

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

Audit Report

For the Year Ended December 31, 2007

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, 2007 through December 31, 2007. 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 27, 2008

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CITY OF MANSFIELD
Richland County, Ohio
Audit Report
For the Year Ended December 31, 2007

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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, 2007, and have issued our report thereon dated July 22, 2008. 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.
July 22, 2008

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER/ GRANT NUMBER	RECEIPTS	DISBURSEMENTS
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> (Direct Programs)				
Community Development Block Grants/Entitlement Grants	14.218	CB-02-MC-39-0017	\$ 26,786	\$ 26,786
		CB-03-MC-39-0017	16,223	16,223
		CB-04-MC-39-0017	117,847	120,908
		CB-05-MC-39-0017	113,748	129,078
		CB-06-MC-39-0017	358,552	363,013
		CB-07-MC-39-0017	296,249	291,136
			<u>929,405</u>	<u>947,144</u>
HOME Investment Partnerships Program	14.239	M-02-MC-39-0221	38,013	11,227
		M-03-MC-39-0221	16,223	-
		M-04-MC-39-0221	194,780	75,972
		M-05-MC-39-0221	247,584	117,677
		M-06-MC-39-0221	443,065	86,036
		M-07-MC-39-0221	321,798	21,030
			<u>1,261,463</u>	<u>311,942</u>
Total U.S. Department of Housing and Urban Development			2,190,868	1,259,086
<u>U.S. DEPARTMENT OF JUSTICE</u> (Direct Programs)				
Local Law Enforcement Block Grants Program	16.592	2005-DJ-BX-1238	260	2,301
		2007-LB-BX-2219	23,356	-
			<u>23,616</u>	<u>2,301</u>
Bulletproof Vest Partnership Program	16.607	Not available	5,494	-
		Not available	15,148	33,866
			<u>20,642</u>	<u>33,866</u>
Mental Health Collaboration Program	16.745	2006MOBX0024	71,973	80,243
(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	-	508
		2004-DN-BX-K031	125,964	94,604
		2007-DN-BX-K031	-	4,230
DNA Capacity Enhancement Program		2004-DN-BX-K209	85,532	83,599
		2005-DA-BX-K023	21,027	36,537
			<u>232,523</u>	<u>219,478</u>
(Passed through the Ohio Attorney General's Office)				
Crime Victim Assistance	16.575	2007VAGENE019	42,072	56,982
		2008VAGENE019	15,305	6,814
			<u>57,377</u>	<u>63,796</u>

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER/ GRANT NUMBER	RECEIPTS	DISBURSEMENTS
(Passed through the Office of Criminal Justice Services)				
Byrne Formula Grant Program	16.579	06-JG-A01-6404	\$ 100,000	\$ 98,765
		05-JG-A01-6404	33,410	78,256
		05-JG-C01-6422	7,780	-
		05-JG-C01-6535	20,614	25,161
		03-BJ-E01-6427	-	4,350
		05-JG-BOV-6371	3,824	3,824
			<u>165,628</u>	<u>210,356</u>
Paul Coverdale Forensic Science Improvement Grants	16.742	2007-PC-NFS-7809	-	<u>1,722</u>
Total U.S. Department of Justice			571,759	611,762
<u>U.S. DEPARTMENT OF TRANSPORTATION</u> (Direct Program)				
Airport Improvement Program	20.106	3-39-0049-2106	1,202,223	1,268,498
		3-39-0049-2207	-	<u>427,724</u>
Total U.S. Department of Transportation			1,202,223	1,696,222
<u>U.S. DEPARTMENT OF EDUCATION</u> (Passed through the Ohio Department of Education)				
Twenty-First Century Community Learning Centers	84.287	Not available	<u>144,025</u>	<u>144,025</u>
Total U.S. Department of Education			144,025	144,025
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> (Direct Program)				
Assistance to Firefighters	97.044	EMW-2006-FG07775	51,925	88,385
		EMW-2005-FG07775	472,000	472,000
			<u>523,925</u>	<u>560,385</u>
(Passed through the Ohio Dept of Public Safety) (Passed through the Emergency Management Agency)				
Public Assistance Program	97.036	FEMA-1720-DR- 139-74138	-	<u>377,611</u>
Total U.S. Department of Homeland Security			<u>523,925</u>	<u>937,996</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 4,632,800</u>	<u>\$ 4,649,091</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, 2007

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.

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.

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 - 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, Richland County (the City) as of and for the year ended December 31, 2007 which collectively comprises the City's basic financial statements and have issued our report thereon dated July 22, 2008. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 generally accepted accounting principles 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 and questioned costs, item 2007-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. We do not 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2007-Mansfield-02.

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

We noted certain matters that we have reported to management of the City in a separate letter dated July 22, 2008.

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.
July 22, 2008

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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, Richland County (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, 2007. 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of the internal control over compliance was for 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.
July 22, 2008

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

**CITY OF MANSFIELD
RICHLAND COUNTY
For the Year Ended December 31, 2007**

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 weaknesses reported at the financial statement level (GAGAS)?</i>	No
(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>	Yes
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weaknesses 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 #14.239-Community Development Block Grants/HOME Grants CFDA #16.564-DNA Crime Improvement CFDA #97.036-Public Assistance Program CFDA #97.044-Assistance to Firefighters
(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, 2007

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

Finding 2007-Mansfield-01 - Significant Deficiency

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. These forms should be approved by the appropriate department head.

Managements' Response:

The City has been proactive in initiating the restatement of capital assets and has improved control of capital assets by:

- a.) Having better communication with department heads
- b.) Performing more departmental inventories
- c.) Using online auctions to dispose of assets

The City is confident in the asset monitoring system and do not anticipate any problems in the future.

Finding 2007-Mansfield-02 - Noncompliance

Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency of estimated receipts over actual receipts will reduce available resources below the current level of appropriation. We noted reduced certificates of available resources were not obtained for the following funds and amounts.

Street Construction Maint & Repair	\$43,306	State Highway	\$18,197
Regional Comm Advancement	218,889	Comm. Development	1,923,556
Drug Law Enforcement	15,861	Safety Services	716,105
Permissive Sales Tax	131,447	Industrial Development	669,911
Indigent Drivers Alcohol Treatment	6,525	Grant Fund	1,084,251
Probation Services	46,706	Chamber District	400,000
Issue II Improvement	839,936	Bowman St Bridge	1,224,000
Miller Park Project Fund	3,765,496	Garage Operating	169,457
Information Technology	351	Utility Collections	164,759
Health Insurance	159,432	OML Self Insurance	1,715
Benefit Fund	123,502		

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

OMB CIRCULAR A-133 SECTION .505

CITY OF MANSFIELD

RICHLAND COUNTY

For the Year Ended December 31, 2007

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

Finding 2007-Mansfield-02 - Noncompliance - continued

Managements' Response:

The revenue earned in the following funds is based on the reimbursement of expenditures. Therefore the City estimated revenue on the amount of approved expenditures through a grant or contract.

- | | |
|------------------------------------|----------------------------|
| a.) Regional Community Advancement | e.) Industrial Development |
| b.) Issue II Improvement | f.) Grant Fund |
| c.) Miller Park Project Fund | g.) Chamber District |
| d.) Community Development | h.) Bowman Street Bridge |

The following internal service funds receive only enough revenue from other funds to cover expenditures.

- | | |
|----------------------------|-------------------------|
| a.) Health Insurance | d.) Garage Operating |
| b.) Benefit Fund | e.) Utility Collections |
| c.) Information Technology | f.) OML Self Insurance |

The City did not obtain reduced certificates of available resources for the reasons mentioned above. The City closely monitors the budget and available cash in each fund to prevent overspending. In the future the City intends to comply with Ohio Revised Code Section 5705.36 and will obtain a reduced certificate of available resources when necessary.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Deferent Corrective Action Taken; or finding no longer Valid; Explain:
2006-Mansfield-01	Capital assets under reported.	No	Not Corrected Reissued 2007-Mansfield-01

City of Mansfield, Ohio



**Comprehensive Annual Financial Report
For The Year Ended December 31, 2007**

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Prepared By
Department of Finance

Kelly G. Blankenship
Director of Finance

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CITY OF MANSFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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City of Mansfield, Ohio

KELLY BLANKENSHIP, FINANCE DIRECTOR

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Mansfield, Ohio 44902

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July 22, 2008

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

As the Finance Director for the City of Mansfield (the "City"), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2007. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

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

OVERVIEW AND INTRODUCTION TO THE CITY

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

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

The downtown Richland Carousel Park provides entertainment for children and adults. Other local entertainment options include theatrical productions at the Mansfield Playhouse, shows at the Mansfield Art Center, and classes at the Richland Academy of Arts and Sciences. The Mansfield Motorsports Speedway, north of town, is a fast-growing racetrack that will host its fifth NASCAR event, the Craftsman Truck Series, in 2008. Mansfield has 33 parks covering 435 acres. Those looking for exercise can try bicycling or in-line skating on the 18 mile B&O Bike Trail, which begins at North Lake Park in the City, running south through Lexington.

Mansfield is also home to North Central State College and a branch campus of The Ohio State University. The two schools share the campus in Mansfield.

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2007 to development possibilities. The City was able to assist 10 companies in 2007. 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 \$397,000 were granted which have leveraged approximately \$1,250,000 in additional investments in new and existing projects creating 17 new jobs and assisted in retaining 170 jobs.

Three companies moved into the Airport Industrial Parks during 2007. Flyboy's Café, Applied Technologies and Refrigeration Sales Corporation created 23 new full-time jobs. In addition, two expansion projects were completed by existing companies, which will create 25 new full-time jobs over the next two years. The expansion projects were Enman Manufacturing and D.A. International.

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 in 2008.

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. We have applied for an "NFA" and requested a "Covenant not to Sue" from the Ohio EPA. We should receive approval in 2008.

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 in the summer of 2008.

The Economic Development Department amended the second loan from the Mansfield Cleanup Revolving Loan Fund (MCRLF) to the Mansfield Reformatory Historical Preservation Society, Inc. increasing the amount to \$316,523. 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.

Environmental assessments were started for the NextStep project upon final approval of a Clean Ohio Assistance Fund grant in the amount of \$262,000. The project involves Phase I and Phase II environmental assessments of the former Globe Steel property and the former Tappan complex. This phase of the project will be complete during the summer of 2008.

Other 2007 new project highlights are as follows:

- 1) Enman Manufacturing completed construction of a 20,000 square foot addition for the purpose of expanding their manufacturing capacity. The project created 10 new full-time jobs. Their investment was \$650,000.
- 2) D.A. International constructed a new 20,000 square foot addition to their facility at the Mansfield Industrial Parkway site. The project created two new full-time jobs. The total investment was \$650,000.
- 3) EMBARQ completed internal renovations at their Lexington Avenue facility to make room for a new call center operation. The project created 80 new jobs. The total project investment was \$400,000.

- 4) Infocision completed renovations at their Park Avenue West facility to make room for expansion of their call center operations. The project created 120 new jobs. Their investment was \$1,500,000.
- 5) Flyboy's Cafe completed renovations of the formal terminal building at the Mansfield Lahm Airport. They opened for business in August of 2007. The project created 15 new jobs. The project investment was \$50,000.
- 6) Sawyer Chiropractic completed construction of their new office building on Sterkle Boulevard. The project created three full-time jobs. Their investment was \$500,000.
- 7) Whitey's Auto Mall completed construction of a new facility to handle their Honda operations on Park Avenue West. The project created 10 new jobs. The project investment was \$800,000.
- 8) Matern Metal Works purchased the former Robertson Heating & Cooling building on Adams Street. Their move to the new facility created eight new jobs. Their investment was \$130,000.
- 9) Crane Plumbing Products completed renovations to make room for a second marble production line at their Cairns Road facility. The project created seven new jobs and retained 233 full-time jobs. The total investment was \$6,900,000.
- 10) Hampton Inn completed construction of a new 72 room hotel on South Main Street near the Interstate 71/State Route 13 intersection. The project created 50 new jobs. The project investment was \$3,400,000.
- 11) Mansfield Motorsports Park broke ground on an expansion project that will include a new drag strip. The project is scheduled for completion in 2008. The projected investment is \$5,500,000.
- 12) Newman Technologies, Inc. broke ground on a 20,000 square foot research and development center at their Cairns Road site. The project will create five full-time jobs. The total investment is \$7,000,000.

MAJOR INITIATIVES

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

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

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

Construction on the Illinois Avenue overpass will be complete in 2008, improving transportation for local businesses and safety forces on the east-side of town.

Startek, Inc., a leading provider of high value business process outsourcing services to the communications industry, has signed a lease for a new customer care center in Mansfield. The center is planned to be operational to serve an existing

Fortune 100 telecom client in the third quarter of 2008. The Mansfield facility expects to employ over 500 people when fully staffed.

The south side of Mansfield continues to grow. The Interstate 71/State Route 13 intersection is now full of restaurants, hotels, and retail stores with plans for more in the works. A complex containing offices, restaurants and retail stores is under construction on Sterkel Boulevard next to the Mansfield Area Y. Construction of a new cancer treatment center is also underway on South Trimble Road, a location already occupied by numerous medical offices and treatment centers.

As a result of south side development, the City is building a new fire station on South Main Street. The 11,608 square foot station will have four bays and the ability to maintain a crew of eight. Initially it will contain a hazardous materials vehicle, pumper and ladder truck. Construction should be complete in 2008.

Richland County will complete construction of a \$21.5 million jail in the summer of 2008. The 260-bed jail will house County and Mansfield City prisoners. The new jail will include dormitory, minimum and maximum housing arrangements, two medical isolation cells, two protective custody cells and two cells for juveniles. The new facility should have a major impact on the community.

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 2007. 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 \$7,374,257 as of December 31, 2007. 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 2007 totaled \$1,262,415. The notes to the basic financial statements provide additional information regarding investments.

RISK MANAGEMENT

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

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

INDEPENDENT AUDIT

An audit team from Charles Harris & Associates, Inc. has performed the City's 2007 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 2007 by Charles Harris & Associates, Inc. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 and was amended in 1996 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. 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-two years (years ended 1985-2006). 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 2007. I would also like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

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

A handwritten signature in blue ink that reads "Kelly Blankenship". The signature is fluid and cursive, with the first name "Kelly" being more prominent than the last name "Blankenship".

Kelly Blankenship
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

CITY OF MANSFIELD, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2007**

ELECTED OFFICIALS

EXECUTIVE:

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

LEGISLATIVE:

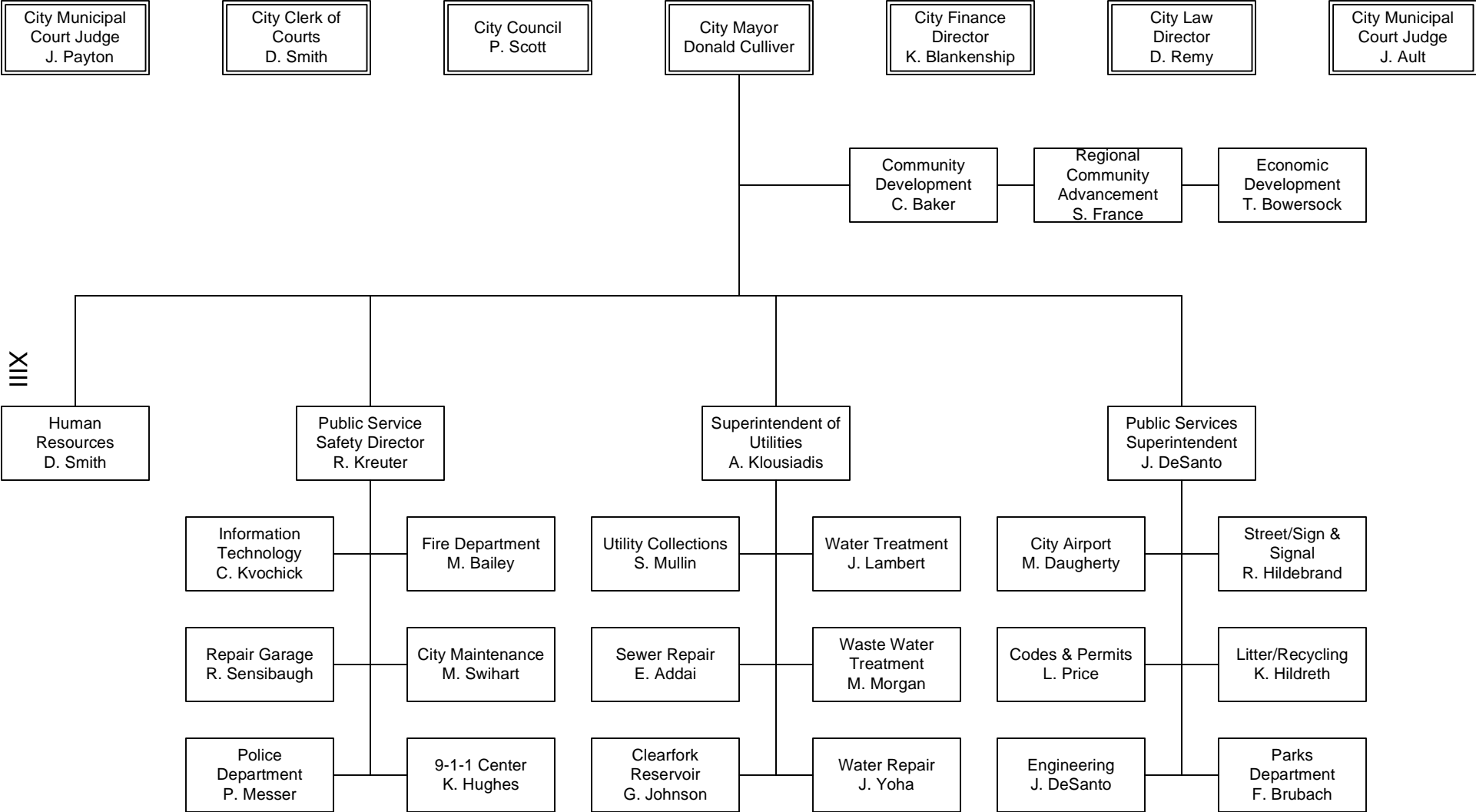
President of Council Phillip E. Scott
Council Members
 Ward 1 Michael N. Hill
 Ward 2 Jeffrey W. Rock
 Ward 3 Scott E. Hazen
 Ward 4 Walden A. Jefferson
 Ward 5 Ethel M. (Pat) Hightower
 Ward 6 Sandra G. Carmichael
 At Large Ellen K. Haring
 At Large Douglas P. Versaw

APPOINTED OFFICIALS

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

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

CITY OF MANSFIELD



III

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

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

INDEPENDENT ACCOUNTANTS' REPORT

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

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, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Community Development Fund and Safety Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 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 July 22, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
July 22, 2008

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 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, 2007. 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 2007 are as follows:

- The total net assets of the City decreased \$6,588,679. Net assets of governmental activities decreased \$3,024,783 or 4.82% under 2006 and net assets of business-type activities decreased \$3,563,896 or 6.67% from 2006.
- General revenues accounted for \$31,694,409 of total governmental activities revenue. Program specific revenues accounted for \$14,717,162 or 31.71% of total governmental activities revenue.
- The City had \$49,436,354 in expenses related to governmental activities; \$14,717,162 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$34,719,192 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$31,694,409.
- The City's major governmental funds are the general fund, community development fund, safety services fund and section 108 improvements fund. The general fund had revenues and other financing sources of \$10,706,942 in 2007. This represents a decrease of \$448,741 from 2006. The expenditures and other financing uses of the general fund, which totaled \$11,450,079 in 2007, increased \$2,359,904 from 2006. The net decrease in fund balance for the general fund was \$743,137 or 31.30%.
- The community development fund had revenues of \$1,233,422 in 2007. The expenditures and other financing uses of the community development fund totaled \$1,346,167 in 2007. The net decrease in fund balance for the community development fund was \$112,725 or 4.67%.
- The safety services fund had revenues and other financing sources of \$22,243,961 in 2007. The expenditures and other financing uses for the safety services fund totaled \$22,142,376 in 2007. The net increase in fund balance for the safety services fund was \$101,585 or 14.13%.
- The section 108 improvements fund had revenues and other financing sources of \$7,392 in 2007. The expenditures and other financing uses for the section 108 improvements fund totaled \$330,824 in 2007. The net decrease in fund balance for the section 108 improvements fund was \$323,423 or 28.04%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Airport Operating, and Parking Garage enterprise funds, decreased in 2007 by \$3,563,896.
- In the general fund, the actual revenues came in \$542,366 higher than they were in the final budget and actual expenditures were \$1,099,972 less than the amount in the final budget. These positive variances are the result of the City's conservative budgeting. Budgeted revenues increased \$238,512 from the original to the final budget due primarily to an increase in investment income. Budgeted expenditures increased \$287,045 from the original to the final budget due to an increase in various types of expenditures.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" 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, 2007
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 22-31 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 33-35 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 36 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, 2007
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2007 compared to 2006:

Net Assets

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	Business-Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
<u>Assets</u>						
Current and other assets	\$ 29,117,544	\$ 33,197,670	\$ 15,720,919	\$ 18,874,893	\$ 44,838,463	\$ 52,072,563
Capital assets	<u>50,705,562</u>	<u>49,048,570</u>	<u>41,335,659</u>	<u>41,732,190</u>	<u>92,041,221</u>	<u>90,780,760</u>
Total assets	<u>79,823,106</u>	<u>82,246,240</u>	<u>57,056,578</u>	<u>60,607,083</u>	<u>136,879,684</u>	<u>142,853,323</u>
<u>Liabilities</u>						
Long-term liabilities	10,839,386	10,725,285	3,655,779	6,044,847	14,495,165	16,770,132
Other liabilities	<u>9,204,301</u>	<u>8,858,344</u>	<u>3,493,098</u>	<u>1,163,473</u>	<u>12,697,399</u>	<u>10,021,817</u>
Total liabilities	<u>20,043,687</u>	<u>19,583,629</u>	<u>7,148,877</u>	<u>7,208,320</u>	<u>27,192,564</u>	<u>26,791,949</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	46,575,580	45,098,513	37,016,539	37,078,689	83,592,119	82,177,202
Restricted	12,085,390	15,824,043	3,979,276	3,979,276	16,064,666	19,803,319
Unrestricted	<u>1,118,449</u>	<u>1,740,055</u>	<u>8,911,886</u>	<u>12,340,798</u>	<u>10,030,335</u>	<u>14,080,853</u>
Total net assets	<u>\$ 59,779,419</u>	<u>\$ 62,662,611</u>	<u>\$ 49,907,701</u>	<u>\$ 53,398,763</u>	<u>\$ 109,687,120</u>	<u>\$ 116,061,374</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the City's assets exceeded liabilities by \$109,687,120. Net assets were \$59,779,419 and \$49,907,701 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 67.31% 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 \$46,575,580 and \$37,016,539 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, 2007, 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, \$16,064,666, represents resources that are subject to external restriction on how they may be used.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The next table shows the changes in net assets for fiscal year 2007 and 2006.

