities.	<u>\$ 3,881</u>	<u>\$ 58,801</u>	<u>\$ 56,758</u>	<u>\$ 5,924</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 15,696	\$ 3,414	\$ 1,960	\$ 17,150
Total assets	<u>\$ 15,696</u>	<u>\$ 3,414</u>	<u>\$ 1,960</u>	<u>\$ 17,150</u>
Liabilities:				
Due to individuals	\$ 15,696	\$ 3,414	\$ 1,960	\$ 17,150
Total liabilities.	<u>\$ 15,696</u>	<u>\$ 3,414</u>	<u>\$ 1,960</u>	<u>\$ 17,150</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 19,566	\$ 230,660	\$ 21,000	\$ 229,226
Total assets	<u>\$ 19,566</u>	<u>\$ 230,660</u>	<u>\$ 21,000</u>	<u>\$ 229,226</u>
Liabilities:				
Due to individuals	\$ 19,566	\$ 230,660	\$ 21,000	\$ 229,226
Total liabilities.	<u>\$ 19,566</u>	<u>\$ 230,660</u>	<u>\$ 21,000</u>	<u>\$ 229,226</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 182,296	\$ 26,308,753	\$ 26,316,357	\$ 174,692
Total assets	<u>\$ 182,296</u>	<u>\$ 26,308,753</u>	<u>\$ 26,316,357</u>	<u>\$ 174,692</u>
Liabilities:				
Due to other governments	\$ 144,108	\$ 15,629,431	\$ 15,629,966	\$ 143,573
Due to individuals	38,188	10,679,322	10,686,391	31,119
Total liabilities.	<u>\$ 182,296</u>	<u>\$ 26,308,753</u>	<u>\$ 26,316,357</u>	<u>\$ 174,692</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>01/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/06</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 476,384	\$ 5,599,693	\$ 5,624,286	\$ 451,791
Investments.	230,000	40,000	-	270,000
Total assets	<u>\$ 706,384</u>	<u>\$ 5,639,693</u>	<u>\$ 5,624,286</u>	<u>\$ 721,791</u>
Liabilities:				
Due to other governments	\$ 213,420	\$ 3,197,103	\$ 3,203,772	\$ 206,751
Due to individuals	506	31,149	29,847	1,808
Undistributed monies	492,458	2,411,441	2,390,667	513,232
Total liabilities.	<u>\$ 706,384</u>	<u>\$ 5,639,693</u>	<u>\$ 5,624,286</u>	<u>\$ 721,791</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 186,385	\$ 186,385	\$ -
Receivables (net of allowances of uncollectibles):				
Taxes	8,774	186,696	186,385	9,085
Total assets	<u>\$ 8,774</u>	<u>\$ 373,081</u>	<u>\$ 372,770</u>	<u>\$ 9,085</u>
Liabilities:				
Due to other governments	\$ 6,062	\$ 34,615	\$ 34,319	\$ 6,358
Due to individuals	2,712	152,081	152,066	2,727
Total liabilities.	<u>\$ 8,774</u>	<u>\$ 186,696</u>	<u>\$ 186,385</u>	<u>\$ 9,085</u>
Internet Auction				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 26,160	\$ 37,886	\$ 63,050	\$ 996
Total assets	<u>\$ 26,160</u>	<u>\$ 37,886</u>	<u>\$ 63,050</u>	<u>\$ 996</u>
Liabilities:				
Due to other governments	\$ 24,476	\$ 36,184	\$ 60,660	\$ -
Due to individuals	1,684	1,702	2,390	996
Total liabilities.	<u>\$ 26,160</u>	<u>\$ 37,886</u>	<u>\$ 63,050</u>	<u>\$ 996</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>01/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/06</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 528	\$ 2,601	\$ 1,868	\$ 1,261
Total assets	<u>\$ 528</u>	<u>\$ 2,601</u>	<u>\$ 1,868</u>	<u>\$ 1,261</u>
Liabilities:				
Due to other governments	\$ 528	\$ 2,601	\$ 1,868	\$ 1,261
Total liabilities.	<u>\$ 528</u>	<u>\$ 2,601</u>	<u>\$ 1,868</u>	<u>\$ 1,261</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 550	\$ -	\$ 50	\$ 500
Total assets	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 500</u>
Liabilities:				
Due to individuals	\$ 550	\$ -	\$ 50	\$ 500
Total liabilities.	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 500</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 538,884	\$ 6,117,397	\$ 5,955,357	\$ 700,924
Cash and cash equivalents with fiscal agents	182,296	26,308,753	26,316,357	174,692
Investments.	230,000	40,000	-	270,000
Receivables (net of allowances of uncollectibles):				
Taxes	8,774	186,696	186,385	9,085
Due from other governments	3,881	58,801	56,758	5,924
Total assets	<u>\$ 963,835</u>	<u>\$ 32,711,647</u>	<u>\$ 32,514,857</u>	<u>\$ 1,160,625</u>
Liabilities:				
Due to other governments	\$ 388,594	\$ 18,899,934	\$ 18,930,585	\$ 357,943
Due to individuals	82,783	11,157,129	10,950,462	289,450
Undistributed monies	492,458	2,411,441	2,390,667	513,232
Total liabilities.	<u>\$ 963,835</u>	<u>\$ 32,468,504</u>	<u>\$ 32,271,714</u>	<u>\$ 1,160,625</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.	150
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.	158
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.	167
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.	169