Changes in Net Assets

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	Business-Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 5,589,408	\$ 5,556,120	\$ 16,334,264	\$ 16,601,585	\$ 21,923,672	\$ 22,157,705
Operating grants and contributions	7,737,309	7,041,641	-	-	7,737,309	7,041,641
Capital grants and contributions	1,390,445	1,060,076	728,928	1,096,738	2,119,373	2,156,814
Total program revenues	<u>14,717,162</u>	<u>13,657,837</u>	<u>17,063,192</u>	<u>17,698,323</u>	<u>31,780,354</u>	<u>31,356,160</u>
General revenues:						
Property taxes	2,430,695	2,773,167	-	-	2,430,695	2,773,167
Income taxes	23,924,191	23,533,505	413,685	421,564	24,337,876	23,955,069
Unrestricted grants and entitlements	4,072,562	6,409,483	194,738	86,433	4,267,300	6,495,916
Investment earnings	1,259,757	1,548,036	2,658	7,305	1,262,415	1,555,341
Miscellaneous	7,204	51,665	59,950	99,161	67,154	150,826
Total general revenues	<u>31,694,409</u>	<u>34,315,856</u>	<u>671,031</u>	<u>614,463</u>	<u>32,365,440</u>	<u>34,930,319</u>
Total revenues	<u>46,411,571</u>	<u>47,973,693</u>	<u>17,734,223</u>	<u>18,312,786</u>	<u>64,145,794</u>	<u>66,286,479</u>
Program expenses:						
General government	11,985,745	9,960,681	-	-	11,985,745	9,960,681
Public safety	24,205,050	22,958,245	-	-	24,205,050	22,958,245
Public health and welfare	158,475	141,884	-	-	158,475	141,884
Transportation	10,089,697	10,396,560	-	-	10,089,697	10,396,560
Community environment	1,782,621	1,972,480	-	-	1,782,621	1,972,480
Leisure time activity	917,913	1,103,561	-	-	917,913	1,103,561
Interest and fiscal charges	296,853	253,102	-	-	296,853	253,102
Water	-	-	9,025,320	8,144,636	9,025,320	8,144,636
Sewer	-	-	11,075,835	7,695,342	11,075,835	7,695,342
Airport operating	-	-	1,196,799	774,342	1,196,799	774,342
Parking garage	-	-	165	12,481	165	12,481
Total program expenses	<u>49,436,354</u>	<u>46,786,513</u>	<u>21,298,119</u>	<u>16,626,801</u>	<u>70,734,473</u>	<u>63,413,314</u>
Change in net assets	(3,024,783)	1,187,180	(3,563,896)	1,685,985	(6,588,679)	2,873,165
Net assets, January 1, restated	<u>62,804,202</u>	<u>61,475,431</u>	<u>53,471,597</u>	<u>51,712,778</u>	<u>116,275,799</u>	<u>113,188,209</u>
Net assets, December 31	<u>\$ 59,779,419</u>	<u>\$ 62,662,611</u>	<u>\$ 49,907,701</u>	<u>\$ 53,398,763</u>	<u>\$ 109,687,120</u>	<u>\$ 116,061,374</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Governmental activities net assets decreased \$3,024,783 in 2007. This decrease is the result of an increase in expenses and a decrease in grants and entitlements not restricted to specific programs versus amounts reported in the prior year.

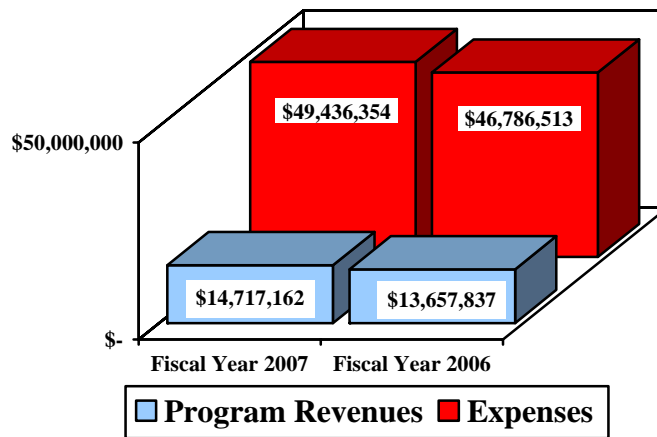
Public safety, which primarily supports the operations of the police and fire departments accounted for \$24,205,050 of the total expenses of the City. These expenses were partially funded by \$1,614,005 in direct charges to users of the services. Transportation expenses totaled \$10,089,697. Transportation expenses were partially funded by \$166,360 in direct charges to users of the services, \$2,978,104 in operating grants and contributions and \$901,408 in capital grants and contributions.

The state and federal government contributed to the City a total of \$7,737,309 in operating grants and contributions and \$1,390,445 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$901,408 subsidized transportation programs.

General revenues totaled \$31,694,409 and amounted to 68.29% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$26,354,886. 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 \$4,072,562.

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

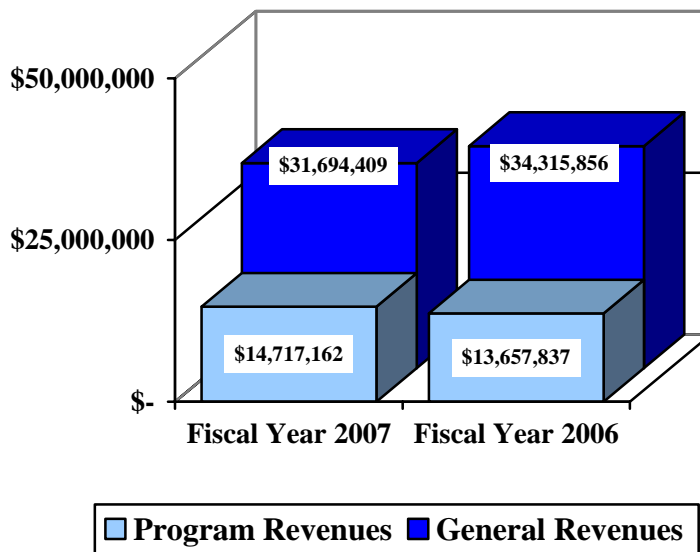
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
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Governmental Activities

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Program Expenses:				
General government	\$ 11,985,745	\$ 5,811,186	\$ 9,960,681	\$ 4,273,125
Public safety	24,205,050	21,113,825	22,958,245	20,608,229
Public health and welfare	158,475	94,596	141,884	69,760
Transportation	10,089,697	6,043,825	10,396,560	6,420,614
Community environment	1,782,621	480,230	1,972,480	582,389
Leisure activity	917,913	878,677	1,103,561	921,457
Interest and fiscal charges	<u>296,853</u>	<u>296,853</u>	<u>253,102</u>	<u>253,102</u>
Total	<u>\$ 49,436,354</u>	<u>\$ 34,719,192</u>	<u>\$ 46,786,513</u>	<u>\$ 33,128,676</u>

The dependence upon general revenues for governmental activities is apparent, with 63.83% of expenses supported through taxes and other general revenues.

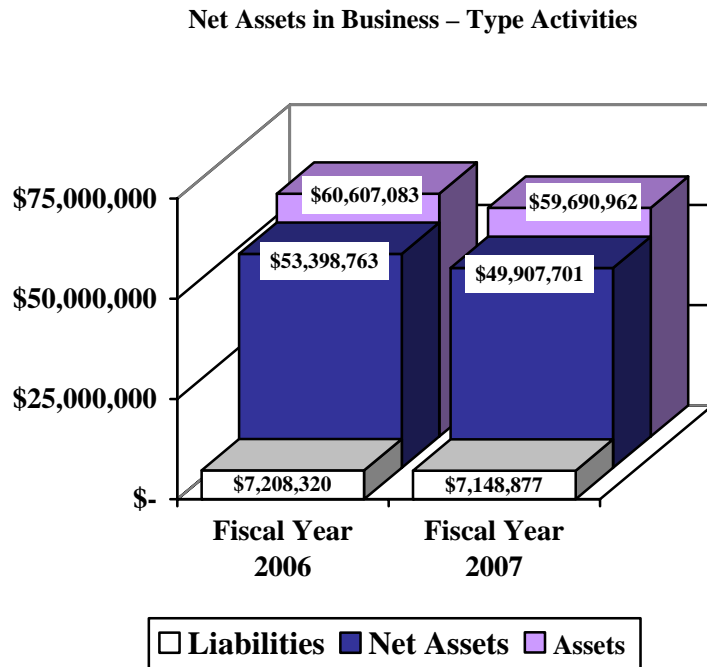
Governmental Activities – General and Program Revenues



CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activities

Business-type activities include the water, sewer, airport and parking garage enterprise funds. These programs had program revenues of \$17,063,192 general revenues of \$671,031 and expenses of \$21,298,119 for 2007. The graph below shows the business-type activities assets, liabilities and net assets at year-end.



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 \$10,291,890 which is \$2,784,804 below last year's total of \$13,076,694.

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, 2007 and December 31, 2006 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/07</u>	<u>Fund Balances</u> <u>12/31/06</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 1,626,383	\$ 2,373,998	\$ (747,615)
Community development	2,300,722	2,413,502	(112,780)
Safety services	837,297	719,133	118,164
Section 108 improvements	830,094	1,153,526	(323,432)
Other nonmajor governmental funds	<u>4,697,394</u>	<u>6,416,535</u>	<u>(1,719,141)</u>
Total	<u>\$ 10,291,890</u>	<u>\$ 13,076,694</u>	<u>\$ (2,784,804)</u>

General Fund

The City's general fund balance decreased \$743,137, primarily due to an increase in expenses for general government. The table that follows assists in illustrating the revenues of the general fund.

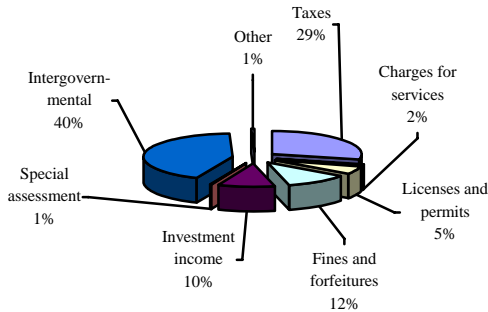
	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 3,053,499	\$ 2,750,208	11.03 %
Charges for services	72,329	76,893	(5.94) %
Licenses, permits and fees	566,253	479,959	17.98 %
Fines and forfeitures	1,223,665	1,225,070	(0.11) %
Investment income	1,076,202	1,279,274	(15.87) %
Special assessments	26,093	24,533	6.36 %
Intergovernmental	4,559,251	4,404,015	3.52 %
Other	<u>60,231</u>	<u>885,848</u>	<u>(93.20) %</u>
Total	<u>\$ 10,637,523</u>	<u>\$ 11,125,800</u>	<u>(4.39) %</u>

Tax revenue, which is a combination of property and income tax, represents 29.03% of all general fund revenue. Tax revenue increased by 11.03% over the prior year because of an increasing tax base. Higher revenue in licenses, permits and fees are primarily from the City's Codes and Permits Department, with stricter code enforcement and additional fees. The decline in investment income is due to a decrease in interest rates by the Federal Reserve Bank throughout the year. The City received excess bond revenue in 2006 which resulted in a large decrease to other revenues. All other revenue remained comparable to 2006.

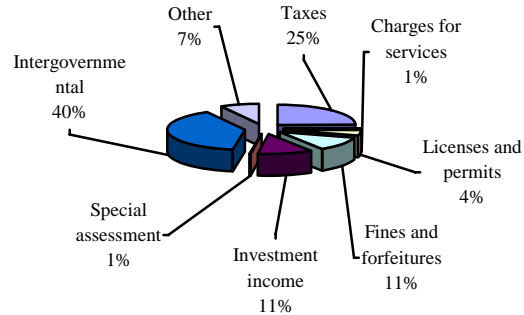
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Revenues – Fiscal Year 2007



Revenues – Fiscal Year 2006



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

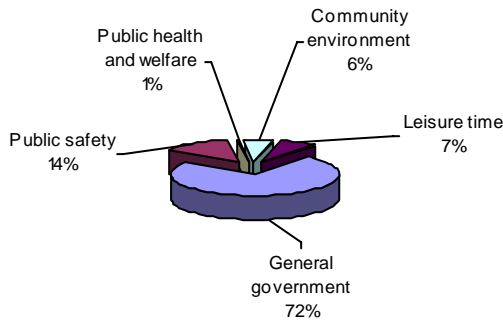
	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,447,875	\$ 6,467,420	15.16 %
Public safety	1,406,792	1,104,747	27.34 %
Public health and welfare	47,212	40,774	15.79 %
Community environment	571,085	546,953	4.41 %
Leisure time activity	734,976	585,593	25.51 %
Total	<u>\$ 10,207,940</u>	<u>\$ 8,745,487</u>	<u>16.72 %</u>

General government expenditures increased primarily because of higher salaries and costs of services in almost every department. Public safety expenses increased due to the high costs associated with housing prisoners. Public health and welfare expenditures increased because of payments made to the Humane Society of Richland County. Improvements made to the City's parks resulted in an increase to leisure time expenditures. All other expenditures remained comparable to 2006.

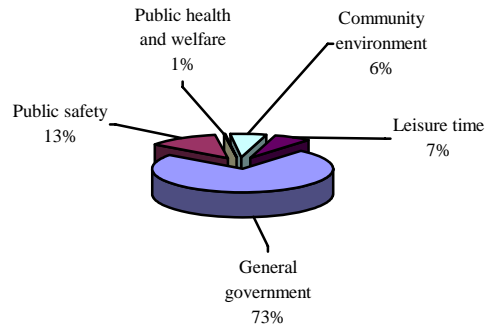
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

Expenditures - Fiscal Year 2007



Expenditures - Fiscal Year 2006



Community Development Fund

The community development fund had revenues of \$1,233,442 in 2007. The expenditures of the community development fund totaled \$1,096,167 in 2007. The net decrease in fund balance for the community development fund was \$112,725.

Safety Services Fund

The safety services fund had revenues of \$21,084,375 in 2007. The expenditures for the safety services fund totaled \$21,836,427 in 2007. The net increase in fund balance for the safety services fund was \$101,585.

Section 108 Improvements Fund

The section 108 improvements fund had revenues of \$7,392 in 2007. The expenditures for the section 108 improvements fund totaled \$330,824 in 2007. The net decrease in fund balance for the section 108 improvements fund was \$323,432.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The water enterprise fund had revenues of \$7,978,921, which was less than expenses of \$8,795,770 by \$816,849. The sewer enterprise fund had revenues of \$8,175,661, which was less than expenses of \$10,482,854 by \$2,307,193.

Budgeting Highlights

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

Budgetary information is presented for the general fund, community development fund, safety services, and section 108 improvements fund. For the General Fund, actual revenues of \$12,776,051 exceeded final budgeted revenues by \$542,366. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$557,606 lower than the final budgeted amounts.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2007, the City had \$92,041,221 (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, \$50,705,562 was reported in governmental activities and \$41,335,659 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal 2007 balances compared to 2006:

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

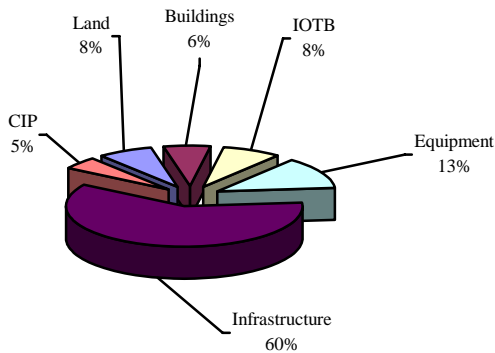
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 3,852,243	\$ 3,640,639	\$ 2,265,557	\$ 2,164,307	\$ 6,117,800	\$ 5,804,946
Buildings	3,248,795	2,864,473	3,101,748	2,794,509	6,350,543	5,658,982
IOTB	3,978,568	4,162,360	10,977,548	11,742,733	14,956,116	15,905,093
Machinery & Equipment	6,582,934	4,242,845	1,459,413	1,474,058	8,042,347	5,716,903
Infrastructure	30,440,000	32,622,014	22,989,289	23,435,479	53,429,289	56,057,493
CIP	2,603,022	1,657,830	542,104	193,938	3,145,126	1,851,768
Totals	<u>\$ 50,705,562</u>	<u>\$ 49,190,161</u>	<u>\$ 41,335,659</u>	<u>\$ 41,805,024</u>	<u>\$ 92,041,221</u>	<u>\$ 90,995,185</u>

The following graphs show the breakdown of governmental capital assets by category for 2007 and 2006.

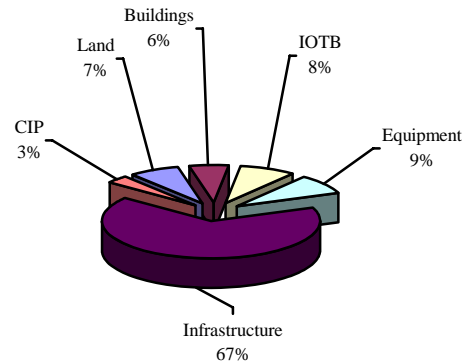
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Capital Assets - Governmental Activities 2007



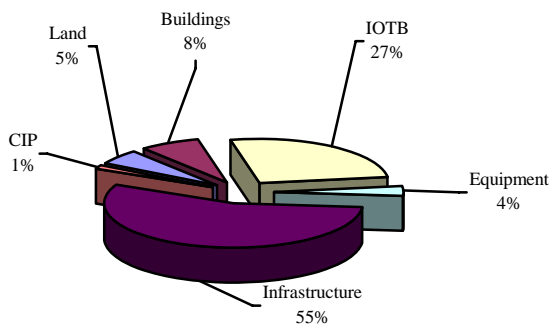
Capital Assets - Governmental Activities 2006



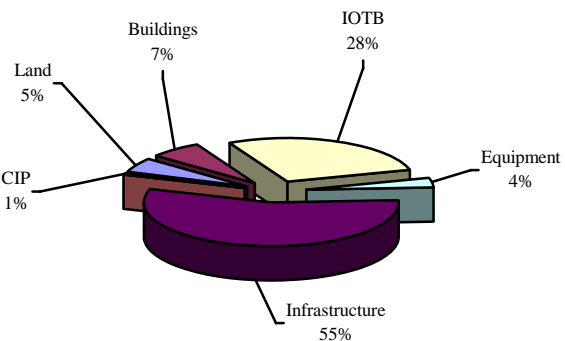
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 60% of the City's total governmental capital assets. The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

Capital Assets - Business-Type Activities 2007



Capital Assets - Business-Type Activities 2006



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 55% of the City's total business-type capital assets.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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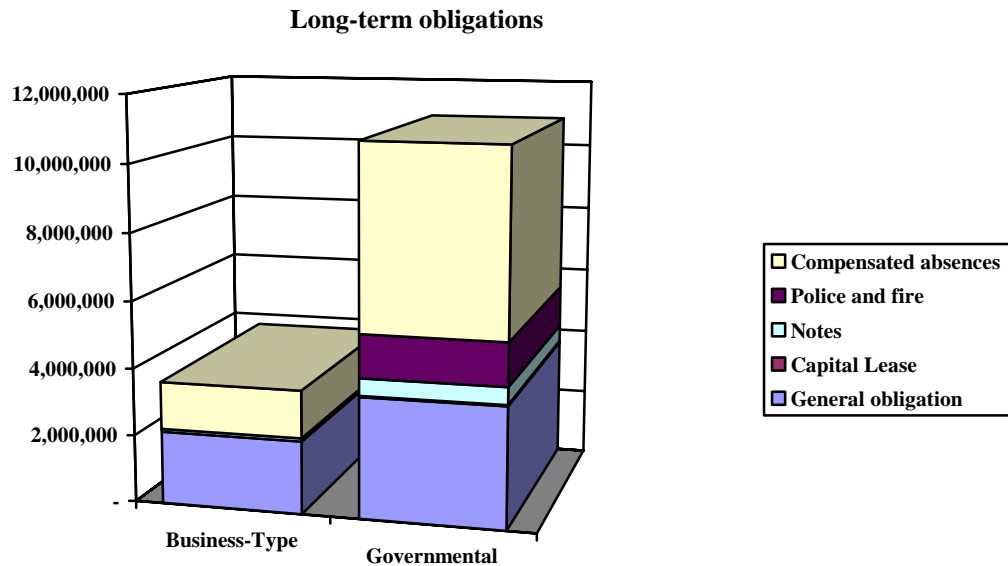
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2007 and 2006:

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 3,580,000	\$ 3,815,000
Notes payable	510,000	580,000
Police and fire pension liability	1,264,603	1,288,573
Capital lease obligation	39,982	58,582
Compensated absences	<u>5,444,801</u>	<u>4,983,130</u>
Total long-term obligations	<u>\$ 10,839,386</u>	<u>\$ 10,725,285</u>

	Business-type Activities	
	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 2,165,000	\$ 2,490,000
Compensated absences	1,401,659	1,391,346
Notes payable	<u>89,120</u>	<u>2,163,501</u>
Total long-term obligations	<u>\$ 3,655,779</u>	<u>\$ 6,044,847</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 6.5%, which increased from a rate of 6.1% a year ago. This rate exceeds the state's average unemployment rate of 5.6% and the national average of 4.9%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2008 fiscal year. At the end of the 2007 fiscal year, the cash basis fund balance of the general fund was \$1,370,424. This balance takes into consideration encumbrances for 2007 activity.

Contacting the City's Financial Management

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

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,840,922	\$ 7,044,538	\$ 18,885,460
Cash and cash equivalents with fiscal agents	26,792	13,756	40,548
Receivables (net of allowances for uncollectibles):			
Taxes	6,444,904	-	6,444,904
Accounts	93,016	3,009,484	3,102,500
Accrued interest	259,107	-	259,107
Special assessments	98,148	43,795	141,943
Loans	2,874,531	-	2,874,531
Internal balances	(1,031,885)	1,031,885	-
Due from other governments	8,084,424	395,336	8,479,760
Materials and supplies inventory	427,585	169,428	597,013
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	4,012,697	4,012,697
Capital assets:			
Land and construction in progress	6,455,265	2,807,661	9,262,926
Depreciable capital assets, net	44,250,297	38,527,998	82,778,295
Total capital assets, net	<u>50,705,562</u>	<u>41,335,659</u>	<u>92,041,221</u>
Total assets	<u>79,823,106</u>	<u>57,056,578</u>	<u>136,879,684</u>
Liabilities:			
Accounts payable	823,497	614,457	1,437,954
Contracts payable	713,252	321,857	1,035,109
Retainage payable	26,792	13,756	40,548
Accrued wages and benefits	1,168,657	258,011	1,426,668
Due to other governments	1,727,806	210,248	1,938,054
Unearned revenue	1,581,070	-	1,581,070
Notes payable	2,500,000	2,065,000	4,565,000
Accrued interest payable	106,640	9,769	116,409
Claims payable	556,587	-	556,587
Long-term liabilities:			
Due within one year	1,659,321	812,238	2,471,559
Due in more than one year	9,180,065	2,843,541	12,023,606
Total liabilities	<u>20,043,687</u>	<u>7,148,877</u>	<u>27,192,564</u>
Net assets:			
Invested in capital assets, net of related debt	46,575,580	37,016,539	83,592,119
Restricted for:			
Capital projects	2,827,670	-	2,827,670
Community development	4,444,718	-	4,444,718
Transportation projects	2,141,493	-	2,141,493
Replacement and improvement	-	3,979,276	3,979,276
Other purposes	2,671,509	-	2,671,509
Unrestricted	<u>1,118,449</u>	<u>8,911,886</u>	<u>10,030,335</u>
Total net assets	<u>\$ 59,779,419</u>	<u>\$ 49,907,701</u>	<u>\$ 109,687,120</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 11,985,745	\$ 3,581,833	\$ 2,103,689	\$ 489,037
Public safety	24,205,050	1,614,005	1,477,220	-
Public health and welfare	158,475	-	63,879	-
Transportation	10,089,697	166,360	2,978,104	901,408
Community environment	1,782,621	187,974	1,114,417	-
Leisure time activities	917,913	39,236	-	-
Interest and fiscal charges	296,853	-	-	-
Total governmental activities	<u>49,436,354</u>	<u>5,589,408</u>	<u>7,737,309</u>	<u>1,390,445</u>
Business-Type Activities:				
Water	9,025,320	8,065,907	-	381,520
Sewer	11,075,835	8,186,664	-	347,408
Nonmajor:				
Airport operating	1,196,799	81,693	-	-
Parking garage	165	-	-	-
Total business-type activities	<u>21,298,119</u>	<u>16,334,264</u>	<u>-</u>	<u>728,928</u>
Total	<u>\$ 70,734,473</u>	<u>\$ 21,923,672</u>	<u>\$ 7,737,309</u>	<u>\$ 2,119,373</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
\$ (5,811,186)	\$ -	\$ (5,811,186)
(21,113,825)	-	(21,113,825)
(94,596)	-	(94,596)
(6,043,825)	-	(6,043,825)
(480,230)	-	(480,230)
(878,677)	-	(878,677)
(296,853)	-	(296,853)
<u>(34,719,192)</u>	<u>-</u>	<u>(34,719,192)</u>
-	(577,893)	(577,893)
-	(2,541,763)	(2,541,763)
-	(1,115,106)	(1,115,106)
-	(165)	(165)
<u>-</u>	<u>(4,234,927)</u>	<u>(4,234,927)</u>
<u>(34,719,192)</u>	<u>(4,234,927)</u>	<u>(38,954,119)</u>
2,026,704	-	2,026,704
403,991	-	403,991
833,459	-	833,459
18,832,225	-	18,832,225
4,258,507	-	4,258,507
-	413,685	413,685
4,072,562	194,738	4,267,300
1,259,757	2,658	1,262,415
7,204	59,950	67,154
<u>31,694,409</u>	<u>671,031</u>	<u>32,365,440</u>
(3,024,783)	(3,563,896)	(6,588,679)
<u>62,804,202</u>	<u>53,471,597</u>	<u>116,275,799</u>
<u>\$ 59,779,419</u>	<u>\$ 49,907,701</u>	<u>\$ 109,687,120</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,651,664	\$ 215,589	\$ 1,343,066
Cash and cash equivalents with fiscal agent	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	2,469,598	-	3,409,672
Accounts	64,548	-	3,470
Accrued interest	178,565	70,347	-
Loans	-	2,066,071	-
Special assessments	98,148	-	-
Due from other governments	2,108,594	2,228,965	25,517
Loans to other funds	659,373	-	-
Materials and supplies inventory	55,233	1,689	60,961
Total assets	<u>\$ 7,285,723</u>	<u>\$ 4,582,661</u>	<u>\$ 4,842,686</u>
Liabilities:			
Accounts payable	\$ 208,870	\$ 20,276	\$ 92,684
Contracts payable	-	-	-
Retainage payable	-	-	-
Accrued wages and benefits	236,947	8,527	775,337
Compensated absences	51,129	2,205	51,321
Notes payable	-	-	-
Loans from other funds	1,310,000	-	50,000
Due to other governments	337,626	47,535	1,165,439
Deferred revenue	3,514,768	2,203,396	1,870,608
Total liabilities	<u>5,659,340</u>	<u>2,281,939</u>	<u>4,005,389</u>
Fund Balances:			
Reserved for encumbrances	380,148	73,052	264,399
Reserved for materials and supplies inventory	55,233	1,689	60,961
Reserved for loans	-	2,066,071	-
Reserved for loans to other funds	659,373	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	509,765	-	-
Special revenue funds	-	159,910	511,937
Capital projects funds	-	-	-
Total fund balances	<u>1,626,383</u>	<u>2,300,722</u>	<u>837,297</u>
Total liabilities and fund balances	<u>\$ 7,285,723</u>	<u>\$ 4,582,661</u>	<u>\$ 4,842,686</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Section 108 Improvements	Other Governmental Funds	Total Governmental Funds
\$ 2,877,576	\$ 5,428,181	\$ 11,516,076
-	26,792	26,792
-	565,634	6,444,904
-	24,998	93,016
-	10,195	259,107
-	808,460	2,874,531
-	-	98,148
-	3,721,348	8,084,424
-	-	659,373
-	266,938	384,821
<u>\$ 2,877,576</u>	<u>\$ 10,852,546</u>	<u>\$ 30,441,192</u>
\$ -	\$ 413,036	\$ 734,866
47,482	665,770	713,252
-	26,792	26,792
-	88,842	1,109,653
-	22,465	127,120
2,000,000	500,000	2,500,000
-	659,373	2,019,373
-	123,343	1,673,943
-	3,655,531	11,244,303
<u>2,047,482</u>	<u>6,155,152</u>	<u>20,149,302</u>
2,318,231	1,899,758	4,935,588
-	266,938	384,821
-	808,460	2,874,531
-	-	659,373
-	61,604	61,604
-	-	21,864
-	-	509,765
-	823,476	1,495,323
(1,488,137)	837,158	(650,979)
<u>830,094</u>	<u>4,697,394</u>	<u>10,291,890</u>
<u>\$ 2,877,576</u>	<u>\$ 10,852,546</u>	<u>\$ 30,441,192</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007

Total governmental fund balances \$ 10,291,890

*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. 49,935,132

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

Property taxes	645,330
Income taxes	1,819,510
Special assessments	98,148
Intergovernmental revenues	<u>7,100,245</u>

Total 9,663,233

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: 413,356

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	(106,640)
Capital lease obligation	(39,982)
Notes payable	(510,000)
Compensated absences	(5,022,967)
Police and fire pension liability	(1,264,603)
General obligation bonds	<u>(3,580,000)</u>

(10,524,192)

Net assets of governmental activities \$ 59,779,419

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, 2007

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 931,204	\$ -	\$ 19,092,355
Property and other taxes	2,122,295	-	423,570
Charges for services	72,329	-	1,194,336
Licenses, permits and fees	566,253	-	90,330
Fines and forfeitures	1,223,665	-	116,888
Intergovernmental	4,559,251	1,114,417	129,398
Special assessments	26,093	-	-
Investment income	1,076,202	112,940	-
Other	60,231	6,085	37,498
Total revenues	<u>10,637,523</u>	<u>1,233,442</u>	<u>21,084,375</u>
Expenditures:			
Current:			
General government	7,447,875	-	11,156
Public safety	1,406,792	-	21,825,271
Public health and welfare	47,212	-	-
Transportation	-	-	-
Community environment	571,085	1,096,167	-
Leisure time activities	734,976	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>10,207,940</u>	<u>1,096,167</u>	<u>21,836,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>429,583</u>	<u>137,275</u>	<u>(752,052)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	69,419	-	-
Transfers in	-	-	1,159,586
Transfers out	(1,242,139)	(250,000)	(305,949)
Total other financing sources (uses)	<u>(1,172,720)</u>	<u>(250,000)</u>	<u>853,637</u>
Net change in fund balances	(743,137)	(112,725)	101,585
Fund balances (deficit) at beginning of year . . .	2,373,998	2,413,502	719,133
Increase (decrease) in reserve for inventory . .	<u>(4,478)</u>	<u>(55)</u>	<u>16,579</u>
Fund balances at end of year	<u>\$ 1,626,383</u>	<u>\$ 2,300,722</u>	<u>\$ 837,297</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Section 108 Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,345,478	\$ 24,369,037
-	-	2,545,865
-	481,077	1,747,742
-	241,609	898,192
-	383,860	1,724,413
-	9,063,016	14,866,082
-	-	26,093
-	70,615	1,259,757
7,392	116,762	227,968
<u>7,392</u>	<u>14,702,417</u>	<u>47,665,149</u>
-	2,795,289	10,254,320
-	997,968	24,230,031
-	107,039	154,251
-	4,454,990	4,454,990
-	120,365	1,787,617
-	496,964	1,231,940
330,824	7,723,246	8,054,070
-	305,000	305,000
-	242,972	242,972
<u>330,824</u>	<u>17,243,833</u>	<u>50,715,191</u>
<u>(323,432)</u>	<u>(2,541,416)</u>	<u>(3,050,042)</u>
-	41,571	110,990
-	674,376	1,833,962
-	(35,874)	(1,833,962)
-	680,073	110,990
(323,432)	(1,861,343)	(2,939,052)
1,153,526	6,416,535	13,076,694
-	142,202	154,248
<u>\$ 830,094</u>	<u>\$ 4,697,394</u>	<u>\$ 10,291,890</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, 2007

Net change in fund balances - total governmental funds \$ (2,939,052)

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

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 (\$10,922,989) were less than depreciation expense (\$7,116,794) in the current period. Both amounts are exclusive of internal service funds activity.	3,806,195
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(2,028,744)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.	154,248
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,791,109)
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.	347,570
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.	(53,881)
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.	(461,671)
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.	(58,339)

Change in net assets of governmental activities \$ (3,024,783)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 3,342,648	\$ 3,159,031	\$ 3,243,134	\$ 84,103
Charges for services	1,675,288	1,669,288	1,665,618	(3,670)
Licenses, permits and fees	524,199	544,399	566,253	21,854
Fines and forfeitures.	1,292,988	1,262,988	1,240,120	(22,868)
Intergovernmental	4,028,418	4,164,918	4,497,713	332,795
Special assessments	22,500	38,200	26,093	(12,107)
Investment income	1,034,241	1,264,241	1,440,939	176,698
Other	74,891	130,620	96,181	(34,439)
Total revenues.	11,995,173	12,233,685	12,776,051	542,366
Expenditures:				
Current:				
Public safety	1,576,427	1,532,509	1,382,132	150,377
Public health and welfare.	81,310	77,310	47,085	30,225
Community environment	957,718	976,618	908,761	67,857
Leisure time activities	1,220,610	1,246,767	1,236,675	10,092
General government	9,502,816	9,792,722	9,493,667	299,055
Total expenditures	13,338,881	13,625,926	13,068,320	557,606
Deficiency of revenues under expenditures	(1,343,708)	(1,392,241)	(292,269)	1,099,972
Other financing sources (uses):				
Proceeds from sale of capital assets	56,150	56,150	56,150	-
Loan to other funds	(659,373)	(659,373)	(659,373)	-
Payment on loan from other funds	(250,000)	(250,000)	(250,000)	-
Repayment on loan to other funds	60,283	60,283	60,283	-
Transfers out	(366,286)	(344,004)	(329,956)	14,048
Total other financing sources (uses)	(1,159,226)	(1,136,944)	(1,122,896)	14,048
Net change in fund balance	(2,502,934)	(2,529,185)	(1,415,165)	1,114,020
Fund balance at beginning of year	2,355,671	2,355,671	2,355,671	-
Prior year encumbrances appropriated	429,918	429,918	429,918	-
Fund balance at end of year.	\$ 282,655	\$ 256,404	\$ 1,370,424	\$ 1,114,020

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,281,453	\$ 3,281,453	\$ 1,274,963	\$ (2,006,490)
Investment income	100,000	100,000	80,727	(19,273)
Other	464,093	464,093	420,072	(44,021)
Total revenues.	<u>3,845,546</u>	<u>3,845,546</u>	<u>1,775,762</u>	<u>(2,069,784)</u>
Expenditures:				
Current:				
Community environment	3,666,481	3,681,481	1,619,629	2,061,852
Total expenditures	<u>3,666,481</u>	<u>3,681,481</u>	<u>1,619,629</u>	<u>2,061,852</u>
Excess of revenues over expenditures	179,065	164,065	156,133	(7,932)
Other financing uses:				
Transfers out	(250,000)	(250,000)	(250,000)	-
Total other financing uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(70,935)	(85,935)	(93,867)	(7,932)
Fund balance at beginning of year	78,536	78,536	78,536	-
Prior year encumbrances appropriated	<u>153,627</u>	<u>153,627</u>	<u>153,627</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 161,228</u>	<u>\$ 146,228</u>	<u>\$ 138,296</u>	<u>\$ (7,932)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 20,019,165	\$ 20,019,165	\$ 19,912,814	\$ (106,351)
Licenses, permits and fees	98,600	104,600	101,846	(2,754)
Charges for services	1,289,000	1,651,000	1,194,336	(456,664)
Fines and forfeitures.	140,000	140,000	118,771	(21,229)
Intergovernmental	102,706	101,206	93,126	(8,080)
Other	108,585	169,069	38,141	(130,928)
Total revenues.	<u>21,758,056</u>	<u>22,185,040</u>	<u>21,459,034</u>	<u>(726,006)</u>
Expenditures:				
Current:				
Public safety	<u>23,929,237</u>	<u>23,929,720</u>	<u>22,613,682</u>	<u>1,316,038</u>
Total expenditures	<u>23,929,237</u>	<u>23,929,720</u>	<u>22,613,682</u>	<u>1,316,038</u>
Deficiency of revenues under expenditures	(2,171,181)	(1,744,680)	(1,154,648)	590,032
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	<u>1,602,303</u>	<u>1,160,303</u>	<u>1,159,586</u>	<u>(717)</u>
Total other financing sources (uses)	<u>1,552,303</u>	<u>1,110,303</u>	<u>1,109,586</u>	<u>(717)</u>
Net change in fund balance	(618,878)	(634,377)	(45,062)	589,315
Fund balance at beginning of year	197,223	197,223	197,223	-
Prior year encumbrances appropriated	<u>447,772</u>	<u>447,772</u>	<u>447,772</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 26,117</u>	<u>\$ 10,618</u>	<u>\$ 599,933</u>	<u>\$ 589,315</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2007

	Business-Type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 2,375,831	\$ 4,471,067	\$ 197,640	\$ 7,044,538	\$ 324,846
Cash and cash equivalents with fiscal agent.	7,633	6,123	-	13,756	-
Receivables (net of allowance for uncollectibles)					
Accounts	1,511,854	1,462,582	35,048	3,009,484	-
Special assessments.	-	43,795	-	43,795	-
Due from other governments	3,536	391,800	-	395,336	-
Loans to other funds	-	1,360,000	-	1,360,000	-
Materials and supplies inventory	98,814	31,545	39,069	169,428	42,764
Restricted Assets:					
Equity in pooled cash and cash equivalents.	-	4,012,697	-	4,012,697	-
Total current assets	<u>3,997,668</u>	<u>11,779,609</u>	<u>271,757</u>	<u>16,049,034</u>	<u>367,610</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	814,045	328,135	1,665,481	2,807,661	-
Depreciable capital assets, net	9,576,329	27,257,677	1,693,992	38,527,998	770,430
Total capital assets, net	<u>10,390,374</u>	<u>27,585,812</u>	<u>3,359,473</u>	<u>41,335,659</u>	<u>770,430</u>
Total assets	<u>14,388,042</u>	<u>39,365,421</u>	<u>3,631,230</u>	<u>57,384,693</u>	<u>1,138,040</u>
Liabilities:					
Current liabilities:					
Accounts payable.	125,930	174,007	314,520	614,457	88,631
Contracts payable.	12,367	309,490	-	321,857	-
Retainage payable	7,633	6,123	-	13,756	-
Accrued wages and benefits	142,749	104,002	11,260	258,011	59,004
Due to other governments	117,282	85,259	7,707	210,248	53,863
Claims payable.	-	-	-	-	556,587
Notes payable	-	2,065,000	-	2,065,000	-
Current portion of bonds.	515,000	-	-	515,000	-
Accrued interest payable.	9,769	-	-	9,769	-
Total current liabilities	<u>930,730</u>	<u>2,743,881</u>	<u>333,487</u>	<u>4,008,098</u>	<u>758,085</u>
Long-term liabilities:					
General obligation bonds	1,650,000	-	-	1,650,000	-
Notes payable	89,120	-	-	89,120	-
Compensated absences	964,301	387,135	50,223	1,401,659	294,714
Total long-term liabilities	<u>2,703,421</u>	<u>387,135</u>	<u>50,223</u>	<u>3,140,779</u>	<u>294,714</u>
Total liabilities	<u>3,634,151</u>	<u>3,131,016</u>	<u>383,710</u>	<u>7,148,877</u>	<u>1,052,799</u>
Net assets:					
Invested in capital assets, net of related debt	8,136,254	25,520,812	3,359,473	37,016,539	770,430
Restricted for replacement and improvement	-	3,979,276	-	3,979,276	-
Unrestricted (deficit)	2,617,637	6,734,317	(111,953)	9,240,001	(685,189)
Total net assets	<u>\$ 10,753,891</u>	<u>\$ 36,234,405</u>	<u>\$ 3,247,520</u>	<u>50,235,816</u>	<u>\$ 85,241</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(328,115)	
Net assets of business-type activities				<u>\$ 49,907,701</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, 2007

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 7,978,921	\$ 8,175,661	\$ 68,709	\$ 16,223,291	\$ 13,991,529
Total operating revenues	7,978,921	8,175,661	68,709	16,223,291	13,991,529
Operating expenses:					
Personal services	2,718,049	2,181,026	241,470	5,140,545	1,313,924
Contractual services.	4,088,622	5,293,103	376,665	9,758,390	5,919,703
Materials and supplies	791,234	436,704	178,020	1,405,958	1,050,014
Depreciation	608,214	1,899,869	212,968	2,721,051	317,462
Utilities	537,688	638,523	174,343	1,350,554	62,925
Claims expense.	-	-	-	-	5,725,313
Other	16,854	32,763	514	50,131	795
Total operating expenses	8,760,661	10,481,988	1,183,980	20,426,629	14,390,136
Operating income (loss).	(781,740)	(2,306,327)	(1,115,271)	(4,203,338)	(398,607)
Nonoperating revenues (expenses):					
Other nonoperating revenue	-	1,390	4,230	5,620	7,204
Loss on disposal of assets	(34,350)	(92,695)	-	(127,045)	(1,852)
Interest Income	-	2,658	-	2,658	-
Municipal income tax	-	-	413,685	413,685	-
Tap and license fees	53,165	1,165	-	54,330	-
Intergovernmental	-	65,705	129,033	194,738	-
Interest expense and fiscal changes	(143,323)	(92,667)	-	(235,990)	-
Total nonoperating revenues (expenses).	(124,508)	(114,444)	546,948	307,996	5,352
Income (loss) before capital contributions and transfers.	(906,248)	(2,420,771)	(568,323)	(3,895,342)	(393,255)
Capital contributions	381,520	347,408	-	728,928	6,801
Changes in net assets.	(524,728)	(2,073,363)	(568,323)	(3,166,414)	(386,454)
Net assets at beginning of year (restated)	11,278,619	38,307,768	3,815,843		471,695
Net assets at end of year	\$ 10,753,891	\$ 36,234,405	\$ 3,247,520		\$ 85,241
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(397,482)	
Changes in net assets of business-type activities				\$ (3,563,896)	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 8,021,406	\$ 8,288,321	\$ 89,777	\$ 16,399,504	\$ 13,991,529
Cash received from other operating revenues	53,165	2,555	4,230	59,950	7,204
Cash received from investing activities	-	2,658	-	2,658	-
Cash payments to employees	(2,683,282)	(2,184,062)	(225,999)	(5,093,343)	(1,281,301)
Cash payments to suppliers	(5,507,966)	(6,330,677)	(441,675)	(12,280,318)	(7,011,354)
Cash payments for claims expense	-	-	-	-	(5,948,416)
Cash payments for other operating expenses	(18,764)	(33,583)	(349)	(52,696)	-
Net cash provided by operating activities	<u>(135,441)</u>	<u>(254,788)</u>	<u>(574,016)</u>	<u>(964,245)</u>	<u>(242,338)</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	300,000	-	300,000	-
Intergovernmental	-	65,705	129,033	194,738	-
Municipal income tax	-	-	413,685	413,685	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>365,705</u>	<u>542,718</u>	<u>908,423</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(802,099)	(822,006)	(32,455)	(1,656,560)	(93,368)
Proceeds from notes	-	2,065,000	-	2,065,000	-
Principal paid on general obligation debt	(325,000)	-	-	(325,000)	-
Interest paid on general obligation debt	(145,695)	-	-	(145,695)	-
Principal paid on notes	(9,381)	(2,065,000)	-	(2,074,381)	-
Interest paid on notes	-	(92,667)	-	(92,667)	-
Net cash used in capital and related financing activities	<u>(1,282,175)</u>	<u>(914,673)</u>	<u>(32,455)</u>	<u>(2,229,303)</u>	<u>(93,368)</u>
Net increase in cash and cash equivalents	(1,417,616)	(803,756)	(63,753)	(2,285,125)	(335,706)
Cash and cash equivalents at beginning of year	<u>3,801,080</u>	<u>9,293,643</u>	<u>261,393</u>	<u>13,356,116</u>	<u>660,552</u>
Cash and cash equivalents at end of year	<u>\$ 2,383,464</u>	<u>\$ 8,489,887</u>	<u>\$ 197,640</u>	<u>\$ 11,070,991</u>	<u>\$ 324,846</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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)	\$ (781,740)	\$ (2,306,327)	\$ (1,115,271)	\$ (4,203,338)	\$ (398,607)
Adjustments:					
Depreciation	608,214	1,899,869	212,968	2,721,051	317,462
Other nonoperating revenues	-	4,048	4,230	8,278	7,204
Tap and license fees	53,165	1,165	-	54,330	-
Changes in assets and liabilities:					
(Increase) in accounts receivable	38,557	119,462	21,068	179,087	-
Decrease in special assessments	-	(20,262)	-	(20,262)	-
(Increase) decrease in inventory of supplies	5,109	(3,831)	(6,124)	(4,846)	2,315
(Increase) in due from other governments	3,928	13,460	-	17,388	-
Increase (decrease) in accounts payable	(26,981)	(193,575)	294,486	73,930	26,438
Increase (decrease) in contracts payable	(56,530)	244,295	-	187,765	-
Increase in accrued wages and benefits	25,016	10,756	1,117	36,889	7,787
(Decrease) in due to other governments	(13,930)	(10,056)	(844)	(24,830)	(6,670)
Increase (decrease) in compensated absences payable	9,751	(13,792)	14,354	10,313	24,836
(Decrease) in claims payable	-	-	-	-	(223,103)
Net cash used for operating activities	<u>\$ (135,441)</u>	<u>\$ (254,788)</u>	<u>\$ (574,016)</u>	<u>\$ (964,245)</u>	<u>\$ (242,338)</u>

During the year land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$728,928.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2007

	Agency
Assets:	
Equity in pooled cash and cash equivalents	\$ 477,162
Cash and cash equivalents with fiscal agent	99,186
Investments	270,000
Receivables:	
Taxes	10,544
Accounts	3,897
	860,789
Liabilities:	
Due to other governments	123,879
Accounts payable	96,913
Due to individuals	82,750
Undistributed monies	557,247
	860,789
Total liabilities	\$ 860,789

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

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, 2007

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

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, 2007, but which were levied to finance fiscal year 2008 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, 2007

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 2007.

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 2007.

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 2007.

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, 2007**

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

During 2007, 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 2007. 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, 2007.

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, 2007, the total restricted cash in the enterprise funds was \$4,012,697. It is in the Sewer

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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 2008 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, 2007.

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 2007, 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, 2007**

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, 2007**

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, 2007

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

The City adopted GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, for the year ended December 31, 2007. Implementation of this provision had no material effect on the City's financial statements.

NOTE 4 – ACCOUNTABILITY

A. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2007:

	<u>Deficit Balance</u>
Governmental funds:	
Regional Community Advancement	\$ 47,714
Grant Fund	59,794
2005 Service Fleet	487,981
Miller Park	145,826
Internal service funds:	
Utility Collections	96,528
Health Insurance	402,392

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

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) are presented in the basic financial statements for the General Fund and Major Special Revenue Funds.