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 FOUR YEARS
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 45,098,513	\$ 46,367,183	\$ 47,833,128	\$ 48,523,672
Restricted	15,824,043	15,521,272	15,950,708	26,640,679
Unrestricted	<u>1,740,055</u>	<u>(413,024)</u>	<u>(1,266,633)</u>	<u>(11,680,081)</u>
<i>Total Governmental Activities Net Assets</i>	<u>62,662,611</u>	<u>61,475,431</u>	<u>62,517,203</u>	<u>63,484,270</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	37,078,689	37,370,730	36,878,972	39,814,666
Restricted	3,979,276	3,979,276	4,070,672	1,457,668
Unrestricted	<u>12,340,798</u>	<u>10,362,772</u>	<u>8,135,785</u>	<u>7,912,220</u>
<i>Total Business-Type Activities Net Assets</i>	<u>53,398,763</u>	<u>51,712,778</u>	<u>49,085,429</u>	<u>49,184,554</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	82,177,202	83,737,913	84,712,100	88,338,338
Restricted	19,803,319	19,500,548	20,021,380	28,098,347
Unrestricted	<u>14,080,853</u>	<u>9,949,748</u>	<u>6,869,152</u>	<u>(3,767,861)</u>
<i>Total Primary Government Net Assets</i>	<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 FOUR YEARS
(accrual basis of accounting)

	2006	2005	2004	2003
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 3,452,357	\$ 3,490,786	\$ 3,608,646	\$ 2,195,188
Public safety	1,602,051	1,653,534	928,130	625,619
Public health and welfare	400	380	8,446	9,727
Transportation	168,545	295,065	209,200	463,892
Community environment	150,663	258,271	176,753	209,867
Leisure time activities	182,104	315,728	20,626	21,764
Interest and fiscal charges	-	-	-	-
Operating Grants and Contributions	7,041,641	9,841,045	6,849,290	7,547,321
Capital Grants and Contributions	1,060,076	70,414	309,775	132,240
<i>Total Governmental Activities Program Revenues</i>	<u>13,657,837</u>	<u>15,925,223</u>	<u>12,110,866</u>	<u>11,205,618</u>
Business-Type Activities:				
Charges for Services:				
Water	8,000,960	8,343,947	8,050,000	7,517,166
Sewer	8,481,960	8,395,183	8,159,344	6,791,857
Airport	84,969	88,611	143,038	154,987
Parking Garage	33,696	187,696	32,132	44,211
Capital Grants and Contributions	1,096,738	1,148,728	629,261	533,827
<i>Total Business-Type Activities Program Revenues</i>	<u>17,698,323</u>	<u>18,164,165</u>	<u>17,013,775</u>	<u>15,042,048</u>
<i>Total Primary Government Program Revenues</i>	<u>31,356,160</u>	<u>34,089,388</u>	<u>29,124,641</u>	<u>26,247,666</u>
Expenses				
Governmental Activities:				
General government	9,960,681	12,154,838	10,496,931	8,258,059
Public safety	22,958,245	23,850,064	21,355,233	20,653,049
Public health and welfare	141,884	137,328	156,000	260,946
Transportation	10,396,560	10,078,954	8,390,900	8,496,196
Community environment	1,972,480	1,491,159	2,065,065	2,262,008
Leisure time activities	1,103,561	488,317	449,412	505,060
Interest and fiscal charges	253,102	253,405	355,645	689,642
<i>Total Governmental Activities Expenses</i>	<u>46,786,513</u>	<u>48,454,065</u>	<u>43,269,186</u>	<u>41,124,960</u>
Business-Type Activities:				
Water	8,144,636	7,412,809	7,638,373	7,198,264
Sewer	7,695,342	8,158,651	8,211,524	7,240,115
Airport	774,342	784,276	736,546	733,102
Parking Garage	12,481	230,928	22,301	28,976
<i>Total Business-Type Activities Expenses</i>	<u>16,626,801</u>	<u>16,586,664</u>	<u>16,608,744</u>	<u>15,200,457</u>
<i>Total Primary Government Expenses</i>	<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 FOUR YEARS
(accrual basis of accounting)

	2006	2005	2004	2003
Net (Expense)/Revenue				
Governmental Activities	\$ (33,128,676)	\$ (32,528,842)	\$ (31,158,320)	\$ (29,919,342)
Business-Type Activities	1,071,522	1,577,501	405,031	(158,409)
<i>Total Primary Government Net Expense</i>	<u>\$ (32,057,154)</u>	<u>\$ (30,951,341)</u>	<u>\$ (30,753,289)</u>	<u>\$ (30,077,751)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 2,301,741	\$ 2,520,948	\$ 1,895,024	\$ 1,956,016
Debt service	-	1,062	2,522	8,037
Special purposes	471,426	784,511	368,905	394,563
Municipal income taxes levied for:				
General purposes	642,031	714,984	797,061	295,182
Special purposes	20,554,764	19,109,121	18,116,003	19,085,840
Capital projects	2,336,710	3,893,063	3,062,798	3,297,494
Grants and entitlements not restricted to specific programs	6,409,483	2,646,945	5,169,330	5,520,410
Investment earnings	1,548,036	1,029,572	411,338	629,575
Gain (loss) on sale of capital assets	-	-	89,416	18,581
Miscellaneous	51,665	174,500	231,320	134,162
Transfers	-	-	-	337,209
Special item - donation of land	-	-	-	(180,484)
<i>Total Governmental Activities</i>	<u>34,315,856</u>	<u>30,874,706</u>	<u>30,143,717</u>	<u>31,496,585</u>
Business-Type Activities:				
Municipal income taxes levied for:				
Airport	421,564	439,395	256,830	271,518
Grants and entitlements not restricted to specific programs	86,433	486,715	-	-
Investment earnings	7,305	-	44,265	48,750
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	99,161	123,738	32,238	19,182
Transfers	-	-	-	(337,209)
<i>Total Business-Type Activities</i>	<u>614,463</u>	<u>1,049,848</u>	<u>333,333</u>	<u>2,241</u>
<i>Total Primary Government</i>	<u>34,930,319</u>	<u>31,924,554</u>	<u>30,477,050</u>	<u>31,498,826</u>
Change in Net Assets				
Governmental Activities	1,187,180	(1,654,136)	(1,014,603)	1,577,243
Business-Type Activities	1,685,985	2,627,349	738,364	(156,168)
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 2,873,165</u>	<u>\$ 973,213</u>	<u>\$ (276,239)</u>	<u>\$ 1,421,075</u>

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CITY OF MANSFIELD, OHIO

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 359,737	\$ 506,487	\$ 727,717	\$ 756,972	\$ 153,728
Unreserved	2,014,261	(210,543)	(1,213,843)	479,177	73,735
<i>Total General Fund</i>	<u>2,373,998</u>	<u>295,944</u>	<u>(486,126)</u>	<u>1,236,149</u>	<u>227,463</u>
All Other Governmental Funds					
Reserved	5,886,752	6,479,670	6,010,557	7,135,246	8,179,023
Unreserved, reported in:					
Special revenue funds	3,480,884	3,664,556	2,564,398	1,723,601	2,484,448
Capital project funds	1,335,060	1,698,691	2,056,068	12,997,592	11,213,435
<i>Total All Other Governmental Funds</i>	<u>10,702,696</u>	<u>11,842,917</u>	<u>10,631,023</u>	<u>21,856,439</u>	<u>21,876,906</u>
<i>Total Governmental Funds</i>	<u>\$ 13,076,694</u>	<u>\$ 12,138,861</u>	<u>\$ 10,144,897</u>	<u>\$ 23,092,588</u>	<u>\$ 22,104,369</u>