- A. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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	Section 108 Improvements
GAAP Basis	(\$743,137)	(\$112,725)	\$101,585	(\$323,432)
Adjustments:				
Revenue accruals	2,185,542	542,320	374,659	2,000,000
Expenditure accruals	(2,427,652)	(449,517)	(218,141)	49,560
Encumbrances	(429,918)	(73,945)	(303,165)	(2,365,713)
Budget Basis	(\$1,415,165)	(\$93,867)	(\$45,062)	(\$639,585)

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, 2007

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 \$95,704 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, 2007, the carrying amount of all City deposits, including certificate of deposits, was \$7,374,257. Based on the criteria described in GASB Statement No. 40 "Deposits and Investment Risk Disclosures", as of December 31, 2007, \$8,009,967 of the City's bank balance of \$8,214,438 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation and \$4,471 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, 2007, the City had the following investments and maturities:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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>
FNMA DN	\$ 997,917	\$ 997,917	\$ -
FHLMC	999,651	-	999,651
FHLB	7,000,157	-	7,000,157
FFCB	1,006,102	-	1,006,102
REPO	40,035	40,035	-
STAR OHIO	<u>6,271,230</u>	<u>6,271,230</u>	<u>-</u>
Total	<u>\$ 16,315,092</u>	<u>\$ 7,309,182</u>	<u>\$ 9,005,910</u>

The weighted average maturity of investments is .77 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, 2007:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA DN	\$ 997,917	6.10%
FHLMC	999,651	6.13%
FHLB	7,000,157	42.91%
FFCB	1,006,102	6.17%
REPO	40,035	0.25%
STAR OHIO	<u>6,271,230</u>	<u>38.44%</u>
Total	<u>\$16,315,092</u>	<u>100.00%</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007.

Cash and Investments per Footnote

Carrying amount of deposits	\$ 7,374,257
Investments	16,315,092
Cash on hand	<u>95,704</u>
Total	<u><u>\$ 23,785,053</u></u>

Cash and Investments per Statement of Net Assets

Governmental activities	\$ 11,867,714
Business-type activities	11,070,991
Agency funds	<u>846,348</u>
Total	<u><u>\$ 23,785,053</u></u>

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2007, 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	\$ 1,159,586	\$ -	\$ -	\$ -	\$ 1,159,586
Regional Community Advancement	55,700	-	-	-	55,700
Law Enforcement Block Grant	-	-	-	10,000	10,000
Grant Fund	26,853	-	-	183,069	209,922
Debt Service	<u>-</u>	<u>35,874</u>	<u>250,000</u>	<u>112,880</u>	<u>398,754</u>
Total	<u><u>\$ 1,242,139</u></u>	<u><u>\$ 35,874</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 305,949</u></u>	<u><u>\$ 1,833,962</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 general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 – INTERFUND TRANSACTIONS - (Continued)

- B.** Loans to/from other funds consisted of the following at December 31, 2007, as reported in the fund financial statements:

<u>Loans to other funds</u>	<u>Loans from other funds</u>		
	<u>General</u>	<u>Sewer</u>	<u>Total</u>
General Fund	\$ -	\$ 1,310,000	\$ 1,310,000
Regional Community Advancement Fund	31,584	-	31,584
Industrial Development Fund	255,685	-	255,685
Grant Fund	217,600	-	217,600
Miller Park Fund	154,504	-	154,504
Safety Services Fund	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 659,373</u>	<u>\$ 1,360,000</u>	<u>\$ 2,019,373</u>

Loans to/from other funds at December 31, 2007, consisted of a loan of \$50,000 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. Loans totaling \$659,373 were issued in 2007 from the General Fund to the Regional Community Advancement Fund, Industrial Development Fund, Grant Fund and Miller Park Fund to cover expenses for grants that receive monies on a reimbursement basis. These loans will be repaid in 2008 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 2007 are levied after October 1, 2006 on the assessed value listed as of January 1, 2006, the lien date. Assessed values are established by State laws at 35% of appraised market value. All property is required to be revalued every six years. 2007 real property taxes are collected in and intended to finance 2008. 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 2007 became a lien December 31, 2005, were levied after October 1, 2006, and were collected in 2007 with real property taxes. 2007 tangible personal property taxes were levied on or after October 1, 2006 on the value listed as of December 31, 2006. Tangible personal property assessments are 25% of true value on capital assets and 23% on inventory. The assessed value upon which the 2007 taxes were collected was \$685,397,888. The full tax rate for all City operations for the fiscal year ended December 31, 2007 was \$3.60 per \$1,000 of assessed valuation.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 – TAXES – (Continued)

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, 2007. 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 2007 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

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

As of December 31, 2007, the City had income taxes receivable of \$3,247,064 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$326,111 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, safety services fund and street resurfacing fund.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2007, 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, 2007, as well as intended to finance fiscal 2007 operations.

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

Governmental Activities:

Taxes	\$	6,444,904
Accounts		93,016
Special assessments		98,148
Accrued interest		259,107
Loans		2,874,531
Due from other governments		8,084,424

Business-Type Activities:

Accounts	\$	3,009,484
Due from other governments		395,336
Special assessments		43,795

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 9 – RECEIVABLES – (Continued)

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 \$423,951 and \$29,981 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 and business-type activities have been restated for the fiscal year ended December 31, 2006 due to certain machinery and equipment not reported in prior years:

<u>Governmental Activities:</u>	Balance 12/31/2006	Adjustment	Restated Balance 1/1/2007
<i>Capital assets being depreciated:</i>			
Machinery and equipment	\$ 19,436,891	\$ 228,795	\$ 19,665,686
Total capital assets, being depreciated	<u>\$ 19,436,891</u>	<u>\$ 228,795</u>	<u>\$ 19,665,686</u>
<i>Less: accumulated depreciation:</i>			
Machinery and equipment	\$ (15,335,637)	\$ (87,204)	\$ (15,422,841)
Total accumulated depreciation	<u>\$ (15,335,637)</u>	<u>\$ (87,204)</u>	<u>\$ (15,422,841)</u>
<u>Business-Type Activities</u>	Balance 12/31/2006	Adjustment	Restated Balance 1/1/2007
<i>Capital assets being depreciated:</i>			
Machinery and equipment	\$ 8,323,761	\$ 110,973	\$ 8,434,734
Total capital assets, being depreciated	<u>\$ 8,323,761</u>	<u>\$ 110,973</u>	<u>\$ 8,434,734</u>
<i>Less: accumulated depreciation:</i>			
Machinery and equipment	\$ (6,922,537)	\$ (38,139)	\$ (6,960,676)
Total accumulated depreciation	<u>\$ (6,922,537)</u>	<u>\$ (38,139)</u>	<u>\$ (6,960,676)</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS – (Continued)

Capital asset activity for the year ended December 31, 2007 was as follows:

	Restated Balance 01/01/07	Additions	Disposals	Restated Balance 12/31/07
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,640,639	\$ 234,800	\$ (23,196)	\$ 3,852,243
Construction in progress	<u>1,657,830</u>	<u>2,603,022</u>	<u>(1,657,830)</u>	<u>2,603,022</u>
Total capital assets, not being depreciated	<u>5,298,469</u>	<u>2,837,822</u>	<u>(1,681,026)</u>	<u>6,455,265</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,094,038	655,019	(8,396)	13,740,661
Improvements other than buildings	4,811,928	41,933	(13,757)	4,840,104
Machinery and equipment	19,665,686	3,856,839	(1,612,847)	21,909,678
Infrastructure	<u>107,645,671</u>	<u>3,625,084</u>	<u>-</u>	<u>111,270,755</u>
Total capital assets, being depreciated	<u>145,217,323</u>	<u>8,178,875</u>	<u>(1,635,000)</u>	<u>151,761,198</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,229,565)	(264,163)	1,862	(10,491,866)
Improvements other than buildings	(649,568)	(221,664)	9,696	(861,536)
Machinery and equipment	(15,422,841)	(1,139,748)	1,235,845	(15,326,744)
Infrastructure	<u>(75,023,657)</u>	<u>(5,807,098)</u>	<u>-</u>	<u>(80,830,755)</u>
Total accumulated depreciation	<u>(101,325,631)</u>	<u>(7,432,673)</u>	<u>1,247,403</u>	<u>(107,510,901)</u>
Total capital assets, being depreciated, net	<u>43,891,692</u>	<u>746,202</u>	<u>(387,597)</u>	<u>44,250,297</u>
Governmental activities capital assets, net	<u>\$ 49,190,161</u>	<u>\$ 3,584,024</u>	<u>\$ (2,068,623)</u>	<u>\$ 50,705,562</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

	Restated			Balance
	Balance			Balance
<u>Business-Type Activities:</u>	<u>01/01/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,164,307	\$ 101,250	\$ -	\$ 2,265,557
Construction in progress	<u>193,938</u>	<u>542,104</u>	<u>(193,938)</u>	<u>542,104</u>
Total capital assets, not being depreciated	<u>2,358,245</u>	<u>643,354</u>	<u>(193,938)</u>	<u>2,807,661</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,452,549	655,125	(10,062)	14,097,612
Improvements other than buildings	30,967,531	202,316	(33,247)	31,136,600
Machinery and equipment	8,434,734	357,669	(494,138)	8,298,265
Infrastructure	<u>56,817,273</u>	<u>728,928</u>	<u>-</u>	<u>57,546,201</u>
Total capital assets, being depreciated	<u>109,672,087</u>	<u>1,944,038</u>	<u>(537,447)</u>	<u>111,078,678</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,658,040)	(347,886)	10,062	(10,995,864)
Improvements other than buildings	(19,224,798)	(963,156)	28,902	(20,159,052)
Machinery and equipment	(6,960,676)	(234,891)	356,715	(6,838,852)
Infrastructure	<u>(33,381,794)</u>	<u>(1,175,118)</u>	<u>-</u>	<u>(34,556,912)</u>
Total accumulated depreciation	<u>(70,225,308)</u>	<u>(2,721,051)</u>	<u>395,679</u>	<u>(72,550,680)</u>
Total capital assets, being depreciated, net	<u>39,446,779</u>	<u>(777,013)</u>	<u>(141,768)</u>	<u>38,527,998</u>
Business-type activities capital assets, net	<u>\$ 41,805,024</u>	<u>\$ (133,659)</u>	<u>\$ (335,706)</u>	<u>\$ 41,335,659</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 584,360
Public safety	581,813
Public health and welfare	647
Transportation	5,859,087
Community environment	2,520
Leisure time activity	88,367

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	315,879
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Total depreciation expense - governmental activities	\$ 7,432,673
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Business -type activities:

Water	\$ 608,214
Sewer	1,899,868
Airport	212,969

Total depreciation expense - business-type activities	\$ 2,721,051
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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 \$860,303 will accrue on January 1, 2008 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, 2007

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>
2008	\$ 21,094
2009	<u>21,094</u>
Total minimum payments required	<u>\$ 42,188</u>
Less: amount representing interest at 4.83%	<u>(2,206)</u>
Present value of future minimum lease payments	<u>\$ 39,982</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 \$130,714 for the year ended December 31, 2007. 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, 2007:

<u>Year Ended December 31</u>	<u>Amount</u>
2008	\$ 48,841
2009	23,970
2010	<u>11,786</u>
Total minimum payments required	<u>\$ 84,597</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2007, the following changes occurred in the City's long-term obligations:

<i>Governmental Activities:</i>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/07</u>	<u>Due in One Year</u>
<u>General Obligation Bonds</u>							
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	3,815,000	-	(235,000)	3,580,000	240,000
Total general obligation bonds			<u>3,815,000</u>	<u>-</u>	<u>(235,000)</u>	<u>3,580,000</u>	<u>240,000</u>
<u>Other Long-Term Obligations</u>							
Notes payable	0.00 - 4.50%	2007-2015	580,000	-	(70,000)	510,000	70,000
Capital lease obligation			58,582	-	(18,600)	39,982	18,599
Police and Fire Pension Liability	4.30%	2035	1,288,573	-	(23,970)	1,264,603	23,970
Compensated absences			4,983,130	1,668,605	(1,206,934)	5,444,801	1,306,752
Total other long-term obligations			<u>6,910,285</u>	<u>1,668,605</u>	<u>(1,319,504)</u>	<u>7,259,386</u>	<u>1,419,321</u>
Total governmental activities long-term obligations			<u>\$ 10,725,285</u>	<u>\$ 1,668,605</u>	<u>\$ (1,554,504)</u>	<u>\$ 10,839,386</u>	<u>\$ 1,659,321</u>

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

The Various Purpose Bonds issued in 2002 in the amount of \$4,565,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: furnishing and equipping fire stations, acquiring fire equipment, fire trucks and emergency squad vehicles; constructing, furnishing and equipping a building for the Service Departments; constructing a new fire station; paying costs of constructing water and sewer lines in the Piper Road Industrial Park; and constructing three public streets in and around the Airport Industrial Complex, including grading, draining, paving, constructing curbs, water, storm sewer and sanitary sewer lines. These bonds are being repaid from the safety services, community development, and street construction maintenance and repair funds. On April 30, 2007 \$1,040,815 of the original issue remained unspent due to the related costs of constructing a new fire station. In May of 2007 additional bond anticipation notes were issued to complete the original plan of constructing a new fire station (note 20; page 69).

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2007 are as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	29,579	48,903	78,482
2013 - 2017	168,078	224,331	392,409
2018 - 2022	207,411	184,999	392,410
2023 - 2027	255,949	136,461	392,410
2028 - 2032	315,845	76,565	392,410
2033 -2035	<u>181,115</u>	<u>11,561</u>	<u>192,676</u>
Total	<u>\$ 1,264,603</u>	<u>\$ 890,122</u>	<u>\$ 2,154,725</u>

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 240,000	\$ 162,458	\$ 402,458
2009	250,000	153,698	403,698
2010	260,000	144,198	404,198
2011	270,000	133,798	403,798
2012	285,000	122,728	407,728
2013 - 2017	1,000,000	469,803	1,469,803
2018 - 2022	<u>1,275,000</u>	<u>201,438</u>	<u>1,476,438</u>
Total	<u>\$ 3,580,000</u>	<u>\$ 1,388,121</u>	<u>\$ 4,968,121</u>

Year Ended <u>December 31,</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	70,000	17,748	87,748
2013-2015	<u>160,000</u>	<u>20,949</u>	<u>180,949</u>
Total	<u>\$ 510,000</u>	<u>\$ 161,454</u>	<u>\$ 671,454</u>

At December 31, 2007, the City's legal voted and unvoted debt margin was \$68,448,382 and \$34,178,488 respectively.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2007:

<i>Business-Type Activities:</i>	Interest Rate	Maturity Date	Balance 12/31/06	Additions	Disposals	Balance 12/31/07	Due in One Year
<u>General Obligation Bonds:</u>							
Series 1993 Water System	2.85-9.65%	2013	\$ 1,365,000	\$ -	\$ (165,000)	\$ 1,200,000	\$ 175,000
Series 1992 Water System	3.00-6.20%	2012	1,125,000	-	(160,000)	965,000	170,000
Total general obligation bonds			<u>2,490,000</u>	<u>-</u>	<u>(325,000)</u>	<u>2,165,000</u>	<u>345,000</u>
<u>Other long-term obligations:</u>							
Notes payable	0.00%	2017	2,163,501	-	(2,074,381)	89,120	4,691
Compensated absences			1,391,346	473,523	(463,210)	1,401,659	462,547
Total other long-term obligations			<u>3,554,847</u>	<u>473,523</u>	<u>(2,537,591)</u>	<u>1,490,779</u>	<u>467,238</u>
Total business-type activities long-term obligations			<u>\$ 6,044,847</u>	<u>\$ 473,523</u>	<u>\$ (2,862,591)</u>	<u>\$ 3,655,779</u>	<u>\$ 812,238</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 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, 2007 are as follows:

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
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	430,000	37,970	467,970
2013	<u>225,000</u>	<u>12,600</u>	<u>237,600</u>
Total	<u>\$ 2,165,000</u>	<u>\$ 431,620</u>	<u>\$ 2,596,620</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2008	\$ 4,691	\$ -	\$ 4,691
2009	9,381	-	9,381
2010	9,381	-	9,381
2011	9,381	-	9,381
2012	9,381	-	9,381
2013 - 2017	46,905	-	46,905
Total	<u>\$ 89,120</u>	<u>\$ -</u>	<u>\$ 89,120</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 2006 and 2007, the City made contributions in the amounts of \$432,742 and \$405,252, and surplus contributions to the Pool in the amounts of \$48,082 and \$45,028, respectively.

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

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

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

The aviation liability is purchased from a commercial insurance company.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - RISK MANAGEMENT - (Continued)

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

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

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

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

The liability for unpaid claims costs of \$556,587 reported in the internal service funds at December 31, 2007 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 2006 and 2007 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>
2007	\$ 779,690	\$ 5,725,313	\$ (5,948,416)	\$ 556,587
2006	\$ 1,217,018	\$ 5,055,084	\$ (5,492,412)	\$ 779,690

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 16 - DEFINED BENEFIT PENSION PLANS – (Continued)

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 2007 was 9.5% for employees. The employer contribution rate was 13.85% of covered payroll. 5.00% was the portion used to fund healthcare for the first half of 2007 and 6.00% was the portion used to fund healthcare for the last half of 2007. The City's contributions to OPERS for the years ended December 31, 2007, 2006, and 2005 were \$2,091,055, \$1,954,035, and \$1,972,583 respectively. The full amount has been contributed for 2005 and 2006. 92.45% has been contributed for 2007 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, 2007, 2006, and 2005 were \$1,026,476, \$944,845, and \$924,250 respectively, and for firefighters the contributions were \$1,413,692, \$1,385,917, and \$1,419,063, respectively. The full amount has been contributed for 2005 and 2006. For police officers and firefighters, 70.22% and 71.10%, respectively, have been contributed for 2007 with the remainder being reported as a liability in the respective funds.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police officers and firefighters in 1967. As of December 31, 2007, the unfunded liability of the City was \$1,264,603 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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 2007 employer contribution rate for local government employers was 13.85% of covered payroll. 5.00% was the portion used to fund healthcare during the first half of 2007, and 6.00% was the portion used to fund healthcare for the last half of 2007.

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, 2006, 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 5.00% 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 362,130. The City's contribution actually made to fund postemployment benefits was \$832,392. As of December 31, 2006 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. In addition to HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2006 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 and January 1, 2007, which allowed additional funds to be allocated to the health care plan.

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, 2007, 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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

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 6.75% of covered payroll in 2007. 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, 2006 (the latest information available), is 14,120 for police officers and 10,563 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$355,161 and \$397,247 for firefighters. OP&F's total health care expense for the year ending December 31, 2006 (the latest information available), was \$120,373,722, which was net of member contributions of \$58,532,848.

NOTE 18 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

General fund:	
Local government funds	\$ 1,480,011
Estate and inheritance tax	274,844
Richland County share of judge's salary	154,403
Public defenders reimbursement	22,137
Homestead/Rollback	117,881
State liquor permit fees	<u>59,318</u>
Total General fund	<u>\$ 2,108,594</u>
Community Development fund:	
CDBG and HOME grants	<u>\$ 2,228,965</u>
Total Community Development fund	<u>\$ 2,228,965</u>
Safety Services fund:	
Homestead/Rollback	\$ 23,577
Police fees	<u>1,940</u>
Total Safety Services fund	<u>\$ 25,517</u>
Other Governmental funds:	
Gasoline tax	\$ 858,292
Motor vehicle registration	211,801
Regional Community Advancement contracts	96,373
Permissive sales tax	530,738
Ohio Department of Transportation reimbursement	95,768
Local law enforcement block grant	17,176
FAA grant	810,647
Municipal Court grants	206,302
Safety Services grants	514,251
FEMA grant	<u>380,000</u>
Total Other Governmental funds	<u>\$ 3,721,348</u>
Water fund:	
County water samples	<u>\$ 3,536</u>
Total Water fund	<u>\$ 3,536</u>
Sewer fund:	
City of Ontario sewer agreement	\$ 191,813
Richland County sewer agreement	<u>199,987</u>
Total Sewer fund	<u>\$ 391,800</u>

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 20 – SHORT-TERM OBLIGATIONS

During 2007, bond anticipation notes were issued in the amount of \$500,000. These notes are to pay the \$650,000 in outstanding notes issued in 2006. 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, 2008 bearing an interest rate of 4.50%.

During 2007, bond anticipation notes were issued in the amount of \$2,000,000. These notes are for the costs of constructing, furnishing and equipping a new fire station. These bond anticipation notes are due to mature on May 2, 2008 bearing an interest rate of 4.50%

During 2007, bond anticipation notes were issued in the amount of \$2,065,000. These notes are to pay the \$2,065,000 in outstanding notes issued in 2006. The notes are for improving the City’s wastewater treatment plant and are being paid from the sewer fund. These bond anticipation notes are due to mature on August 20, 2008 bearing an interest rate of 4.25%.

NOTE 21 – RESTATEMENT OF NET ASSETS

A prior period adjustment is required to report capital assets from 2006 that were previously not reported. This adjustment had the following effect on governmental activities net assets:

	Governmental Activities
Governmental activities	
net assets, December 31, 2006	\$ 62,662,611
Adjustment for capital assets	141,591
Governmental activities	
restated net assets, January 1, 2007	\$ 62,804,202
	Business-type Activities
Business-type activities	
net assets, December 31, 2006	\$ 53,398,763
Adjustment for capital assets	72,834
Business-type activities	
restated net assets, January 1, 2007	\$ 53,471,597

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair:

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

State Highway:

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

Regional Community Advancement:

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

Drug Law Enforcement:

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

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

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

Industrial Development:

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

Indigent Drivers Alcohol Treatment:

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

Court Computerization:

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

Local Law Enforcement Block Grant:

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

Grant Fund

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

Probation Services:

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

Court Costs:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

FEMA:

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

Chamber District:

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

Nonmajor Debt Service Fund

Debt Service:

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

Nonmajor Capital Projects Funds

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

Street Resurfacing:

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

Issue II Improvement:

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

Fixed Asset Acquisition:

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

2005 Service Fleet:

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

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.