2001	2000	1999	1998	1997
\$ 395,765	\$ 236,563	\$ 615,241	\$ 435,534	\$ 187,007
934,823	2,135,747	1,100,056	1,703,839	821,870
1,330,588	2,372,310	1,715,297	2,139,373	1,008,877
10,564,282	8,133,816	7,866,190	6,207,828	6,081,873
378,489	2,083,578	67,036	608,710	1,068,308
9,834,395	8,103,437	(775,616)	349,465	(4,402)
20,777,166	18,320,831	7,157,610	7,166,003	7,145,779
\$ 22,107,754	\$ 20,693,141	\$ 8,872,907	\$ 9,305,376	\$ 8,154,656

CITY OF MANSFIELD, OHIO

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

	2006	2005	2004	2003	2002
Revenues:					
Municipal income taxes	\$ 23,449,356	\$ 23,254,583	\$ 22,444,242	\$ 22,322,290	\$ 22,319,628
Property and other taxes	2,707,079	3,044,029	2,376,280	2,337,097	2,228,152
Charges for services	1,456,616	2,055,269	1,239,855	499,903	454,980
Licenses, permits and fees	809,274	954,917	1,805,151	975,739	887,891
Fines and forfeitures	1,682,073	1,716,546	1,792,353	1,851,684	2,189,288
Intergovernmental	12,612,732	14,082,197	11,687,464	12,195,703	12,346,111
Special assessments	24,533	148,266	25,415	46,263	53,288
Investment income	1,441,036	1,029,572	411,338	629,575	905,511
Other	1,585,563	1,135,627	314,086	288,727	434,977
<i>Total revenues</i>	<u>45,768,262</u>	<u>47,421,006</u>	<u>42,096,184</u>	<u>41,146,981</u>	<u>41,819,826</u>
Expenditures:					
Current:					
General government	9,970,709	10,250,858	9,576,262	9,458,715	11,241,914
Public safety	23,679,137	22,892,003	21,695,859	20,501,227	20,870,709
Public health and welfare	140,291	132,170	159,014	166,115	131,019
Transportation	3,580,149	3,681,798	2,753,622	2,620,323	4,450,234
Community environment	1,953,994	1,442,988	2,105,021	2,223,299	2,326,942
Leisure time activities	1,061,524	474,764	390,776	527,494	835,660
Capital outlay	3,957,967	5,621,233	4,691,108	3,771,501	5,289,272
Debt service:					
Principal retirement	300,430	765,000	11,035,000	10,910,000	12,875,000
Interest and fiscal charges	255,687	256,095	504,235	727,275	551,689
Current refunding	-	-	-	-	-
Bond issuance costs	-	-	-	-	135,530
<i>Total expenditures</i>	<u>44,899,888</u>	<u>45,516,909</u>	<u>52,910,897</u>	<u>50,905,949</u>	<u>58,707,969</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>868,374</u>	<u>1,904,097</u>	<u>(10,814,713)</u>	<u>(9,758,968)</u>	<u>(16,888,143)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	42,471	114,467	89,416	112,981	118,144
Proceeds from sale of note premium	-	1,303	-	10,260,000	10,000,000
Proceeds of bonds	-	-	-	-	7,068,855
Payment to bond holders	-	-	-	-	-
Proceeds from capital lease transaction	-	-	93,572	-	-
Transfers in	849,352	1,501,262	790,958	3,395,104	6,122,852
Transfers out	(849,352)	(1,501,262)	(790,958)	(3,057,895)	(6,260,956)
<i>Total other financing sources (uses)</i>	<u>42,471</u>	<u>115,770</u>	<u>182,988</u>	<u>10,710,190</u>	<u>17,048,895</u>
<i>Net change in fund balances</i>	<u>\$ 910,845</u>	<u>\$ 2,019,867</u>	<u>\$ (10,631,725)</u>	<u>\$ 951,222</u>	<u>\$ 160,752</u>
Debt Service as a Percentage of Noncapital Expenditures	1.4%	2.6%	23.9%	24.7%	25.1%