Miller Park Project:

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

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,742,392	\$ 61,604	\$ 2,624,185	\$ 5,428,181
Cash and cash equivalents with fiscal agent	26,792	-	-	26,792
Receivables (net of allowances of uncollectibles):				
Taxes	-	-	565,634	565,634
Accounts	24,998	-	-	24,998
Accrued interest	10,195	-	-	10,195
Loans	808,460	-	-	808,460
Due from other governments	3,721,348	-	-	3,721,348
Materials and supplies inventory	265,288	-	1,650	266,938
Total assets	<u>\$ 7,599,473</u>	<u>\$ 61,604</u>	<u>\$ 3,191,469</u>	<u>\$ 10,852,546</u>
Liabilities:				
Accounts payable	\$ 241,617	\$ -	\$ 171,419	\$ 413,036
Contracts payable	297,800	-	367,970	665,770
Retainage payable	26,792	-	-	26,792
Accrued wages and benefits	88,842	-	-	88,842
Compensated absences	22,465	-	-	22,465
Loans from other funds	504,869	-	154,504	659,373
Due to other governments	123,343	-	-	123,343
Notes payable	-	-	500,000	500,000
Deferred revenue	3,367,502	-	288,029	3,655,531
Total liabilities	<u>4,673,230</u>	<u>-</u>	<u>1,481,922</u>	<u>6,155,152</u>
Fund Balances:				
Reserved for encumbrances	1,029,019	-	870,739	1,899,758
Reserved for materials and supplies inventory	265,288	-	1,650	266,938
Reserved for loans	808,460	-	-	808,460
Reserved for debt service	-	61,604	-	61,604
Unreserved, undesignated, reported in:				
Special revenue funds	823,476	-	-	823,476
Capital projects funds	-	-	837,158	837,158
Total fund balances	<u>2,926,243</u>	<u>61,604</u>	<u>1,709,547</u>	<u>4,697,394</u>
Total liabilities and fund balances	<u>\$ 7,599,473</u>	<u>\$ 61,604</u>	<u>\$ 3,191,469</u>	<u>\$ 10,852,546</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents.	\$ 248,418	\$ 21,714	\$ 10,061	\$ 31,844
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net of allowances of uncollectibles):				
Accounts	-	-	-	-
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	966,278	103,815	96,373	-
Materials and supplies inventory	201,119	-	1,490	-
Total assets.	<u>\$ 1,415,815</u>	<u>\$ 125,529</u>	<u>\$ 107,924</u>	<u>\$ 31,844</u>
Liabilities:				
Accounts payable.	\$ 168,219	\$ -	\$ 8,576	\$ 100
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits	55,249	-	18,178	-
Compensated absences	12,434	-	5,849	-
Loans from other funds	-	-	31,584	-
Due to other governments	43,717	-	24,138	-
Deferred revenue	787,119	89,289	67,313	-
Total liabilities.	<u>1,066,738</u>	<u>89,289</u>	<u>155,638</u>	<u>100</u>
Fund Balances:				
Reserved for encumbrances	145,392	10,008	2,023	-
Reserved for materials and supplies inventory	201,119	-	1,490	-
Reserved for loans	-	-	-	-
Unreserved, undesignated (deficit)	2,566	26,232	(51,227)	31,744
Total fund balances	<u>349,077</u>	<u>36,240</u>	<u>(47,714)</u>	<u>31,744</u>
Total liabilities and fund balances	<u>\$ 1,415,815</u>	<u>\$ 125,529</u>	<u>\$ 107,924</u>	<u>\$ 31,844</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ 158,217	\$ 628,423	\$ 368,925	\$ 112,547	\$ 669,130	\$ 131,210
-	26,792	-	-	-	-
-	-	-	531	13,666	-
-	-	10,195	-	-	-
-	-	808,460	-	-	-
-	626,506	-	-	-	17,176
-	-	-	-	15,022	-
<u>\$ 158,217</u>	<u>\$ 1,281,721</u>	<u>\$ 1,187,580</u>	<u>\$ 113,078</u>	<u>\$ 697,818</u>	<u>\$ 148,386</u>
\$ -	\$ -	\$ 1,166	\$ 44,117	\$ 3,384	\$ 907
-	81,970	32,490	-	-	-
-	26,792	-	-	-	-
-	-	4,242	-	-	-
-	-	2,578	-	-	-
-	-	255,685	-	-	-
-	319	35,000	-	-	-
-	546,513	-	-	-	17,176
-	<u>655,594</u>	<u>331,161</u>	<u>44,117</u>	<u>3,384</u>	<u>18,083</u>
-	413,558	336,345	1,054	303	-
-	-	-	-	15,022	-
-	-	808,460	-	-	-
158,217	212,569	(288,386)	67,907	679,109	130,303
<u>158,217</u>	<u>626,127</u>	<u>856,419</u>	<u>68,961</u>	<u>694,434</u>	<u>130,303</u>
<u>\$ 158,217</u>	<u>\$ 1,281,721</u>	<u>\$ 1,187,580</u>	<u>\$ 113,078</u>	<u>\$ 697,818</u>	<u>\$ 148,386</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007

	<u>Grant Fund</u>	<u>Probation Services</u>	<u>Court Costs</u>	<u>FEMA</u>	<u>Total</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 290,182	\$ 60,938	\$ 10,783	\$ -	\$ 2,742,392
Cash and cash equivalents with fiscal agent	-	-	-	-	26,792
Receivables (net of allowances of uncollectibles):					
Accounts	-	4,890	5,911	-	24,998
Accrued interest	-	-	-	-	10,195
Loans	-	-	-	-	808,460
Due from other governments	1,531,200	-	-	380,000	3,721,348
Materials and supplies inventory	45,532	2,125	-	-	265,288
Total assets	<u>\$ 1,866,914</u>	<u>\$ 67,953</u>	<u>\$ 16,694</u>	<u>\$ 380,000</u>	<u>\$ 7,599,473</u>
Liabilities:					
Accounts payable	\$ 12,730	\$ 2,418	\$ -	\$ -	\$ 241,617
Contracts payable	183,340	-	-	-	297,800
Retainage payable	-	-	-	-	26,792
Accrued wages and benefits	11,173	-	-	-	88,842
Compensated absences	1,604	-	-	-	22,465
Loans from other funds	217,600	-	-	-	504,869
Due to other governments	20,169	-	-	-	123,343
Deferred revenue	1,480,092	-	-	380,000	3,367,502
Total liabilities	<u>1,926,708</u>	<u>2,418</u>	<u>-</u>	<u>380,000</u>	<u>4,673,230</u>
Fund Balances:					
Reserved for encumbrances	120,336	-	-	-	1,029,019
Reserved for materials and supplies inventory	45,532	2,125	-	-	265,288
Reserved for loans	-	-	-	-	808,460
Unreserved, undesignated (deficit)	(225,662)	63,410	16,694	-	823,476
Total fund balances	<u>(59,794)</u>	<u>65,535</u>	<u>16,694</u>	<u>-</u>	<u>2,926,243</u>
Total liabilities and fund balances	<u>\$ 1,866,914</u>	<u>\$ 67,953</u>	<u>\$ 16,694</u>	<u>\$ 380,000</u>	<u>\$ 7,599,473</u>

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CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Fixed Asset Acquisition</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 1,608,141	\$ 35,358	\$ 953,025
Receivables (net of allowances of uncollectibles):			
Taxes	565,634	-	-
Materials and supplies inventory	1,650	-	-
Total assets.	<u>\$ 2,175,425</u>	<u>\$ 35,358</u>	<u>\$ 953,025</u>
Liabilities:			
Accounts payable	\$ 4,460	\$ -	\$ 166,959
Contracts payable	361,006	-	-
Deferred revenue.	288,029	-	-
Loans from other funds	-	-	-
Notes payable	-	-	-
Total liabilities.	<u>653,495</u>	<u>-</u>	<u>166,959</u>
Fund Balances:			
Reserved for encumbrances.	153,659	-	708,401
Reserved for materials and supplies inventory	1,650	-	-
Unreserved, undesignated (deficit).	1,366,621	35,358	77,665
Total fund balances (deficit)	<u>1,521,930</u>	<u>35,358</u>	<u>786,066</u>
Total liabilities and fund balances	<u>\$ 2,175,425</u>	<u>\$ 35,358</u>	<u>\$ 953,025</u>

<u>2005 Service Fleet</u>	<u>Miller Park</u>	<u>Total</u>
\$ 12,019	\$ 15,642	\$ 2,624,185
-	-	565,634
-	-	1,650
<u>\$ 12,019</u>	<u>\$ 15,642</u>	<u>\$ 3,191,469</u>
\$ -	\$ -	\$ 171,419
-	6,964	367,970
-	-	288,029
-	154,504	154,504
<u>500,000</u>	-	<u>500,000</u>
<u>500,000</u>	<u>161,468</u>	<u>1,481,922</u>
-	8,679	870,739
-	-	1,650
<u>(487,981)</u>	<u>(154,505)</u>	<u>837,158</u>
<u>(487,981)</u>	<u>(145,826)</u>	<u>1,709,547</u>
<u>\$ 12,019</u>	<u>\$ 15,642</u>	<u>\$ 3,191,469</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, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 375,000	\$ -	\$ 3,970,478	\$ 4,345,478
Charges for services	481,077	-	-	481,077
Licenses, permits and fees	241,609	-	-	241,609
Fines and forfeitures	383,860	-	-	383,860
Intergovernmental	6,517,071	-	2,545,945	9,063,016
Investment income	66,390	4,225	-	70,615
Other	115,867	-	895	116,762
Total revenues	<u>8,180,874</u>	<u>4,225</u>	<u>6,517,318</u>	<u>14,702,417</u>
Expenditures:				
Current:				
General government	2,794,921	368	-	2,795,289
Public safety	997,968	-	-	997,968
Public health and welfare	107,039	-	-	107,039
Transportation	4,454,990	-	-	4,454,990
Community environment	120,365	-	-	120,365
Leisure time activity	496,964	-	-	496,964
Capital outlay	1,836,251	-	5,886,995	7,723,246
Debt service:				
Principal retirement	-	305,000	-	305,000
Interest and fiscal charges	-	213,803	29,169	242,972
Total expenditures	<u>10,808,498</u>	<u>519,171</u>	<u>5,916,164</u>	<u>17,243,833</u>
Excess (deficiency) of revenues over (under) expenditures	(2,627,624)	(514,946)	601,154	(2,541,416)
Other financing sources (uses):				
Proceeds from sale of capital assets	41,571	-	-	41,571
Transfers in	275,622	398,754	-	674,376
Transfers out	(35,874)	-	-	(35,874)
Total other financing sources (uses)	<u>281,319</u>	<u>398,754</u>	<u>-</u>	<u>680,073</u>
Net change in fund balances	(2,346,305)	(116,192)	601,154	(1,861,343)
Fund balances at beginning of year	5,122,139	177,796	1,116,600	6,416,535
Increase (decrease) in reserve for inventory	150,409	-	(8,207)	142,202
Fund balances at end of year	<u>\$ 2,926,243</u>	<u>\$ 61,604</u>	<u>\$ 1,709,547</u>	<u>\$ 4,697,394</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, 2007

	Street Construction Maintenance and Repair	State Highway	Regional Community Advancement	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ 135,000	\$ -	\$ -	\$ -
Charges for services	166,200	-	229,367	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	4,139
Intergovernmental	2,036,409	165,114	655,836	-
Investment income	16,270	2,802	-	-
Other	160	-	41,248	-
Total revenues	<u>2,354,039</u>	<u>167,916</u>	<u>926,451</u>	<u>4,139</u>
Expenditures:				
Current:				
General government	-	-	961,527	-
Public safety	-	-	-	921
Public health and welfare	-	-	-	-
Community environment	-	-	58,242	-
Leisure time activity	-	-	-	-
Transportation	3,060,089	250,448	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,060,089</u>	<u>250,448</u>	<u>1,019,769</u>	<u>921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(706,050)</u>	<u>(82,532)</u>	<u>(93,318)</u>	<u>3,218</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	8,558	-	-	-
Transfers in	-	-	55,700	-
Transfers out	<u>(35,874)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>(27,316)</u>	<u>-</u>	<u>55,700</u>	<u>-</u>
Net change in fund balances	(733,366)	(82,532)	(37,618)	3,218
Fund balances at beginning of year (deficit) . . .	971,701	118,772	(10,170)	28,526
Increase (decrease) in reserve for inventory. . .	110,742	-	74	-
Fund balances at end of year.	<u>\$ 349,077</u>	<u>\$ 36,240</u>	<u>\$ (47,714)</u>	<u>\$ 31,744</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
110,630	-	-	9,197	259,894	-
-	776,581	35,424	27,803	-	23,616
5,149	-	13,776	-	-	28,393
-	-	60,763	-	-	-
<u>115,779</u>	<u>776,581</u>	<u>349,963</u>	<u>37,000</u>	<u>259,894</u>	<u>52,009</u>
-	-	1,010,075	-	176,522	-
31,561	-	-	213,652	-	9,310
-	-	-	-	-	-
-	-	62,123	-	-	-
-	1,144,453	-	-	-	-
-	-	-	-	-	-
<u>31,561</u>	<u>1,144,453</u>	<u>1,072,198</u>	<u>213,652</u>	<u>176,522</u>	<u>9,310</u>
<u>84,218</u>	<u>(367,872)</u>	<u>(722,235)</u>	<u>(176,652)</u>	<u>83,372</u>	<u>42,699</u>
-	-	33,013	-	-	-
-	-	-	-	-	10,000
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>33,013</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
84,218	(367,872)	(689,222)	(176,652)	83,372	52,699
73,999	993,999	1,545,641	245,613	600,639	77,604
-	-	-	-	10,423	-
<u>\$ 158,217</u>	<u>\$ 626,127</u>	<u>\$ 856,419</u>	<u>\$ 68,961</u>	<u>\$ 694,434</u>	<u>\$ 130,303</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, 2007

	<u>Grant Fund</u>	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ 375,000
Charges for services	-	85,510	-	481,077
Licenses, permits and fees	14,890	-	226,719	241,609
Fines and forfeitures	-	-	-	383,860
Intergovernmental	2,796,288	-	-	6,517,071
Investment income	-	-	-	66,390
Other	13,696	-	-	115,867
Total revenues	<u>2,824,874</u>	<u>85,510</u>	<u>226,719</u>	<u>8,180,874</u>
Expenditures:				
Current:				
General government	218,447	140,669	287,681	2,794,921
Public safety	742,524	-	-	997,968
Public health and welfare	107,039	-	-	107,039
Community environment	-	-	-	120,365
Leisure time activity	496,964	-	-	496,964
Transportation	-	-	-	4,454,990
Capital outlay	1,836,251	-	-	1,836,251
Total expenditures	<u>3,401,225</u>	<u>140,669</u>	<u>287,681</u>	<u>10,808,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(576,351)</u>	<u>(55,159)</u>	<u>(60,962)</u>	<u>(2,627,624)</u>
Other financing sources:				
Proceeds from sale of capital assets	-	-	-	41,571
Transfers in	209,922	-	-	275,622
Transfers out	-	-	-	(35,874)
Total other financing sources (uses):	<u>209,922</u>	<u>-</u>	<u>-</u>	<u>281,319</u>
Net change in fund balances	(366,429)	(55,159)	(60,962)	(2,346,305)
Fund balances at beginning of year (deficit) . . .	279,528	118,631	77,656	5,122,139
Increase (decrease) in reserve for inventory . .	27,107	2,063	-	150,409
Fund balances at end of year	<u><u>\$ (59,794)</u></u>	<u><u>\$ 65,535</u></u>	<u><u>\$ 16,694</u></u>	<u><u>\$ 2,926,243</u></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, 2007

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Fixed Asset Acquisition</u>	<u>2005 Service Fleet</u>
Revenues:				
Municipal income taxes	\$ 3,970,478	\$ -	\$ -	\$ -
Intergovernmental	-	489,037	965,000	190,500
Miscellaneous	-	-	-	895
Total revenues	<u>3,970,478</u>	<u>489,037</u>	<u>965,000</u>	<u>191,395</u>
Expenditures:				
Capital outlay	3,582,286	485,452	769,074	2,949
Debt service:				
Interest and fiscal charges	-	-	-	29,169
Total expenditures	<u>3,582,286</u>	<u>485,452</u>	<u>769,074</u>	<u>32,118</u>
Excess (deficiency) of revenues over (under) expenditures.	388,192	3,585	195,926	159,277
Fund balances at beginning of year	1,141,945	31,773	590,140	(647,258)
(Decrease) in reserve for inventory.	<u>(8,207)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 1,521,930</u>	<u>\$ 35,358</u>	<u>\$ 786,066</u>	<u>\$ (487,981)</u>

Bowman Street Bridge	Miller Park	Total
\$ -	\$ -	\$ 3,970,478
901,408	-	2,545,945
-	-	895
<u>901,408</u>	<u>-</u>	<u>6,517,318</u>
901,408	145,826	5,886,995
-	-	29,169
<u>901,408</u>	<u>145,826</u>	<u>5,916,164</u>
-	(145,826)	601,154
-	-	1,116,600
-	-	(8,207)
<u>\$ -</u>	<u>\$ (145,826)</u>	<u>\$ 1,709,547</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 3,342,648	\$ 3,159,031	\$ 3,243,134	\$ 84,103
Charges for services	1,675,288	1,669,288	1,665,618	(3,670)
Licenses, permits and fees	524,199	544,399	566,253	21,854
Fines and forfeitures	1,292,988	1,262,988	1,240,120	(22,868)
Intergovernmental	4,028,418	4,164,918	4,497,713	332,795
Special assessments	22,500	38,200	26,093	(12,107)
Investment income	1,034,241	1,264,241	1,440,939	176,698
Other	74,891	130,620	96,181	(34,439)
Total revenues	11,995,173	12,233,685	12,776,051	542,366
Expenditures:				
Current:				
Public safety				
Safety town				
Materials and supplies	31,029	31,029	16,775	14,254
Street lighting				
Contractual services	625,624	584,606	512,954	71,652
Housing of prisoners				
Contractual services	919,774	916,874	852,403	64,471
Total public safety	1,576,427	1,532,509	1,382,132	150,377
Public health and welfare				
Human relations				
Other	33,310	33,310	4,335	28,975
Humane society				
Other	10,000	10,000	10,000	-
Indigent burial				
Other	8,000	4,000	2,750	1,250
Dog warden				
Other	30,000	30,000	30,000	-
Total public health and welfare	81,310	77,310	47,085	30,225
Leisure time activities				
Parks				
Personal services	294,700	287,026	287,026	-
Capital outlay	51,499	51,499	50,973	526
Materials and supplies	83,790	89,869	87,784	2,085
Contractual services	632,845	639,294	637,552	1,742
Other	500	1,446	1,346	100
Adopt-a-park				
Other	5,818	5,818	800	5,018
Recreation				
Personal services	56,100	74,207	74,207	-
Materials and supplies	3,500	3,750	3,611	139
Contractual services	91,858	93,858	93,376	482
Total leisure time activities	1,220,610	1,246,767	1,236,675	10,092

(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, 2007

	<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.	413,700	376,673	360,785	15,888
Materials and supplies	10,000	23,500	22,105	1,395
Contractual services	437,830	468,393	465,889	2,504
Other.	21,000	14,764	13,219	1,545
Regional planning				
Other.	32,125	32,125	32,125	-
Chamber district				
Other.	5,000	23,100	13,768	9,332
Sub-division fees				
Other.	38,063	38,063	870	37,193
Total community environment	957,718	976,618	908,761	67,857
General government				
Council				
Personal services.	144,900	148,585	148,585	-
Contractual services	117,686	117,686	117,686	-
Materials and supplies	1,800	1,800	1,339	461
Other.	3,400	2,619	2,481	138
Human resource director				
Personal services.	174,100	170,050	159,455	10,595
Materials and supplies	3,300	3,800	3,620	180
Contractual services	214,615	214,115	202,507	11,608
Other.	11,000	11,000	7,712	3,288
Mayor				
Personal services.	126,215	131,312	131,247	65
Materials and supplies	32,000	30,500	29,606	894
Contractual services	124,686	124,686	122,652	2,034
Other.	4,000	5,500	4,138	1,362
Finance director				
Personal services.	513,500	507,352	504,762	2,590
Materials and supplies	20,173	20,605	20,206	399
Contractual services	549,640	534,099	528,127	5,972
Other.	6,000	5,000	4,230	770
Law director				
Personal services.	477,334	480,731	480,671	60
Materials and supplies	58,168	53,998	47,092	6,906
Contractual services	408,287	405,890	404,949	941
Other.	69,264	73,434	67,069	6,365
Municipal court				
Personal services.	644,900	657,075	654,397	2,678
Materials and supplies	22,648	22,648	18,791	3,857
Contractual services	876,923	951,922	920,860	31,062
Other.	5,673	5,498	4,337	1,161
Clerk of court				
Personal services.	841,500	841,500	802,126	39,374
Materials and supplies	95,624	99,624	92,089	7,535
Contractual services	539,893	539,893	539,893	-
Other	8,968	4,968	3,814	1,154

(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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil service commission				
Personal services.	19,500	19,500	19,500	-
Materials and supplies	500	500	-	500
Contractual services	40,000	40,000	40,000	-
Safety/service director				
Personal services.	92,500	92,500	92,317	183
Materials and supplies	2,700	2,000	1,708	292
Contractual services	87,292	88,092	87,141	951
Other.	1,000	900	554	346
Engineering				
Personal services.	281,900	281,900	273,695	8,205
Materials and supplies	8,893	12,793	11,101	1,692
Contractual services	345,433	338,497	313,602	24,895
Capital outlay	6,600	-	-	-
Other.	8,040	8,840	6,654	2,186
City building and public lands				
Personal services.	179,300	187,558	187,558	-
Materials and supplies	54,095	50,220	44,508	5,712
Contractual services	616,696	822,571	817,583	4,988
Income tax administration				
Personal services.	467,900	462,686	462,686	-
Materials and supplies	76,691	73,176	71,111	2,065
Capital outlay	25,000	25,000	22,938	2,062
Contractual services	369,398	371,998	371,762	236
Other.	3,000	420	420	-
Miscellaneous				
Fringe benefits.	10,000	35,200	34,917	283
Contractual services	543,982	565,982	542,657	23,325
Festivals	50,000	51,300	48,504	2,796
Other.	47,150	26,150	11,092	15,058
Unclaimed money				
Other.	64,730	64,730	3,582	61,148
Shade tree commission				
Other.	757	757	717	40
Special assessments				
Special assessments	3,562	3,562	2,919	643
Total general government	9,502,816	9,792,722	9,493,667	299,055

(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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	13,338,881	13,625,926	13,068,320	557,606
Deficiency of revenues under expenditures	(1,343,708)	(1,392,241)	(292,269)	1,099,972
Other financing sources (uses):				
Proceeds from the sale of capital assets	56,150	56,150	56,150	-
Loan to other funds	(659,373)	(659,373)	(659,373)	-
Payment on loan from other funds	(250,000)	(250,000)	(250,000)	-
Repayment of loan to other funds	60,283	60,283	60,283	-
Transfers out	(366,286)	(344,004)	(329,956)	14,048
Total other financing sources (uses)	(1,159,226)	(1,136,944)	(1,122,896)	14,048
Net change in fund balance	(2,502,934)	(2,529,185)	(1,415,165)	1,114,020
Fund balance at beginning of year	2,355,671	2,355,671	2,355,671	-
Prior year encumbrances appropriated	429,918	429,918	429,918	-
Fund balance at end of year.	<u>\$ 282,655</u>	<u>\$ 256,404</u>	<u>\$ 1,370,424</u>	<u>\$ 1,114,020</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,281,453	\$ 3,281,453	\$ 1,274,963	\$ (2,006,490)
Investment income	100,000	100,000	80,727	(19,273)
Other	464,093	464,093	420,072	(44,021)
	<u>3,845,546</u>	<u>3,845,546</u>	<u>1,775,762</u>	<u>(2,069,784)</u>
Expenditures:				
Current:				
Community environment				
Personal services	202,300	205,200	205,120	80
Materials and supplies	5,035	16,035	15,133	902
Contractual services	2,810,306	3,367,142	1,346,178	2,020,964
Other	648,840	93,104	53,198	39,906
	<u>3,666,481</u>	<u>3,681,481</u>	<u>1,619,629</u>	<u>2,061,852</u>
Total expenditures				
	<u>3,666,481</u>	<u>3,681,481</u>	<u>1,619,629</u>	<u>2,061,852</u>
Excess of revenues over expenditures	179,065	164,065	156,133	(7,932)
Other financing uses:				
Transfers out	(250,000)	(250,000)	(250,000)	-
Total other financing uses	(250,000)	(250,000)	(250,000)	-
Net change in fund balance	(70,935)	(85,935)	(93,867)	(7,932)
Fund balance at beginning of year	78,536	78,536	78,536	-
Prior year encumbrances appropriated	153,627	153,627	153,627	-
Fund balance at end of year	<u>\$ 161,228</u>	<u>\$ 146,228</u>	<u>\$ 138,296</u>	<u>\$ (7,932)</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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 20,019,165	\$ 20,019,165	\$ 19,912,814	\$ (106,351)
Charges for services	1,289,000	1,651,000	1,194,336	(456,664)
Licenses, permits and fees	98,600	104,600	101,846	(2,754)
Fines and forfeitures	140,000	140,000	118,771	(21,229)
Intergovernmental	102,706	101,206	93,126	(8,080)
Other	108,585	169,069	38,141	(130,928)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,758,056	22,185,040	21,459,034	(726,006)
Expenditures:				
Current:				
Public safety				
Personal services	14,924,136	14,304,578	13,441,521	863,057
Fringe benefits	3,209,148	3,241,158	3,103,417	137,741
Materials and supplies	621,540	646,994	561,447	85,547
Contractual services	4,420,561	4,490,225	4,411,992	78,233
Capital outlay	521,947	1,005,599	896,280	109,319
Other	231,905	241,166	199,025	42,141
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	23,929,237	23,929,720	22,613,682	1,316,038
Deficiency of revenues under expenditures . . .	(2,171,181)	(1,744,680)	(1,154,648)	590,032
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	1,602,303	1,160,303	1,159,586	(717)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,552,303	1,110,303	1,109,586	(717)
Net change in fund balance	(618,878)	(634,377)	(45,062)	589,315
Fund balance at beginning of year	197,223	197,223	197,223	-
Prior year encumbrances appropriated	447,772	447,772	447,772	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 26,117</u>	<u>\$ 10,618</u>	<u>\$ 599,933</u>	<u>\$ 589,315</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,801	\$ 1,401	\$ -	\$ (1,401)
Other	-	7,400	7,392	(8)
Total revenues	<u>1,801</u>	<u>8,801</u>	<u>7,392</u>	<u>(1,409)</u>
Expenditures:				
Capital outlay	<u>1,216,804</u>	<u>2,700,000</u>	<u>2,646,977</u>	<u>53,023</u>
Total expenditures	<u>1,216,804</u>	<u>2,700,000</u>	<u>2,646,977</u>	<u>53,023</u>
Deficiency of revenues under expenditures	<u>(1,215,003)</u>	<u>(2,691,199)</u>	<u>(2,639,585)</u>	<u>51,614</u>
Other financing sources:				
Note proceeds	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources.	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	784,997	(691,199)	(639,585)	51,614
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>\$ 1,936,442</u>	<u>\$ 460,246</u>	<u>\$ 511,860</u>	<u>\$ 51,614</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 135,000	\$ 135,000	\$ 135,000	\$ -
Intergovernmental	2,067,000	2,065,000	2,041,187	(23,813)
Charges for services	166,200	166,200	166,200	-
Investment income	19,000	19,000	16,270	(2,730)
Other	23,481	23,481	8,718	(14,763)
Total revenues	2,410,681	2,408,681	2,367,375	(41,306)
Expenditures:				
Current:				
Transportation				
Personal services	825,400	836,152	836,152	-
Materials and supplies	738,969	798,012	794,966	3,046
Capital outlay	18,565	20,165	18,516	1,649
Contractual services	1,607,086	1,575,205	1,530,419	44,786
Total expenditures	3,190,020	3,229,534	3,180,053	49,481
Deficiency of revenues under expenditures	(779,339)	(820,853)	(812,678)	8,175
Other financing sources:				
Transfers in	-	2,000	-	(2,000)
Total other financing sources	-	2,000	-	(2,000)
Net change in fund balance	(779,339)	(818,853)	(812,678)	6,175
Fund balance at beginning of year	755,764	755,764	755,764	-
Prior year encumbrances appropriated	63,089	63,089	63,089	-
Fund balance at end of year	\$ 39,514	\$ -	\$ 6,175	\$ 6,175

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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 185,000	\$ 185,000	\$ 165,501	\$ (19,499)
Investment income	1,500	1,500	2,802	1,302
Total revenues	<u>186,500</u>	<u>186,500</u>	<u>168,303</u>	<u>(18,197)</u>
Expenditures:				
Current:				
Transportation				
Personal services	150,000	150,000	131,510	18,490
Materials and supplies	140,360	140,360	128,946	11,414
Total expenditures	<u>290,360</u>	<u>290,360</u>	<u>260,456</u>	<u>29,904</u>
Net change in fund balance	(103,860)	(103,860)	(92,153)	11,707
Fund balance at beginning of year	<u>103,860</u>	<u>103,860</u>	<u>103,860</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,707</u>	<u>\$ 11,707</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,093,797	\$ 1,185,649	\$ 889,433	(296,216)
Other	-	116,208	106,248	(9,960)
Total revenues	<u>1,093,797</u>	<u>1,301,857</u>	<u>995,681</u>	<u>(306,176)</u>
Expenditures:				
Current:				
General government				
Personal services	509,700	522,217	501,268	20,949
Materials and supplies	41,214	98,115	84,818	13,297
Contractual services	487,256	634,928	446,722	188,206
Capital outlay	15,000	6,022	6,022	-
Other	6,319	6,266	4,428	1,838
Total expenditures	<u>1,059,489</u>	<u>1,267,548</u>	<u>1,043,258</u>	<u>224,290</u>
Excess (deficiency) of revenues over (under) expenses	<u>34,308</u>	<u>34,309</u>	<u>(47,577)</u>	<u>(81,886)</u>
Other financing sources (uses):				
Loan from other funds	31,584	31,584	31,584	-
Repayment of loan from other funds	(60,283)	(60,283)	(60,283)	-
Transfers in	-	55,700	55,700	-
Total other financing sources (uses)	<u>(28,699)</u>	<u>27,001</u>	<u>27,001</u>	<u>-</u>
Net change in fund balance	5,609	61,310	(20,576)	(81,886)
Fund balance at beginning of year	4,715	4,715	4,715	-
Prior year encumbrances appropriated	<u>21,262</u>	<u>21,262</u>	<u>21,262</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,586</u>	<u>\$ 87,287</u>	<u>\$ 5,401</u>	<u>\$ (81,886)</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, 2007

	<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	\$ 20,000	\$ 20,000	\$ 4,139	\$ (15,861)
Total revenues	20,000	20,000	4,139	(15,861)
Expenditures:				
Current:				
Public safety				
Other	48,527	48,527	821	47,706
Total expenditures	48,527	48,527	821	47,706
Net change in fund balance	(28,527)	(28,527)	3,318	31,845
Fund balance at beginning of year	<u>28,527</u>	<u>28,527</u>	<u>28,527</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,845</u>	<u>\$ 31,845</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, 2007

	<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	\$ 41,700	\$ 66,700	\$ 110,630	\$ 43,930
Investment income	6,000	6,000	5,148	(852)
Other	4,852	4,852	-	(4,852)
	<u>52,552</u>	<u>77,552</u>	<u>115,778</u>	<u>38,226</u>
Expenditures:				
Current:				
Public safety				
Other	110,102	110,102	35,811	74,291
	<u>110,102</u>	<u>110,102</u>	<u>35,811</u>	<u>74,291</u>
Total expenditures				
	<u>110,102</u>	<u>110,102</u>	<u>35,811</u>	<u>74,291</u>
Net change in fund balance	(57,550)	(32,550)	79,967	112,517
Fund balance at beginning of year	74,002	74,002	74,002	-
Prior year encumbrances appropriated	4,250	4,250	4,250	-
	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,702</u>	<u>\$ 45,702</u>	<u>\$ 158,219</u>	<u>\$ 112,517</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 809,500	\$ 905,500	\$ 774,053	\$ (131,447)
Total revenues	<u>809,500</u>	<u>905,500</u>	<u>774,053</u>	<u>(131,447)</u>
Expenditures:				
Current:				
Transportation				
Contractual services	987,054	1,646,426	1,333,930	312,496
Debt service:				
Principal retirement	190,500	190,500	190,500	-
Other.	5,431	5,431	-	5,431
Total expenditures	<u>1,182,985</u>	<u>1,842,357</u>	<u>1,524,430</u>	<u>317,927</u>
Net change in fund balance	(373,485)	(936,857)	(750,377)	(186,480)
Fund balance at beginning of year	332,125	332,125	332,125	-
Prior year encumbrances appropriated	<u>604,732</u>	<u>604,732</u>	<u>604,732</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 563,372</u>	<u>\$ -</u>	<u>\$ 186,480</u>	<u>\$ (186,480)</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, 2007

	<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	780,608	989,309	37,524	(951,785)
Investment income	15,000	15,000	11,265	(3,735)
Other	351,572	155,022	55,185	(99,837)
	<u>1,387,180</u>	<u>1,399,331</u>	<u>343,974</u>	<u>(1,055,357)</u>
Expenditures:				
Current:				
General government				
Personal services	90,900	91,430	91,430	-
Materials and supplies	67,625	67,625	67,453	172
Contractual services	1,852,981	1,864,602	1,194,863	669,739
Other	25,000	25,000	25,000	-
	<u>2,036,506</u>	<u>2,048,657</u>	<u>1,378,746</u>	<u>669,911</u>
Total expenditures				
	<u>2,036,506</u>	<u>2,048,657</u>	<u>1,378,746</u>	<u>669,911</u>
Deficiency of revenues under expenditures . . .	(649,326)	(649,326)	(1,034,772)	(385,446)
Other financing sources:				
Loan from other funds	255,685	255,685	255,685	-
	<u>255,685</u>	<u>255,685</u>	<u>255,685</u>	<u>-</u>
Total other financing sources				
	<u>255,685</u>	<u>255,685</u>	<u>255,685</u>	<u>-</u>
Net change in fund balance	(393,641)	(393,641)	(779,087)	(385,446)
Fund balance at beginning of year	345,404	345,404	345,404	-
Prior year encumbrances appropriated	433,683	433,683	433,683	-
	<u>433,683</u>	<u>433,683</u>	<u>433,683</u>	<u>-</u>
Fund balance at end of year	<u>\$ 385,446</u>	<u>\$ 385,446</u>	<u>\$ -</u>	<u>\$ (385,446)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 27,803	\$ 27,803	\$ 27,803	\$ -
Fines and forfeitures.	16,197	16,197	9,672	(6,525)
Total revenues	<u>44,000</u>	<u>44,000</u>	<u>37,475</u>	<u>(6,525)</u>
Expenditures:				
Current:				
Public safety				
Other.	<u>300,181</u>	<u>300,181</u>	<u>186,215</u>	<u>113,966</u>
Total expenditures	<u>300,181</u>	<u>300,181</u>	<u>186,215</u>	<u>113,966</u>
Net change in fund balance	(256,181)	(256,181)	(148,740)	107,441
Fund balance at beginning of year	231,666	231,666	231,666	-
Prior year encumbrances appropriated	<u>24,515</u>	<u>24,515</u>	<u>24,515</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,441</u>	<u>\$ 107,441</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, 2007

	<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	\$ 270,000	\$ 270,000	\$ 264,171	\$ (5,829)
Total revenues	270,000	270,000	264,171	(5,829)
Expenditures:				
Current:				
General government				
Personal services	51,600	51,600	51,452	148
Materials and supplies	377,255	377,026	99,149	277,877
Contractual services	39,515	39,744	31,194	8,550
Total expenditures	468,370	468,370	181,795	286,575
Net change in fund balance	(198,370)	(198,370)	82,376	280,746
Fund balance at beginning of year	569,613	569,613	569,613	-
Prior year encumbrances appropriated	13,455	13,455	13,455	-
Fund balance at end of year	<u>\$ 384,698</u>	<u>\$ 384,698</u>	<u>\$ 665,444</u>	<u>\$ 280,746</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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 38,000	\$ 38,000	\$ 23,616	\$ (14,384)
Investment income	8,000	8,000	28,394	20,394
Other	50	50	1,165	1,115
Total revenues	46,050	46,050	53,175	7,125
Expenditures:				
Current:				
Public safety				
Capital outlay	108,652	108,652	6,500	102,152
Other.	23,835	23,835	2,804	21,031
Total expenditures	132,487	132,487	9,304	123,183
Excess (deficiency) of revenues over (under) expenses	(86,437)	(86,437)	43,871	130,308
Other financing sources:				
Transfers in	8,835	8,835	8,835	-
Total other financing sources	8,835	8,835	8,835	-
Net change in fund balance	(77,602)	(77,602)	52,706	130,308
Fund balance at beginning of year	77,602	77,602	77,602	-
Fund balance at end of year.	\$ -	\$ -	\$ 130,308	\$ 130,308

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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,286,569	\$ 4,131,555	\$ 2,748,430	\$ (1,383,125)
Licenses, permits and fees	14,000	14,000	-	(14,000)
Other	12,702	10,952	32,010	21,058
	<u>3,313,271</u>	<u>4,156,507</u>	<u>2,780,440</u>	<u>(1,376,067)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	295,012	308,792	105,516	203,276
Materials and supplies	224,311	216,052	119,344	96,708
Contractual services	251,730	305,441	214,042	91,399
Capital outlay	821,468	1,117,176	1,012,846	104,330
Other.	39,250	41,472	22,719	18,753
Total public safety	<u>1,631,771</u>	<u>1,988,933</u>	<u>1,474,467</u>	<u>514,466</u>
Public health and welfare				
Personal services.	53,848	53,898	53,898	-
Materials and supplies	26,318	26,218	20,114	6,104
Contractual services	43,090	43,090	43,090	-
Total public health and welfare.	<u>123,256</u>	<u>123,206</u>	<u>117,102</u>	<u>6,104</u>
General government				
Personal services.	184,819	238,653	176,266	62,387
Materials and supplies	21,280	19,960	6,658	13,302
Capital outlay	679	679	-	679
Contractual services	1,954,624	2,459,846	1,977,233	482,613
Other.	4,700	4,700	-	4,700
Total general government	<u>2,166,102</u>	<u>2,723,838</u>	<u>2,160,157</u>	<u>563,681</u>
Total expenditures	<u>3,921,129</u>	<u>4,835,977</u>	<u>3,751,726</u>	<u>1,084,251</u>
Deficiency of revenues under expenditures	<u>(607,858)</u>	<u>(679,470)</u>	<u>(971,286)</u>	<u>(291,816)</u>
Other financing sources:				
Loan from other funds	217,600	217,600	217,600	-
Transfers in	61,815	209,922	209,922	-
Total other financing sources	<u>279,415</u>	<u>427,522</u>	<u>427,522</u>	<u>-</u>
Net change in fund balance	(328,443)	(251,948)	(543,764)	(291,816)
Fund balance at beginning of year	242,869	242,869	242,869	-
Prior year encumbrances appropriated	300,895	300,895	300,895	-
Fund balance at end of year.	<u>\$ 215,321</u>	<u>\$ 291,816</u>	<u>\$ -</u>	<u>\$ (291,816)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 135,806	\$ 135,806	\$ 89,100	\$ (46,706)
Total revenues	135,806	135,806	89,100	(46,706)
Expenditures:				
Current:				
General government				
Personal services.	102,835	104,767	104,767	-
Materials and supplies	145,353	143,421	37,676	105,745
Total expenditures	248,188	248,188	142,443	105,745
Net change in fund balance	(112,382)	(112,382)	(53,343)	59,039
Fund balance at beginning of year	111,005	111,005	111,005	-
Prior year encumbrances appropriated	1,377	1,377	1,377	-
Fund balance at end of year.	\$ -	\$ -	\$ 59,039	\$ 59,039

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, 2007

	<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	\$ 225,000	\$ 225,000	\$ 228,754	\$ 3,754
Total revenues	225,000	225,000	228,754	3,754
Expenditures:				
Current:				
General government				
Personal services	290,194	290,194	287,681	2,513
Materials and supplies	4,515	4,515	-	4,515
Total expenditures	294,709	294,709	287,681	7,028
Net change in fund balance	(69,709)	(69,709)	(58,927)	10,782
Fund balance at beginning of year	<u>69,709</u>	<u>69,709</u>	<u>69,709</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,782</u>	<u>\$ 10,782</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHAMBER DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 4,225	\$ 4,225	\$ 4,225	\$ -
Total revenues	4,225	4,225	4,225	-
Expenditures:				
Current:				
Debt service				
Principal retirement	305,000	305,000	305,000	-
Interest and fiscal charges	213,804	213,804	213,804	-
Other.	378	378	378	-
Total expenditures	519,182	519,182	519,182	-
Deficiency of revenues under expenditures . . .	(514,957)	(514,957)	(514,957)	-
Other financing sources:				
Transfers in	398,755	398,755	398,755	-
Total other financing sources	398,755	398,755	398,755	-
Net change in fund balance	(116,202)	(116,202)	(116,202)	-
Fund balance at beginning of year	<u>177,797</u>	<u>177,797</u>	<u>177,797</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 61,595</u>	<u>\$ 61,595</u>	<u>\$ 61,595</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET RESURFACING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 3,607,830	\$ 3,607,830	\$ 3,607,830	\$ -
Total revenues	<u>3,607,830</u>	<u>3,607,830</u>	<u>3,607,830</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>4,976,470</u>	<u>4,976,470</u>	<u>4,032,157</u>	<u>944,313</u>
Total expenditures	<u>4,976,470</u>	<u>4,976,470</u>	<u>4,032,157</u>	<u>944,313</u>
Net change in fund balance	<u>(1,368,640)</u>	<u>(1,368,640)</u>	<u>(424,327)</u>	<u>944,313</u>
Fund balance at beginning of year	908,524	908,524	908,524	-
Prior year encumbrances appropriated	<u>548,125</u>	<u>548,125</u>	<u>548,125</u>	<u>-</u>
Fund balance at end of year	<u>\$ 88,009</u>	<u>\$ 88,009</u>	<u>\$ 1,032,322</u>	<u>\$ 944,313</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,330,350	\$ 1,330,350	\$ 490,414	\$ (839,936)
Total revenues	<u>1,330,350</u>	<u>1,330,350</u>	<u>490,414</u>	<u>(839,936)</u>
Expenditures:				
Capital outlay	<u>1,538,852</u>	<u>1,538,852</u>	<u>472,995</u>	<u>1,065,857</u>
Total expenditures	<u>1,538,852</u>	<u>1,538,852</u>	<u>472,995</u>	<u>1,065,857</u>
Net change in fund balance	(208,502)	(208,502)	17,419	225,921
Fund balance at beginning of year	<u>208,502</u>	<u>208,502</u>	<u>208,502</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,921</u>	<u>\$ 225,921</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIXED ASSET ACQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 965,000	\$ 965,000	\$ 965,000	\$ -
Total revenues	<u>965,000</u>	<u>965,000</u>	<u>965,000</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>1,555,140</u>	<u>1,555,140</u>	<u>1,477,475</u>	<u>77,665</u>
Total expenditures	<u>1,555,140</u>	<u>1,555,140</u>	<u>1,477,475</u>	<u>77,665</u>
Net change in fund balance	(590,140)	(590,140)	(512,475)	77,665
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>590,140</u>	<u>590,140</u>	<u>590,140</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 77,665</u></u>	<u><u>\$ 77,665</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 190,500	\$ 190,500	\$ 190,500	\$ -
Other	-	895	895	-
Total revenues	<u>190,500</u>	<u>191,395</u>	<u>191,395</u>	<u>-</u>
Expenditures:				
Capital outlay	\$ 13,743	\$ 13,743	\$ 2,949	\$ 10,794
Principal retirement	650,000	650,000	650,000	-
Interest and fiscal charges	29,500	29,500	29,169	331
Total expenditures	<u>693,243</u>	<u>693,243</u>	<u>682,118</u>	<u>11,125</u>
Deficiency of revenues under expenditures	(502,743)	(501,848)	(490,723)	11,125
Other financing sources:				
Note proceeds	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	(2,743)	(1,848)	9,277	11,125
Fund balance at beginning of year	<u>2,743</u>	<u>2,743</u>	<u>2,743</u>	
Fund balance at end of year	<u>\$ -</u>	<u>\$ 895</u>	<u>\$ 12,020</u>	<u>\$ 11,125</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,125,408	\$ 2,125,408	\$ 901,408	\$ (1,224,000)
Total revenues	2,125,408	2,125,408	901,408	(1,224,000)
Expenditures:				
Capital outlay	2,125,408	2,125,408	901,408	1,224,000
Total expenditures	2,125,408	2,125,408	901,408	1,224,000
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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLER PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 2,150,000	\$ -	\$ (2,150,000)
Total revenues	-	2,150,000	-	(2,150,000)
Expenditures:				
Capital outlay	\$ -	\$ 3,920,000	\$ 154,504	\$ 3,765,496
Total expenditures	-	3,920,000	154,504	3,765,496
Deficiency of revenues under expenditures	-	(1,770,000)	(154,504)	1,615,496
Other financing sources:				
Loan from other funds	154,504	154,504	154,504	-
Note proceeds	-	1,770,000	-	(1,770,000)
Total other financing sources.	154,504	1,924,504	154,504	(1,770,000)
Net change in fund balance	154,504	154,504	-	(154,504)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year.	<u>\$ 154,504</u>	<u>\$ 154,504</u>	<u>\$ -</u>	<u>\$ (154,504)</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, 2007

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 117,780	\$ 79,860	\$ 197,640
Receivables (net of allowances of uncollectibles):			
Accounts	35,048	-	35,048
Materials and supplies inventory.	39,069	-	39,069
Total current assets	<u>191,897</u>	<u>79,860</u>	<u>271,757</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,493,629	171,852	1,665,481
Depreciable capital assets, net	1,693,992	-	1,693,992
Total capital assets	<u>3,187,621</u>	<u>171,852</u>	<u>3,359,473</u>
Total assets	<u>\$ 3,379,518</u>	<u>\$ 251,712</u>	<u>\$ 3,631,230</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 314,520	\$ -	\$ 314,520
Accrued wages and benefits	11,260	-	11,260
Due to other governments	7,707	-	7,707
Total current liabilities	<u>333,487</u>	<u>-</u>	<u>333,487</u>
Long-term liabilities:			
Compensated absences	50,223	-	50,223
Total long-term liabilities.	<u>50,223</u>	<u>-</u>	<u>50,223</u>
Total liabilities.	<u>383,710</u>	<u>-</u>	<u>383,710</u>
Net assets:			
Invested in capital assets, net of related debt	3,187,621	171,852	3,359,473
Unrestricted	(191,813)	79,860	(111,953)
Total net assets	<u>\$ 2,995,808</u>	<u>\$ 251,712</u>	<u>\$ 3,247,520</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 68,709	\$ -	\$ 68,709
Total operating revenues	<u>68,709</u>	<u>-</u>	<u>68,709</u>
Operating expenses:			
Personal services	241,470	-	241,470
Contractual services	376,665	-	376,665
Materials and supplies	178,020	-	178,020
Depreciation	212,968	-	212,968
Utilities	174,343	-	174,343
Other	349	165	514
Total operating expenses	<u>1,183,815</u>	<u>165</u>	<u>1,183,980</u>
Operating (loss)	<u>(1,115,106)</u>	<u>(165)</u>	<u>(1,115,271)</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	4,230	-	4,230
Intergovernmental	129,033	-	129,033
Municipal income tax	413,685	-	413,685
Total nonoperating revenues	<u>546,948</u>	<u>-</u>	<u>546,948</u>
Income (loss) before capital contributions and transfers	(568,158)	(165)	(568,323)
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	(568,158)	(165)	(568,323)
Net assets at beginning of year (restated) . . .	<u>3,563,966</u>	<u>251,877</u>	<u>3,815,843</u>
Net assets at end of year	<u>\$ 2,995,808</u>	<u>\$ 251,712</u>	<u>\$ 3,247,520</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Airport Operating	Parking Garage	Total
Cash flows from operating activities:			
Cash received from customers	\$ 89,777	\$ -	\$ 89,777
Cash received from other operating revenues	4,230	-	4,230
Cash payments to employees	(225,999)	-	(225,999)
Cash payments to suppliers	(441,510)	(165)	(441,675)
Cash payments for other operating expenses	(349)	-	(349)
Net cash provided by (used in) operating activities	<u>(573,851)</u>	<u>(165)</u>	<u>(574,016)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(32,455)</u>	-	<u>(32,455)</u>
Net cash used in capital and related financing activities	<u>(32,455)</u>	-	<u>(32,455)</u>
Cash flows from noncapital financing activities:			
Intergovernmental	129,033	-	129,033
Municipal income tax	413,685	-	413,685
Net cash used in non-capital financing activities	<u>542,718</u>	-	<u>542,718</u>
Net increase (decrease) in cash and cash equivalents	(63,588)	(165)	(63,753)
Cash and cash equivalents at beginning of year	<u>181,368</u>	<u>80,025</u>	<u>261,393</u>
Cash and cash equivalents at end of year	<u><u>\$ 117,780</u></u>	<u><u>\$ 79,860</u></u>	<u><u>\$ 197,640</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (1,115,106)	\$ (165)	\$ (1,115,271)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	212,968	-	212,968
Other non-operating revenues.	4,230	-	4,230
Changes in assets and liabilities:			
Decrease in accounts receivable	21,068	-	21,068
(Increase) in inventory of supplies	(6,124)	-	(6,124)
Increase in accounts payable.	294,486	-	294,486
Increase in accrued wages and benefits	1,117	-	1,117
(Decrease) in due to other governments	(844)	-	(844)
Increase in compensated absences payable	14,354	-	14,354
Net cash used in operating activities	<u><u>\$ (573,851)</u></u>	<u><u>\$ (165)</u></u>	<u><u>\$ (574,016)</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, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 8,014,490	\$ 8,028,840	\$ 8,027,607	\$ (1,233)
Intergovernmental	60,050	50,050	-	(50,050)
Tap and license fees	8,932	21,932	46,965	25,033
Total revenues.	<u>8,083,472</u>	<u>8,100,822</u>	<u>8,074,572</u>	<u>(26,250)</u>
Expenses:				
Personal services.	3,054,700	3,039,100	2,683,282	355,818
Fringe benefits.	-	2,600	1,910	690
Materials and supplies	898,580	941,955	875,184	66,771
Contractual services	5,594,337	5,492,517	4,639,277	853,240
Utilities	467,921	585,921	561,330	24,591
Capital outlay	1,045,419	1,195,169	974,466	220,703
Other	29,890	43,583	26,530	17,053
Total expenses	<u>11,090,847</u>	<u>11,300,845</u>	<u>9,761,979</u>	<u>1,538,866</u>
Net change in fund equity	<u>(3,007,375)</u>	<u>(3,200,023)</u>	<u>(1,687,407)</u>	<u>1,512,616</u>
Fund equity at beginning of year	2,671,912	2,671,912	2,671,912	-
Prior year encumbrances appropriated	1,228,354	1,228,354	1,228,354	-
Fund equity at end of year.	<u>\$ 892,891</u>	<u>\$ 700,243</u>	<u>\$ 2,212,859</u>	<u>\$ 1,512,616</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, 2007