	2001	2000	1999	1998	1997
\$	21,273,925	\$ 21,783,372	\$ 21,275,688	\$ 19,789,683	\$ 19,827,764
	3,324,866	2,866,596	2,641,204	2,791,025	2,707,114
	668,471	627,522	534,367	378,348	519,619
	688,265	519,978	559,211	494,307	448,709
	2,096,628	1,868,126	1,834,674	2,037,165	2,020,400
	12,896,925	13,126,575	11,573,740	12,067,213	9,302,417
	66,133	53,674	53,156	65,536	62,460
	1,354,661	2,135,347	1,141,062	1,271,282	1,134,301
	294,253	348,819	266,348	257,235	657,056
	<u>42,664,127</u>	<u>43,330,009</u>	<u>39,879,450</u>	<u>39,151,794</u>	<u>36,679,840</u>
	10,663,504	9,489,402	9,627,424	8,312,137	8,743,647
	18,992,474	18,337,026	18,013,749	17,811,740	17,971,083
	130,533	113,490	112,433	97,985	101,238
	5,672,129	4,209,468	3,819,723	3,180,990	3,726,555
	2,130,239	1,894,501	2,077,738	1,573,347	2,769,245
	1,012,543	1,064,061	1,047,603	886,776	861,672
	4,998,346	5,691,250	4,881,416	5,043,115	2,978,397
	9,995,000	750,000	885,000	555,000	795,000
	621,897	343,083	244,699	212,952	395,960
	-	-	-	333,698	-
	-	-	-	88,289	-
	<u>54,216,665</u>	<u>41,892,281</u>	<u>40,709,785</u>	<u>38,096,029</u>	<u>38,342,797</u>
	(11,552,538)	1,437,728	(830,335)	1,055,765	(1,662,957)
	116,123	86,663	129,844	30,124	236,754
	12,250,000	10,180,000	-	-	-
	-	-	-	3,665,000	-
	-	-	-	(3,573,802)	-
	-	-	-	-	-
	1,748,097	1,512,308	1,040,513	1,319,268	2,689,790
	<u>(1,511,740)</u>	<u>(1,336,409)</u>	<u>(861,513)</u>	<u>(1,336,268)</u>	<u>(1,183,790)</u>
	<u>12,602,480</u>	<u>10,442,562</u>	<u>308,844</u>	<u>104,322</u>	<u>1,742,754</u>
\$	<u>1,049,942</u>	<u>\$ 11,880,290</u>	<u>\$ (521,491)</u>	<u>\$ 1,160,087</u>	<u>\$ 79,797</u>
	21.6%	3.0%	3.2%	2.3%	3.4%

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
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
1998	418,068,420	1,194,481,200	124,742,880	498,971,520
1997	412,653,410	1,179,009,743	103,856,310	415,425,240

- (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	Estimated Actual	
\$ 19,584,030	\$ 55,954,371	\$ 742,313,487	\$ 2,393,934,469	31.01%
22,294,140	63,697,543	783,681,822	2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	2,065,659,868	32.44%
32,355,880	92,445,400	684,020,288	2,112,971,100	32.37%
31,699,550	90,570,143	580,860,691	1,800,999,187	32.25%
34,050,070	97,285,914	576,861,370	1,790,738,634	32.21%
35,051,420	100,146,914	551,561,140	1,694,581,897	32.55%

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
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
1998	3.00	0.60	1.50	5.10	11.00	59.05	75.15
1997	3.00	0.60	1.70	5.30	11.00	59.35	75.65

(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, 2006 AND DECEMBER 31, 1997

Name of Taxpayer	December 31, 2006	
	Assessed Valuation	Percentage of Total Assessed Valuation
Walmart Inc.	\$ 5,429,600	0.89%
Newman Technology	4,408,410	0.72%
SSI Mansfield	2,818,420	0.46%
AK Steel Corporation	2,309,690	0.38%
Jay Industries	2,043,680	0.33%
Willard Rental	1,979,030	0.32%
City of Mansfield	1,643,830	0.27%
Therm-O-Disc	1,619,280	0.26%
Wedgewood Estates	1,562,200	0.26%
NL Ventures	1,547,190	0.25%
Totals	<u>\$ 25,361,330</u>	<u>4.14%</u>

Name of Taxpayer	December 31, 1997	
	Assessed Valuation	Percentage of Total Assessed Valuation
Armco Inc.	\$ 7,675,230	1.84%
Mansfield Square LTD	4,708,170	1.13%
Gorman-Rupp Company	2,183,160	0.53%
Therm-O-Disc	2,177,750	0.52%
Johnny Appleseed	1,609,120	0.39%
Westbrook Company	729,510	0.18%
Ideal Electric	667,350	0.16%
Baresset Corporation	537,570	0.13%
Mansfield Commerce I & II	352,640	0.09%
Mansfield Ferrous Castings	347,960	0.09%
Totals	<u>\$ 20,988,460</u>	<u>5.06%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

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

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Collected (2)</u>	<u>% Collected</u>	<u>Delinquent</u>	
				<u>Current</u>	<u>Accumulated</u>
2006	\$ 2,208,475	\$ 2,060,648	93.3%	\$ 147,827	\$ 2,234,752
2005	2,005,354	1,715,128	86.0%	290,225	2,227,947
2004	2,004,286	2,002,840	99.9%	266,966	2,324,311
2003	1,900,247	1,715,056	90.2%	262,544	2,057,345
2002 (3)	1,868,997	1,636,801	87.5%	243,604	1,794,801
2001	2,671,096	2,634,667	98.6%	316,140	1,551,197
2000	2,709,006	2,649,291	97.8%	251,848	1,514,768
1999	2,277,372	2,572,404	112.9%	412,503	1,455,053
1998	2,337,323	2,337,330	100.0%	105,217	1,101,247
1997	2,313,875	2,131,475	92.1%	206,922	1,141,254

(1) "Billed" includes collection of current charges, plus current and delinquent additions less current and delinquent abatements.

(2) "Collected" includes collections of current "billed" and delinquencies.

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

Source: Richland County Auditor

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>
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%
1998	1.75%	20,595,931	16,501,068	80.1%	1,982,653	9.6%	2,112,210	10.3%
1997	1.75%	20,015,870	15,926,807	79.6%	2,044,812	10.2%	2,044,251	10.2%

% 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 THREE YEARS**

<u>Tax Year</u>	<u>Company Rank</u>	<u>Amount Paid</u>	<u>Percent of Total Withholding Collections</u>
2006	1	\$ 1,451,196	7.40%
2006	2	1,014,812	5.17%
2006	3	719,457	3.67%
2006	4	695,250	3.54%
2006	5	663,162	3.38%
2006	6	539,103	2.75%
2006	7	491,989	2.51%
2006	8	488,376	2.49%
2006	9	471,966	2.41%
2006	10	438,761	2.24%
	Total	<u>\$ 6,974,072</u>	<u>35.56%</u>
2005	1	\$ 1,359,130	7.05%
2005	2	1,041,497	5.40%
2005	3	706,608	3.66%
2005	4	675,728	3.50%
2005	5	672,385	3.49%
2005	6	525,838	2.73%
2005	7	510,825	2.65%
2005	8	501,816	2.60%
2005	9	468,936	2.43%
2005	10	419,234	2.17%
	Total	<u>\$ 6,881,997</u>	<u>35.68%</u>
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	<u>\$ 6,796,057</u>	<u>35.70%</u>

% 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
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
1998	4,300,000	138,843	43,448	202,716
1997	4,910,000	178,891	339,692	44,398

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

See Demographic and Economic Statistics on page 167 for personal income and population data.

Business-type Activities					
General Obligation Bonds		Notes	Total Debt	Percentage of Personal Income	Per Capita
\$	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
	4,930,000	357,073	10,078,215	1.69%	199
	5,300,000	182,930	11,146,812	1.87%	220

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
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
1998	50,627	576,861	9,230	2,497	5,287
1997	50,627	551,561	10,295	2,369	5,300

(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
\$ -	\$ 3,637	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
-	1,446	0.25%	28.56
-	2,626	0.48%	51.87

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2006

<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	\$ 3,637,204	100.00%	\$ 3,637,204
Overlapping Debt:			
Richland County	25,242,399	33.95%	8,569,794
Mansfield City School District	16,845,000	67.19%	11,318,156
Crestview Local School District	4,234,618	13.22%	559,816
Lexington Local School District	130,000	44.08%	57,304
Madison Local School District	660,000	53.51%	353,166
Ontario Local School District	16,993,072	49.40%	8,394,578
Pioneer Career and Technology Center	480,000	32.73%	157,104
Mansfield-Richland County Library	325,000	38.63%	125,548
Total Direct and Overlapping Debt	<u>\$ 68,547,293</u>		<u>\$ 33,172,670</u>