	<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	\$ 8,294,386	\$ 8,292,886	\$ 8,039,487	\$ (253,399)
Intergovernmental	65,705	65,705	65,705	-
Investment earnings	8,000	8,000	8,000	-
Tap and license fees	182,423	183,923	251,389	67,466
Total revenues.	<u>8,550,514</u>	<u>8,550,514</u>	<u>8,364,581</u>	<u>(185,933)</u>
Expenses:				
Personal services.	2,331,200	2,331,200	2,184,061	147,139
Fringe benefits.	13,000	13,000	820	12,180
Materials and supplies	593,634	626,434	552,679	73,755
Contractual services	8,228,022	7,616,448	6,259,060	1,357,388
Utilities	692,542	695,242	660,012	35,230
Capital Outlay	839,510	1,764,510	1,008,660	755,850
Other	38,045	47,545	28,124	19,421
Debt service				
Interest and fiscal charges	92,925	92,925	92,667	258
Total expenses	<u>12,828,878</u>	<u>13,187,304</u>	<u>10,786,083</u>	<u>2,401,221</u>
Deficiency of revenues under expenditures	<u>(4,278,364)</u>	<u>(4,636,790)</u>	<u>(2,421,502)</u>	<u>2,215,288</u>
Proceeds from the sale of notes	1,000,000	2,065,000	2,065,000	-
Payment on notes payable	(2,065,000)	(2,065,000)	(2,065,000)	-
Payment on loan to other funds	300,000	300,000	300,000	-
Transfers in	1,053,925	-	-	-
Transfers out	(342,928)	(169,501)	-	169,501
Net change in fund equity	<u>(4,332,367)</u>	<u>(4,506,291)</u>	<u>(2,121,502)</u>	<u>2,384,789</u>
Fund equity at beginning of year	8,213,966	8,213,966	8,213,966	-
Prior year encumbrances appropriated	<u>1,016,601</u>	<u>1,016,601</u>	<u>1,016,601</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 4,898,200</u>	<u>\$ 4,724,276</u>	<u>\$ 7,109,065</u>	<u>\$ 2,384,789</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 363,685	\$ 413,685	\$ 413,685	\$ -
Charges for services	71,000	70,700	89,777	19,077
Intergovernmental	90,000	130,000	129,033	(967)
Other	450	4,751	4,230	(521)
	<u>525,135</u>	<u>619,136</u>	<u>636,725</u>	<u>17,589</u>
Expenses:				
Personal services	239,100	228,000	225,999	2,001
Materials and supplies	59,606	52,006	48,504	3,502
Contractual services	282,115	343,205	342,867	338
Utilities	63,666	61,944	58,550	3,394
Capital outlay	59,464	57,464	56,772	692
Other	2,500	1,884	1,884	-
	<u>706,451</u>	<u>744,503</u>	<u>734,576</u>	<u>9,927</u>
Deficiency of revenues under expenditures . . .	<u>(181,316)</u>	<u>(125,367)</u>	<u>(97,851)</u>	<u>27,516</u>
Transfers out	<u>-</u>	<u>(5,949)</u>	<u>-</u>	<u>5,949</u>
Net change in fund equity	(181,316)	(131,316)	(97,851)	33,465
Fund equity at beginning of year	138,240	138,240	138,240	-
Prior year encumbrances appropriated	<u>43,130</u>	<u>43,130</u>	<u>43,130</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 54</u>	<u>\$ 50,054</u>	<u>\$ 83,519</u>	<u>\$ 33,465</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenses:				
Other	\$ 165	\$ 165	\$ 165	\$ -
Total expenses	165	165	165	-
Deficiency of revenues under expenditures . . .	(165)	(165)	(165)	-
Fund equity at beginning of year	<u>79,376</u>	<u>79,376</u>	<u>79,376</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 79,211</u>	<u>\$ 79,211</u>	<u>\$ 79,211</u>	<u>\$ -</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

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

Gargage Operating:

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

Information Technology:

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

Utility Collections:

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

Health Insurance:

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

OML Self Insurance:

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

Workers' Compensation:

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

Benefit Fund:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 34,356	\$ 19,486	\$ 9,942
Materials and supplies inventory	<u>4,992</u>	<u>16,883</u>	<u>20,889</u>
Total current assets.	<u>39,348</u>	<u>36,369</u>	<u>30,831</u>
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	<u>608,143</u>	<u>104,362</u>	<u>57,925</u>
Total capital assets	<u>608,143</u>	<u>104,362</u>	<u>57,925</u>
Total assets	<u>\$ 647,491</u>	<u>\$ 140,731</u>	<u>\$ 88,756</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 78,711	\$ 7,585	\$ 2,077
Accrued wages and benefits	19,949	8,497	30,558
Due to other governments	17,491	7,189	29,183
Claims payable.	-	-	-
Total current liabilities.	<u>116,151</u>	<u>23,271</u>	<u>61,818</u>
Long-term liabilities:			
Compensated absences	<u>150,128</u>	<u>21,120</u>	<u>123,466</u>
Total long-term liabilities.	<u>150,128</u>	<u>21,120</u>	<u>123,466</u>
Total liabilities	<u>266,279</u>	<u>44,391</u>	<u>185,284</u>
Net assets:			
Invested in capital assets, net of related debt.	608,143	104,362	57,925
Unrestricted (deficit).	<u>(226,931)</u>	<u>(8,022)</u>	<u>(154,453)</u>
Total net assets (deficit).	<u>\$ 381,212</u>	<u>\$ 96,340</u>	<u>\$ (96,528)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Total
\$ 154,453	\$ 30,005	\$ 76,604	\$ 324,846
-	-	-	42,764
<u>154,453</u>	<u>30,005</u>	<u>76,604</u>	<u>367,610</u>
-	-	-	770,430
-	-	-	770,430
<u>\$ 154,453</u>	<u>\$ 30,005</u>	<u>\$ 76,604</u>	<u>\$ 1,138,040</u>
\$ 258	\$ -	\$ -	\$ 88,631
-	-	-	59,004
-	-	-	53,863
556,587	-	-	556,587
<u>556,845</u>	<u>-</u>	<u>-</u>	<u>758,085</u>
-	-	-	294,714
-	-	-	294,714
<u>556,845</u>	<u>-</u>	<u>-</u>	<u>1,052,799</u>
-	-	-	770,430
(402,392)	30,005	76,604	(685,189)
<u>\$ (402,392)</u>	<u>\$ 30,005</u>	<u>\$ 76,604</u>	<u>\$ 85,241</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,438,620	\$ 520,525	\$ 1,414,966
Total operating revenues	<u>1,438,620</u>	<u>520,525</u>	<u>1,414,966</u>
Operating expenses:			
Personal services	417,940	185,545	710,439
Contractual services	263,640	273,357	611,329
Materials and supplies.	836,521	20,911	192,582
Depreciation.	276,569	30,193	10,700
Utilities	56,619	-	6,306
Claims expense	-	-	-
Other	-	795	-
Total operating expenses	<u>1,851,289</u>	<u>510,801</u>	<u>1,531,356</u>
Operating income (loss)	<u>(412,669)</u>	<u>9,724</u>	<u>(116,390)</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	4,501	-	2,703
Loss on disposal of assets	-	(519)	(1,333)
Total nonoperating revenues (expenses)	<u>4,501</u>	<u>(519)</u>	<u>1,370</u>
Income (loss) before capital contributions and transfers	(408,168)	9,205	(115,020)
Capital contributions	-	4,548	2,253
Changes in net assets	(408,168)	13,753	(112,767)
Net assets (deficit) at beginning of year	<u>789,380</u>	<u>82,587</u>	<u>16,239</u>
Net assets (deficit) at end of year	<u>\$ 381,212</u>	<u>\$ 96,340</u>	<u>\$ (96,528)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 6,211,591	\$ 475,145	\$ 822,914	\$ 3,107,768	\$ 13,991,529
6,211,591	475,145	822,914	3,107,768	13,991,529
-	-	-	-	1,313,924
438,207	449,923	775,479	3,107,768	5,919,703
-	-	-	-	1,050,014
-	-	-	-	317,462
-	-	-	-	62,925
5,725,313	-	-	-	5,725,313
-	-	-	-	795
6,163,520	449,923	775,479	3,107,768	14,390,136
48,071	25,222	47,435	-	(398,607)
-	-	-	-	7,204
-	-	-	-	(1,852)
-	-	-	-	5,352
48,071	25,222	47,435	-	(393,255)
-	-	-	-	6,801
48,071	25,222	47,435	-	(386,454)
(450,463)	4,783	29,169	-	471,695
\$ (402,392)	\$ 30,005	\$ 76,604	\$ -	\$ 85,241

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,438,620	\$ 520,525	\$ 1,414,966
Cash received from other operating revenues	4,501	-	2,703
Cash payments to employees	(382,062)	(181,855)	(717,384)
Cash payments for suppliers	(1,122,383)	(303,823)	(813,409)
Cash payments for claims expense	-	-	-
Net cash provided by (used in) operating activities	<u>(61,324)</u>	<u>34,847</u>	<u>(113,124)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(1,995)</u>	<u>(71,236)</u>	<u>(20,137)</u>
Net cash used in capital and related financing activities	<u>(1,995)</u>	<u>(71,236)</u>	<u>(20,137)</u>
Net increase (decrease) in cash and cash equivalents	(63,319)	(36,389)	(133,261)
Cash and cash equivalents at beginning of year	<u>97,675</u>	<u>55,875</u>	<u>143,203</u>
Cash and cash equivalents at end of year.	<u>\$ 34,356</u>	<u>\$ 19,486</u>	<u>\$ 9,942</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (412,669)	\$ 9,724	\$ (116,390)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	276,569	30,193	10,700
Other nonoperating revenues	4,501	-	2,703
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(916)	(5,018)	8,249
Increase (decrease) in accounts payable	35,949	(3,226)	(5,923)
Increase in accrued wages and benefits	4,142	1,045	2,600
(Decrease) in due to other governments	(636)	(516)	(5,518)
Increase (decrease) in compensated absences payable	31,736	2,645	(9,545)
(Decrease) in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (61,324)</u>	<u>\$ 34,847</u>	<u>\$ (113,124)</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Benefit Fund</u>	<u>Total</u>
\$ 6,211,591	\$ 475,145	\$ 822,914	\$ 3,107,768	\$ 13,991,529
-	-	-	-	7,204
-	-	-	-	(1,281,301)
(438,569)	(449,923)	(775,479)	(3,107,768)	(7,011,354)
<u>(5,948,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,948,416)</u>
<u>(175,394)</u>	<u>25,222</u>	<u>47,435</u>	<u>-</u>	<u>(242,338)</u>
-	-	-	-	(93,368)
-	-	-	-	(93,368)
(175,394)	25,222	47,435	-	(335,706)
329,847	4,783	29,169	-	660,552
<u>\$ 154,453</u>	<u>\$ 30,005</u>	<u>\$ 76,604</u>	<u>\$ -</u>	<u>\$ 324,846</u>
\$ 48,071	\$ 25,222	\$ 47,435	\$ -	\$ (398,607)
-	-	-	-	317,462
-	-	-	-	7,204
-	-	-	-	2,315
(362)	-	-	-	26,438
-	-	-	-	7,787
-	-	-	-	(6,670)
-	-	-	-	24,836
<u>(223,103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(223,103)</u>
<u>\$ (175,394)</u>	<u>\$ 25,222</u>	<u>\$ 47,435</u>	<u>\$ -</u>	<u>\$ (242,338)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,190,866	\$ 1,438,620	\$ 1,438,620	\$ -
Other	1,712	27,956	4,501	(23,455)
Total revenues.	<u>1,192,578</u>	<u>1,466,576</u>	<u>1,443,121</u>	<u>(23,455)</u>
Expenses:				
Personal services.	454,000	452,763	382,062	70,701
Materials and supplies	474,419	894,419	811,647	82,772
Contractual services	284,835	284,243	264,242	20,001
Utilities	65,000	65,000	56,517	8,483
Capital outlay	11,995	11,995	1,995	10,000
Total expenses	<u>1,290,249</u>	<u>1,708,420</u>	<u>1,516,463</u>	<u>191,957</u>
Deficiency of revenues under expenses	<u>(97,671)</u>	<u>(241,844)</u>	<u>(73,342)</u>	<u>168,502</u>
Transfers in	-	146,002	-	(146,002)
Transfers out	-	(1,829)	-	1,829
Net change in fund equity	<u>(97,671)</u>	<u>(97,671)</u>	<u>(73,342)</u>	<u>24,329</u>
Fund equity at beginning of year	81,078	81,078	81,078	-
Prior year encumbrances appropriated	<u>16,593</u>	<u>16,593</u>	<u>16,593</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,329</u>	<u>\$ 24,329</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, 2007

	<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	\$ 520,442	\$ 520,876	\$ 520,525	\$ (351)
Total revenues.	<u>520,442</u>	<u>520,876</u>	<u>520,525</u>	<u>(351)</u>
Expenses:				
Personal services.	177,300	181,855	181,855	-
Materials and supplies	27,774	29,074	28,246	828
Contractual services	285,467	280,923	272,040	8,883
Capital outlay	79,210	79,210	78,903	307
Other	6,000	5,000	4,287	713
Total expenses	<u>575,751</u>	<u>576,062</u>	<u>565,331</u>	<u>10,731</u>
Deficiency of revenues under expenses	<u>(55,309)</u>	<u>(55,186)</u>	<u>(44,806)</u>	<u>10,380</u>
Transfers out	-	(690)	-	690
Net change in fund equity	(55,309)	(55,876)	(44,806)	11,070
Fund equity at beginning of year	5,722	5,722	5,722	-
Prior year encumbrances appropriated	<u>50,154</u>	<u>50,154</u>	<u>50,154</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 567</u>	<u>\$ -</u>	<u>\$ 11,070</u>	<u>\$ 11,070</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UTILITY COLLECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,414,966	\$ 1,414,966	\$ 1,414,966	\$ -
Other	4,040	4,040	2,703	(1,337)
Total revenues.	<u>1,419,006</u>	<u>1,419,006</u>	<u>1,417,669</u>	<u>(1,337)</u>
Expenses:				
Personal services.	819,900	819,900	717,384	102,516
Capital outlay	90,137	62,969	20,137	42,832
Materials and supplies	176,194	200,912	193,372	7,540
Contractual services	633,279	621,578	618,468	3,110
Utilities	6,000	8,450	5,880	2,570
Total expenses	<u>1,725,510</u>	<u>1,713,809</u>	<u>1,555,241</u>	<u>158,568</u>
Deficiency of revenues under expenses	<u>(306,504)</u>	<u>(294,803)</u>	<u>(137,572)</u>	<u>157,231</u>
Transfers in	163,445	163,445	-	(163,445)
Transfers out	-	(11,701)	-	11,701
Net change in fund equity	<u>(143,059)</u>	<u>(143,059)</u>	<u>(137,572)</u>	<u>5,487</u>
Fund equity at beginning of year	135,588	135,588	135,588	-
Prior year encumbrances appropriated	<u>7,494</u>	<u>7,494</u>	<u>7,494</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 5,510</u>	<u>\$ 5,487</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 6,211,591	\$ 6,211,591	\$ 6,211,591	\$ -
Other	50,358	99,928	-	(99,928)
Total revenues.	<u>6,261,949</u>	<u>6,311,519</u>	<u>6,211,591</u>	<u>(99,928)</u>
Expenses:				
Contractual services	440,000	440,000	438,659	1,341
Claims expense	<u>6,254,233</u>	<u>6,260,867</u>	<u>5,948,326</u>	<u>312,541</u>
Total expenses	<u>6,694,233</u>	<u>6,700,867</u>	<u>6,386,985</u>	<u>313,882</u>
Deficiency of revenues under expenses	<u>(432,284)</u>	<u>(389,348)</u>	<u>(175,394)</u>	<u>213,954</u>
Transfers in	<u>102,440</u>	<u>59,504</u>	<u>-</u>	<u>(59,504)</u>
Net change in fund equity	(329,844)	(329,844)	(175,394)	154,450
Fund equity at beginning of year	<u>329,844</u>	<u>329,844</u>	<u>329,844</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,450</u>	<u>\$ 154,450</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, 2007

	<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	\$ 475,145	\$ 475,145	\$ 475,145	\$ -
Other	1,143	1,143	-	(1,143)
Total revenues.	<u>476,288</u>	<u>476,288</u>	<u>475,145</u>	<u>(1,143)</u>
Expenses:				
Contractual services	<u>481,645</u>	<u>481,645</u>	<u>449,923</u>	<u>31,722</u>
Total expenses	<u>481,645</u>	<u>481,645</u>	<u>449,923</u>	<u>31,722</u>
Excess (deficiency) of revenues over (under) expenses	<u>(5,357)</u>	<u>(5,357)</u>	<u>25,222</u>	<u>30,579</u>
Transfers in	<u>572</u>	<u>572</u>	<u>-</u>	<u>(572)</u>
Net change in fund equity	<u>(4,785)</u>	<u>(4,785)</u>	<u>25,222</u>	<u>30,007</u>
Fund equity at beginning of year	<u>4,785</u>	<u>4,785</u>	<u>4,785</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,007</u>	<u>\$ 30,007</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, 2007

	<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	\$ 793,104	\$ 822,914	\$ 822,914	\$ -
Total revenues.	793,104	822,914	822,914	-
Expenses:				
Contractual services	831,440	831,440	775,479	55,961
Total expenses	831,440	831,440	775,479	55,961
Excess (deficiency) of revenues over (under) expenses	(38,336)	(8,526)	47,435	55,961
Transfers in	9,168	9,168	-	(9,168)
Net change in fund equity	(29,168)	642	47,435	46,793
Fund equity at beginning of year	<u>29,168</u>	<u>29,168</u>	<u>29,168</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ 29,810</u>	<u>\$ 76,603</u>	<u>\$ 46,793</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,107,768	\$ 3,107,768	\$ 3,107,768	\$ -
Total operating revenues.	3,107,768	3,107,768	3,107,768	-
Expenses:				
Contractual services	3,231,270	3,231,270	3,107,768	123,502
Total expenses	3,231,270	3,231,270	3,107,768	123,502
Deficiency of revenues under expenses	(123,502)	(123,502)	-	123,502
Transfers in	123,502	123,502	-	(123,502)
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, 2007

	<u>Balance 01/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
OSP Fines				
Assets:				
Receivables (net of allowances of uncollectibles):				
Accounts	\$ 5,924	\$ -	\$ 2,027	\$ 3,897
Total assets	<u>\$ 5,924</u>	<u>\$ -</u>	<u>\$ 2,027</u>	<u>\$ 3,897</u>
Liabilities:				
Due to individuals	\$ 5,924	\$ -	\$ 2,027	\$ 3,897
Total liabilities.	<u>\$ 5,924</u>	<u>\$ -</u>	<u>\$ 2,027</u>	<u>\$ 3,897</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 17,150	\$ 1,339	\$ -	\$ 18,489
Total assets	<u>\$ 17,150</u>	<u>\$ 1,339</u>	<u>\$ -</u>	<u>\$ 18,489</u>
Liabilities:				
Due to individuals	\$ 17,150	\$ 1,339	\$ -	\$ 18,489
Total liabilities.	<u>\$ 17,150</u>	<u>\$ 1,339</u>	<u>\$ -</u>	<u>\$ 18,489</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 229,226	\$ -	\$ 212,660	\$ 16,566
Total assets	<u>\$ 229,226</u>	<u>\$ -</u>	<u>\$ 212,660</u>	<u>\$ 16,566</u>
Liabilities:				
Due to individuals	\$ 229,226	\$ -	\$ 212,660	\$ 16,566
Total liabilities.	<u>\$ 229,226</u>	<u>\$ -</u>	<u>\$ 212,660</u>	<u>\$ 16,566</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 174,692	\$ -	\$ 75,506	\$ 99,186
Total assets	<u>\$ 174,692</u>	<u>\$ -</u>	<u>\$ 75,506</u>	<u>\$ 99,186</u>
Liabilities:				
Due to other governments	\$ 143,573	\$ -	\$ 80,856	\$ 62,717
Due to individuals	31,119	5,350	-	36,469
Total liabilities.	<u>\$ 174,692</u>	<u>\$ 5,350</u>	<u>\$ 80,856</u>	<u>\$ 99,186</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance</u> <u>01/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/07</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 451,791	\$ -	\$ 11,174	\$ 440,617
Investments.	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>270,000</u>
Total assets	<u>\$ 721,791</u>	<u>\$ -</u>	<u>\$ 11,174</u>	<u>\$ 710,617</u>
Liabilities:				
Due to other governments	\$ 84,569	\$ -	\$ 23,947	\$ 60,622
Accounts payable	122,182	-	33,013	89,169
Due to individuals	1,808	1,771	-	3,579
Undistributed monies	<u>513,232</u>	<u>44,015</u>	<u>-</u>	<u>557,247</u>
Total liabilities.	<u>\$ 721,791</u>	<u>\$ 45,786</u>	<u>\$ 56,960</u>	<u>\$ 710,617</u>
Transient Occupancy Tax				
Assets:				
Receivables (net of allowances of uncollectibles):				
Taxes	\$ 9,085	\$ 1,459	\$ -	\$ 10,544
Total assets	<u>\$ 9,085</u>	<u>\$ 1,459</u>	<u>\$ -</u>	<u>\$ 10,544</u>
Liabilities:				
Accounts payable	\$ 6,358	\$ 1,386	\$ -	\$ 7,744
Due to individuals	<u>2,727</u>	<u>73</u>	<u>-</u>	<u>2,800</u>
Total liabilities.	<u>\$ 9,085</u>	<u>\$ 1,459</u>	<u>\$ -</u>	<u>\$ 10,544</u>
Internet Auction				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 996	\$ -	\$ 996	\$ -
Total assets	<u>\$ 996</u>	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ -</u>
Liabilities:				
Due to individuals	\$ 996	\$ -	\$ 996	\$ -
Total liabilities.	<u>\$ 996</u>	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ -</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance</u> <u>01/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/07</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,261	\$ -	\$ 721	\$ 540
Total assets	<u>\$ 1,261</u>	<u>\$ -</u>	<u>\$ 721</u>	<u>\$ 540</u>
Liabilities:				
Due to other governments	\$ 1,261	\$ -	\$ 721	\$ 540
Total liabilities.	<u>\$ 1,261</u>	<u>\$ -</u>	<u>\$ 721</u>	<u>\$ 540</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 500	\$ 450	\$ -	\$ 950
Total assets	<u>\$ 500</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 950</u>
Liabilities:				
Due to individuals	\$ 500	\$ 450	\$ -	\$ 950
Total liabilities.	<u>\$ 500</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 950</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 700,924	\$ 1,789	\$ 225,551	\$ 477,162
Cash and cash equivalents with fiscal agents	174,692	-	75,506	99,186
Investments.	270,000	-	-	270,000
Receivables (net of allowances of uncollectibles):				
Taxes	9,085	1,459	-	10,544
Accounts	5,924	-	2,027	3,897
Total assets	<u>\$ 1,160,625</u>	<u>\$ 3,248</u>	<u>\$ 303,084</u>	<u>\$ 860,789</u>
Liabilities:				
Due to other governments	\$ 229,403	\$ -	\$ 105,524	\$ 123,879
Accounts payable	128,540	1,386	33,013	96,913
Due to individuals	289,450	8,983	215,683	82,750
Undistributed monies	513,232	44,015	-	557,247
Total liabilities.	<u>\$ 1,160,625</u>	<u>\$ 54,384</u>	<u>\$ 354,220</u>	<u>\$ 860,789</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.	144
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	152
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	160
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	171