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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assessed Value	\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908
Overall Debt Limitation				
10 1/2 Percent of Assessed Valuation	<u>77,942,916</u>	<u>82,286,591</u>	<u>75,702,200</u>	<u>74,107,100</u>
Total Voted and Unvoted Debt Outstanding at December 31st	6,305,000	6,845,000	7,838,139	11,093,268
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water system revenues	(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>
Debt Within 10 1/2 Percent Limitation	3,815,000	4,040,000	4,735,000	7,710,000
Less: Debt Service Fund Balance	<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>
Net Debt Subject to 10 1/2 Percent Limitation	<u>3,637,204</u>	<u>2,837,565</u>	<u>2,789,121</u>	<u>4,722,691</u>
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$ 74,305,712</u>	<u>\$ 79,449,026</u>	<u>\$ 72,913,079</u>	<u>\$ 69,384,409</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.33%	96.55%	96.32%	93.63%
Assessed Value	\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908
Unvoted Debt Limitation				
5 1/2 Percent of Assessed Valuation	<u>40,827,242</u>	<u>43,102,500</u>	<u>39,653,534</u>	<u>38,818,005</u>
Total Unvoted Debt Outstanding at December 31st	6,305,000	6,845,000	7,358,139	10,118,268
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water system revenues	(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>
Debt Within 5 1/2 Percent Limitation	3,815,000	4,040,000	4,255,000	6,735,000
Less: Debt Service Fund Balance	<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>
Net Debt Subject to 5 1/2 Percent Limitation	<u>3,637,204</u>	<u>2,837,565</u>	<u>2,309,121</u>	<u>3,747,691</u>
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$ 37,190,038</u>	<u>\$ 40,264,935</u>	<u>\$ 37,344,413</u>	<u>\$ 35,070,314</u>
Legal Debt Margin as a Percentage of the Debt Limit	91.09%	93.42%	94.18%	90.35%

Source: City of Mansfield, Ohio; Finance Department

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691	\$ 562,726,875	\$ 551,561,140
<u>70,876,178</u>	<u>70,351,586</u>	<u>71,822,130</u>	<u>60,990,373</u>	<u>59,086,322</u>	<u>57,913,920</u>
5,138,758	5,957,148	7,024,200	8,131,687	9,725,916	10,388,891
(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)	(5,287,073)	(5,300,000)
<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>	<u>(138,843)</u>	<u>(178,891)</u>
1,485,000	2,010,000	2,725,000	3,445,000	4,300,000	4,910,000
<u>(3,686,787)</u>	<u>(3,507,606)</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>	<u>(2,496,904)</u>	<u>(2,368,871)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,506,897</u>	<u>1,803,096</u>	<u>2,541,129</u>
<u>\$ 70,876,178</u>	<u>\$ 70,351,586</u>	<u>\$ 71,822,130</u>	<u>\$ 59,483,476</u>	<u>\$ 57,283,226</u>	<u>\$ 55,372,791</u>
100.00%	100.00%	100.00%	97.53%	96.95%	95.61%
\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691	\$ 562,726,875	\$ 551,561,140
<u>37,125,617</u>	<u>36,850,831</u>	<u>37,621,116</u>	<u>31,947,338</u>	<u>30,949,978</u>	<u>30,335,863</u>
10,718,758	3,947,148	4,474,200	5,026,687	6,060,916	6,388,891
(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)	(5,287,073)	(5,300,000)
<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>	<u>(138,843)</u>	<u>(178,891)</u>
7,065,000	-	175,000	340,000	635,000	910,000
<u>(3,686,787)</u>	<u>-</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>	<u>(2,496,904)</u>	<u>(2,368,871)</u>
<u>3,378,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 33,747,404</u>	<u>\$ 36,850,831</u>	<u>\$ 37,621,116</u>	<u>\$ 31,947,338</u>	<u>\$ 30,949,978</u>	<u>\$ 30,335,863</u>
90.90%	100.00%	100.00%	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	
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
1998	98,550	40,048	21,079	61,127	1.61
1997	88,486	39,378	23,892	63,270	1.40

(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>
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%
1998	50,627 b	596,082,298	11,774 b	22,591 b	6.0%
1997	50,627 b	596,082,298	11,774 b	22,591 b	6.0%

(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, 2006 AND DECEMBER 31, 1997

2006			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,400	4.09%
Richland County Government	2	1,474	2.51%
Newman Technology	3	1,100	1.87%
Jay Industries, Inc.	4	943	1.61%
Gorman Rupp Company	5	809	1.38%
Embarq	6	800	1.36%
Therm-O-Disc, Inc.	7	721	1.23%
Mansfield Board of Education	8	700	1.19%
Mansfield Correctional (MANCI)	9	621	1.06%
City of Mansfield Government	10	575	0.98%
	Total	<u>10,143</u>	<u>17.27%</u>

1997			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	1,750	3.02%
Therm-O-Disc, Inc.	2	1,450	2.50%
Richland County Government	3	1,300	2.24%
AK Steel	4	900	1.55%
Mansfield Board of Education	5	750	1.29%
State of Ohio Government	6	700	1.21%
United Telephone	7	650	1.12%
City of Mansfield Government	8	613	1.06%
Gorman Rupp Company	9	550	0.95%
Newman Technology	10	510	0.88%
	Total	<u>9,173</u>	<u>15.82%</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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General Government:										
Council	11	11	11	11	11	11	11	11	11	11
Administration	4	6	6	6	6	10	10	10	10	11
Finance	26	23	22	20	20	25	27	23	23	21
Law	13	15	14	13	13	13	12	12	12	10
Courts	53	49	54	54	53	58	50	46	47	47
General Government	8	7	7	8	9	9	8	9	8	7
Economic/Community Development	6	8	7	7	7	8	7	8	6	7
Engineering	11	8	8	8	8	10	10	9	10	10
Maintenance	5	4	4	4	4	4	4	4	4	4
Codes/Permits	11	9	9	9	11	13	13	13	13	12
Litter Control	1	2	2	2	2	2	2	2	2	2
Regional Community Advancement	23	24	27	26	35	36	34	21	20	17
Parks/Recreation	9	10	9	12	16	18	19	19	19	18
Street/Highway	35	32	33	33	37	50	44	46	45	37
Police	148	142	139	145	154	162	160	165	162	161
Fire	100	102	95	98	102	108	107	108	109	105
Water	62	54	54	53	55	52	51	49	49	50
Sewer	41	50	56	56	56	61	58	60	53	60
Airport	5	6	6	5	7	8	9	9	9	8
Repair Garage	9	9	9	9	11	12	12	11	12	12
Information Technology	4	3	4	4	4	4	4	4	4	3
Total	585	574	576	583	621	674	652	639	628	613

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</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>	<u>1998</u>	<u>1997</u>
General Government:										
Building permits issued	231	288	331	332	313	366	367	273	-	-
Code enforcements	4,195	2,922	3,301	3,921	4,533	2,678	-	-	-	-
Police										
Calls for service	45,056	42,011	47,755	47,103	51,729	55,185	53,174	51,757	50,024	52,296
Traffic violations	2,025	1,825	2,597	2,292	5,660	8,370	6,650	6,744	7,110	8,832
Parking violations	8,750	8,470	9,431	9,275	12,112	14,740	9,664	9,851	8,118	7,490
Physical arrests	4,680	5,102	4,975	4,650	4,610	4,666	4,641	5,355	5,126	4,687
Fire										
Emergency responses	6,079	6,290	5,787	5,662	5,459	-	-	-	-	-
Fire responses	1,304	1,543	1,732	1,784	1,682	-	-	-	-	-
Street/Highway										
Street resurfacing mileage (1)	18	24	26	26	28	26	29	31	26	24
Number of streets resurfaced (1)	95	127	145	143	147	131	130	189	150	173
Tons of salt used	6,498	10,528	7,590	9,647	7,901	4,641	10,079	7,905	3,312	6,974
Leaf removal (cubic yards)	11,438	11,500	11,984	15,536	17,059	15,708	15,033	13,289	13,503	13,247
Water										
Number of customers	20,335	20,329	20,152	20,152	19,546	19,929	19,816	19,654	19,586	19,478
Average daily consumption (thousands of gallons)	9,000	10,000	10,000	10,000	9,430	10,180	10,000	9,610	9,040	9,370
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,360	9,130	9,580	10,520	9,400	9,250	9,320	10,340	9,030	10,080

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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</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	38	39	40	38	38	39	40	42	42
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of fire trucks	5	5	5	5	5	5	5	5	5	5
Number of rescue squads	5	6	5	5	5	5	5	5	5	5
Streets/Highways										
Mileage	295	295	295	295	295	295	295	295	295	295
Street signs	13,262	13,203	13,147	13,125	13,045	12,976	12,848	12,740	12,452	11,543
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	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

(-) Not available

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Mary Taylor, CPA
Auditor of State

CITY OF MANSFIELD

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2007**