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

CITY OF MANSFIELD, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 46,575,580	\$ 45,098,513	\$ 46,367,183	\$ 47,833,128	\$ 48,523,672
Restricted	12,085,390	15,824,043	15,521,272	15,950,708	26,640,679
Unrestricted	1,118,449	1,740,055	(413,024)	(1,266,633)	(11,680,081)
Total Governmental Activities Net Assets	<u>59,779,419</u>	<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	37,016,539	37,078,689	37,370,730	36,878,972	39,814,666
Restricted	3,979,276	3,979,276	3,979,276	4,070,672	1,457,668
Unrestricted	8,911,886	12,340,798	10,362,772	8,135,785	7,912,220
Total Business-Type Activities Net Assets	<u>49,907,701</u>	<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	83,592,119	82,177,202	83,737,913	84,712,100	88,338,338
Restricted	16,064,666	19,803,319	19,500,548	20,021,380	28,098,347
Unrestricted	10,030,335	14,080,853	9,949,748	6,869,152	(3,767,861)
Total Primary Government Net Assets	<u>\$ 109,687,120</u>	<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 FIVE YEARS
(accrual basis of accounting)**

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services:					
General government	\$ 3,581,833	\$ 3,452,357	\$ 3,490,786	\$ 3,608,646	\$ 2,195,188
Public safety	1,614,005	1,602,051	1,653,534	928,130	625,619
Public health and welfare	-	400	380	8,446	9,727
Transportation	166,360	168,545	295,065	209,200	463,892
Community environment	187,974	150,663	258,271	176,753	209,867
Leisure time activities	39,236	182,104	315,728	20,626	21,764
Interest and fiscal charges	-	-	-	-	-
Operating Grants and Contributions	7,737,309	7,041,641	9,841,045	6,849,290	7,547,321
Capital Grants and Contributions	1,390,445	1,060,076	70,414	309,775	132,240
Total Governmental Activities Program Revenues	14,717,162	13,657,837	15,925,223	12,110,866	11,205,618
Business-Type Activities:					
Charges for Services:					
Water	8,065,907	8,000,960	8,343,947	8,050,000	7,517,166
Sewer	8,186,664	8,481,960	8,395,183	8,159,344	6,791,857
Airport	81,693	84,969	88,611	143,038	154,987
Parking Garage	-	33,696	187,696	32,132	44,211
Capital Grants and Contributions	728,928	1,096,738	1,148,728	629,261	533,827
Total Business-Type Activities Program Revenues	17,063,192	17,698,323	18,164,165	17,013,775	15,042,048
Total Primary Government Program Revenues	31,780,354	31,356,160	34,089,388	29,124,641	26,247,666
Expenses					
Governmental Activities:					
General government	11,985,745	9,960,681	12,154,838	10,496,931	8,258,059
Public safety	24,205,050	22,958,245	23,850,064	21,355,233	20,653,049
Public health and welfare	158,475	141,884	137,328	156,000	260,946
Transportation	10,089,697	10,396,560	10,078,954	8,390,900	8,496,196
Community environment	1,782,621	1,972,480	1,491,159	2,065,065	2,262,008
Leisure time activities	917,913	1,103,561	488,317	449,412	505,060
Interest and fiscal charges	296,853	253,102	253,405	355,645	689,642
Total Governmental Activities Expenses	49,436,354	46,786,513	48,454,065	43,269,186	41,124,960
Business-Type Activities:					
Water	9,025,320	8,144,636	7,412,809	7,638,373	7,198,264
Sewer	11,075,835	7,695,342	8,158,651	8,211,524	7,240,115
Airport	1,196,799	774,342	784,276	736,546	733,102
Parking Garage	165	12,481	230,928	22,301	28,976
Total Business-Type Activities Expenses	21,298,119	16,626,801	16,586,664	16,608,744	15,200,457
Total Primary Government Expenses	\$ 70,734,473	\$ 63,413,314	\$ 65,040,729	\$ 59,877,930	\$ 56,325,417

(continued)

CITY OF MANSFIELD, OHIO

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

	2007	2006	2005	2004	2003
Net (Expense)/Revenue					
Governmental Activities	\$ (34,719,192)	\$ (33,128,676)	\$ (32,528,842)	\$ (31,158,320)	\$ (29,919,342)
Business-Type Activities	(4,234,927)	1,071,522	1,577,501	405,031	(158,409)
Total Primary Government Net Expense	\$ (38,954,119)	\$ (32,057,154)	\$ (30,951,341)	\$ (30,753,289)	\$ (30,077,751)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property and other local taxes levied for:					
General purposes	\$ 2,026,704	\$ 2,301,741	\$ 2,520,948	\$ 1,895,024	\$ 1,956,016
Debt service	-	-	1,062	2,522	8,037
Special purposes	403,991	471,426	784,511	368,905	394,563
Municipal income taxes levied for:					
General purposes	833,459	642,031	714,984	797,061	295,182
Special purposes	18,832,225	20,554,764	19,109,121	18,116,003	19,085,840
Capital projects	4,258,507	2,336,710	3,893,063	3,062,798	3,297,494
Grants and entitlements not restricted to specific programs	4,072,562	6,409,483	2,646,945	5,169,330	5,520,410
Investment earnings	1,259,757	1,548,036	1,029,572	411,338	629,575
Gain (loss) on sale of capital assets	-	-	-	89,416	18,581
Miscellaneous	7,204	51,665	174,500	231,320	134,162
Transfers	-	-	-	-	337,209
Special item - donation of land	-	-	-	-	(180,484)
Total Governmental Activities	31,694,409	34,315,856	30,874,706	30,143,717	31,496,585
Business-Type Activities:					
Municipal income taxes levied for:					
Airport	413,685	421,564	439,395	256,830	271,518
Grants and entitlements not restricted to specific programs	194,738	86,433	486,715	-	-
Investment earnings	2,658	7,305	-	44,265	48,750
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	59,950	99,161	123,738	32,238	19,182
Transfers	-	-	-	-	(337,209)
Total Business-Type Activities	671,031	614,463	1,049,848	333,333	2,241
Total Primary Government	32,365,440	34,930,319	31,924,554	30,477,050	31,498,826
Change in Net Assets					
Governmental Activities	(3,024,783)	1,187,180	(1,654,136)	(1,014,603)	1,577,243
Business-Type Activities	(3,563,896)	1,685,985	2,627,349	738,364	(156,168)
Total Primary Government Change in Net Assets	\$ (6,588,679)	\$ 2,873,165	\$ 973,213	\$ (276,239)	\$ 1,421,075

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CITY OF MANSFIELD, OHIO

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

(modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 1,116,618	\$ 359,737	\$ 506,487	\$ 727,717	\$ 756,972
Unreserved	509,765	2,014,261	(210,543)	(1,213,843)	479,177
Total General Fund	<u>1,626,383</u>	<u>2,373,998</u>	<u>295,944</u>	<u>(486,126)</u>	<u>1,236,149</u>
All Other Governmental Funds					
Reserved	7,821,162	5,886,752	6,479,670	6,010,557	7,135,246
Unreserved, reported in:					
Special revenue funds	1,495,324	3,480,884	3,664,556	2,564,398	1,723,601
Capital project funds	(650,979)	1,335,060	1,698,691	2,056,068	12,997,592
Total All Other Governmental Funds	<u>8,665,507</u>	<u>10,702,696</u>	<u>11,842,917</u>	<u>10,631,023</u>	<u>21,856,439</u>
Total Governmental Funds	<u>\$ 10,291,890</u>	<u>\$ 13,076,694</u>	<u>\$ 12,138,861</u>	<u>\$ 10,144,897</u>	<u>\$ 23,092,588</u>

2002	2001	2000	1999	1998
\$ 153,728	\$ 395,765	\$ 236,563	\$ 615,241	\$ 435,534
73,735	934,823	2,135,747	1,100,056	1,703,839
<u>227,463</u>	<u>1,330,588</u>	<u>2,372,310</u>	<u>1,715,297</u>	<u>2,139,373</u>
8,179,023	10,564,282	8,133,816	7,866,190	6,207,828
2,484,448	378,489	2,083,578	67,036	608,710
<u>11,213,435</u>	<u>9,834,395</u>	<u>8,103,437</u>	<u>(775,616)</u>	<u>349,465</u>
<u>21,876,906</u>	<u>20,777,166</u>	<u>18,320,831</u>	<u>7,157,610</u>	<u>7,166,003</u>
<u>\$ 22,104,369</u>	<u>\$ 22,107,754</u>	<u>\$ 20,693,141</u>	<u>\$ 8,872,907</u>	<u>\$ 9,305,376</u>

CITY OF MANSFIELD, OHIO

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

(modified accrual basis of accounting)

	2007	2006	2005	2004	2003
Revenues:					
Municipal income taxes	\$ 24,369,037	\$ 23,449,356	\$ 23,254,583	\$ 22,444,242	\$ 22,322,290
Property and other taxes	2,545,865	2,707,079	3,044,029	2,376,280	2,337,097
Charges for services	1,747,742	1,456,616	2,055,269	1,239,855	499,903
Licenses, permits and fees	898,192	809,274	954,917	1,805,151	975,739
Fines and forfeitures	1,724,413	1,682,073	1,716,546	1,792,353	1,851,684
Intergovernmental	14,866,082	12,612,732	14,082,197	11,687,464	12,195,703
Special assessments	26,093	24,533	148,266	25,415	46,263
Investment income	1,259,757	1,441,036	1,029,572	411,338	629,575
Other	227,968	1,585,563	1,135,627	314,086	288,727
Total revenues	47,665,149	45,768,262	47,421,006	42,096,184	41,146,981
Expenditures:					
Current:					
General government	10,254,320	9,970,709	10,250,858	9,576,262	9,458,715
Public safety	24,230,031	23,679,137	22,892,003	21,695,859	20,501,227
Public health and welfare	154,251	140,291	132,170	159,014	166,115
Transportation	4,454,990	3,580,149	3,681,798	2,753,622	2,620,323
Community environment	1,787,617	1,953,994	1,442,988	2,105,021	2,223,299
Leisure time activities	1,231,940	1,061,524	474,764	390,776	527,494
Capital outlay	8,054,070	3,957,967	5,621,233	4,691,108	3,771,501
Debt service:					
Principal retirement	305,000	300,430	765,000	11,035,000	10,910,000
Interest and fiscal charges	242,972	255,687	256,095	504,235	727,275
Current refunding	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	50,715,191	44,899,888	45,516,909	52,910,897	50,905,949
Excess (deficiency) of revenues over (under) expenditures	(3,050,042)	868,374	1,904,097	(10,814,713)	(9,758,968)
Other financing sources (uses):					
Proceeds from sale of capital assets	110,990	42,471	114,467	89,416	112,981
Proceeds from sale of note premium	-	-	1,303	-	10,260,000
Proceeds of bonds	-	-	-	-	-
Payment to bond holders	-	-	-	-	-
Proceeds from capital lease transaction	-	-	-	93,572	-
Transfers in	1,833,962	849,352	1,501,262	790,958	3,395,104
Transfers out	(1,833,962)	(849,352)	(1,501,262)	(790,958)	(3,057,895)
Total other financing sources (uses)	110,990	42,471	115,770	182,988	10,710,190
Net change in fund balances	\$ (2,939,052)	\$ 910,845	\$ 2,019,867	\$ (10,631,725)	\$ 951,222
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.4%	2.6%	23.9%	24.7%

	2002	2001	2000	1999	1998
\$	22,319,628	\$ 21,273,925	\$ 21,783,372	\$ 21,275,688	\$ 19,789,683
	2,228,152	3,324,866	2,866,596	2,641,204	2,791,025
	454,980	668,471	627,522	534,367	378,348
	887,891	688,265	519,978	559,211	494,307
	2,189,288	2,096,628	1,868,126	1,834,674	2,037,165
	12,346,111	12,896,925	13,126,575	11,573,740	12,067,213
	53,288	66,133	53,674	53,156	65,536
	905,511	1,354,661	2,135,347	1,141,062	1,271,282
	434,977	294,253	348,819	266,348	257,235
	<u>41,819,826</u>	<u>42,664,127</u>	<u>43,330,009</u>	<u>39,879,450</u>	<u>39,151,794</u>

	11,241,914	10,663,504	9,489,402	9,627,424	8,312,137
	20,870,709	18,992,474	18,337,026	18,013,749	17,811,740
	131,019	130,533	113,490	112,433	97,985
	4,450,234	5,672,129	4,209,468	3,819,723	3,180,990
	2,326,942	2,130,239	1,894,501	2,077,738	1,573,347
	835,660	1,012,543	1,064,061	1,047,603	886,776
	5,289,272	4,998,346	5,691,250	4,881,416	5,043,115
	12,875,000	9,995,000	750,000	885,000	555,000
	551,689	621,897	343,083	244,699	212,952
	-	-	-	-	333,698
	135,530	-	-	-	88,289
	<u>58,707,969</u>	<u>54,216,665</u>	<u>41,892,281</u>	<u>40,709,785</u>	<u>38,096,029</u>

	<u>(16,888,143)</u>	<u>(11,552,538)</u>	<u>1,437,728</u>	<u>(830,335)</u>	<u>1,055,765</u>
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	118,144	116,123	86,663	129,844	30,124
	10,000,000	12,250,000	10,180,000	-	-
	7,068,855	-	-	-	3,665,000
	-	-	-	-	(3,573,802)
	-	-	-	-	-
	6,122,852	1,748,097	1,512,308	1,040,513	1,319,268
	<u>(6,260,956)</u>	<u>(1,511,740)</u>	<u>(1,336,409)</u>	<u>(861,513)</u>	<u>(1,336,268)</u>
	<u>17,048,895</u>	<u>12,602,480</u>	<u>10,442,562</u>	<u>308,844</u>	<u>104,322</u>
\$	<u>160,752</u>	<u>\$ 1,049,942</u>	<u>\$ 11,880,290</u>	<u>\$ (521,491)</u>	<u>\$ 1,160,087</u>

25.1%

21.6%

3.0%

3.2%

2.3%

CITY OF MANSFIELD, OHIO

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

<u>Year</u>	<u>Real Property</u>		<u>Personal Property (1)</u>	
	<u>Assessed</u>	<u>Estimated Actual</u>	<u>Assessed</u>	<u>Estimated Actual</u>
2007	\$ 613,362,160	\$ 1,752,463,229	\$ 58,600,238	\$ 468,801,904
2006	612,365,730	1,749,616,371	110,363,727	588,363,727
2005 (4)	615,981,970	1,759,948,486	145,405,712	605,857,133
2004	553,471,750	1,581,347,857	145,331,157	631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208
2000	512,865,440	1,465,329,830	138,798,968	555,195,870
1999 (4)	425,438,580	1,215,538,800	123,722,561	494,890,244
1998	418,068,420	1,194,481,200	124,742,880	498,971,520

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update Year

(4) Reappraisal Year

Source: Richland County Auditor

Public Utility (2)		Totals			Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Direct Tax Rate	Estimated Actual	
\$ 13,435,490	\$ 38,387,114	\$ 685,397,888	3.60%	\$ 2,259,652,247	30.33%
19,584,030	55,954,371	742,313,487	3.60%	2,393,934,469	31.01%
22,294,140	63,697,543	783,681,822	3.60%	2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	3.60%	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	3.60%	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	3.60%	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	5.10%	2,065,659,868	32.44%
32,355,880	92,445,400	684,020,288	5.10%	2,112,971,100	32.37%
31,699,550	90,570,143	580,860,691	5.10%	1,800,999,187	32.25%
34,050,070	97,285,914	576,861,370	5.10%	1,790,738,634	32.21%

CITY OF MANSFIELD, OHIO

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

<u>Collection Year</u>	<u>Operating (3)</u>	<u>Police and Fire Pension</u>	<u>Debt Retirement (2)</u>	<u>City of Mansfield</u>	<u>Richland County</u>	<u>Mansfield City School District</u>	<u>Total</u>
2007	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 11.40	\$ 60.55	\$ 75.55
2006	3.00	0.60	-	3.60	11.40	60.75	75.75
2005	3.00	0.60	-	3.60	11.40	66.05	81.05
2004	3.00	0.60	-	3.60	11.40	66.05	81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25
2000	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1999	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1998	3.00	0.60	1.50	5.10	11.00	59.05	75.15

(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, 2007 AND DECEMBER 31, 1998**

<u>December 31, 2007</u>		
<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Newman Technology	\$ 4,924,430	0.80%
Walmart	2,938,920	0.48%
SSI Mansfield	2,818,420	0.46%
Jay Industries	2,786,280	0.45%
City of Mansfield	2,562,810	0.42%
Armco, Inc.	2,310,070	0.38%
Willard Rental Properties	2,288,720	0.37%
Mansfield Commerce Center	1,798,380	0.29%
Therm-O-Disc	1,619,280	0.26%
Johnny Appleseed	1,575,000	0.26%
Totals	\$ 25,622,310	4.18%

<u>December 31, 1998</u>		
<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Armco Inc.	\$ 7,062,090	1.69%
Jay Plastics	2,683,100	0.64%
Mansfield Square	2,654,100	0.63%
Therm-O-Disc	2,179,770	0.52%
Gorman Rupp Company	2,084,270	0.50%
Skilken, Morris B.	1,438,970	0.34%
Mansfield Motel	1,357,190	0.32%
Richland Bank	1,284,220	0.31%
Don Graber	1,073,870	0.26%
The Westbrook Company	736,500	0.18%
Totals	\$ 22,554,080	5.39%

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Billed (1)	Collected (2)	% Collected	Delinquent	
				Current	Accumulated
2007	\$ 2,203,918	\$ 1,960,848	88.9%	\$ 243,070	\$ 2,350,690
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

(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>
2007	1.75%	\$ 25,952,247	\$ 20,333,797	78.4%	\$ 4,030,366	15.5%	\$ 1,588,084	6.1%
2006	1.75%	24,586,419	19,853,408	80.7%	3,214,402	13.1%	1,518,609	6.2%
2005	1.75%	24,229,207	19,233,753	79.4%	3,460,874	14.3%	1,534,580	6.3%
2004	1.75%	22,855,984	18,651,034	81.6%	2,773,583	12.1%	1,431,367	6.3%
2003	1.75%	23,289,856	19,165,146	82.3%	2,634,031	11.3%	1,490,679	6.4%
2002	1.75%	23,232,422	18,614,963	80.1%	3,106,239	13.4%	1,511,220	6.5%
2001	1.75%	22,679,374	18,585,927	82.0%	2,522,251	11.1%	1,571,196	6.9%
2000	1.75%	22,779,392	18,342,015	80.5%	3,078,089	13.5%	1,359,288	6.0%
1999	1.75%	21,963,531	17,370,326	79.1%	3,304,043	15.0%	1,289,162	5.9%
1998	1.75%	20,595,931	16,501,068	80.1%	1,982,653	9.6%	2,112,210	10.3%

% 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 FOUR YEARS**

<u>Tax Year</u>	<u>Company Rank</u>	<u>Amount Paid</u>	<u>Percent of Total Withholding Collections</u>	<u>Tax Year</u>	<u>Company Rank</u>	<u>Amount Paid</u>	<u>Percent of Total Withholding Collections</u>
2007	1	\$ 1,496,224	7.56%	2006	1	\$ 1,451,196	7.40%
2007	2	1,063,689	5.38%	2006	2	1,014,812	5.17%
2007	3	734,413	3.71%	2006	3	719,457	3.67%
2007	4	726,067	3.67%	2006	4	695,250	3.54%
2007	5	596,997	3.02%	2006	5	663,162	3.38%
2007	6	532,024	2.69%	2006	6	539,103	2.75%
2007	7	487,347	2.46%	2006	7	491,989	2.51%
2007	8	477,848	2.42%	2006	8	488,376	2.49%
2007	9	472,978	2.39%	2006	9	471,966	2.41%
2007	10	453,490	2.29%	2006	10	438,761	2.24%
	Total	\$ 7,041,077	35.60%		Total	\$ 6,974,072	35.56%
2005	1	\$ 1,359,130	7.05%	2004	1	\$ 1,367,230	7.18%
2005	2	1,041,497	5.40%	2004	2	1,021,348	5.37%
2005	3	706,608	3.66%	2004	3	657,955	3.46%
2005	4	675,728	3.50%	2004	4	656,316	3.45%
2005	5	672,385	3.49%	2004	5	653,336	3.43%
2005	6	525,838	2.73%	2004	6	554,151	2.91%
2005	7	510,825	2.65%	2004	7	525,265	2.76%
2005	8	501,816	2.60%	2004	8	505,928	2.66%
2005	9	468,936	2.43%	2004	9	428,166	2.25%
2005	10	419,234	2.17%	2004	10	426,362	2.24%
	Total	\$ 6,881,997	35.68%		Total	\$ 6,796,057	35.70%

% Represents percent of total withholding tax collected

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

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CITY OF MANSFIELD, OHIO

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

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases
2007	\$ 3,580,000	\$ -	\$ 510,000	\$ 39,982
2006	3,815,000	-	580,000	58,582
2005	4,040,000	-	655,430	76,309
2004	4,735,000	3,139	730,862	93,572
2003	5,440,000	3,268	11,066,293	-
2002	4,565,000	3,758	10,881,724	38,711
2001	-	37,148	13,207,155	82,988
2000	2,725,000	69,200	10,212,586	125,005
1999	3,445,000	101,687	38,017	164,878
1998	4,300,000	138,843	43,448	202,716

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

<u>General Obligation Bonds</u>	<u>Notes</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 2,165,000	\$ 2,154,120	\$ 8,449,102	0.92%	\$ 164
2,490,000	2,163,501	9,107,083	1.00%	176
2,805,000	2,732,881	10,547,830	1.15%	204
3,100,000	2,742,263	11,643,045	1.27%	226
3,380,000	2,711,644	22,786,561	2.49%	442
5,135,000	159,953	20,976,155	2.29%	407
5,920,000	209,547	19,615,649	2.14%	380
4,230,000	258,746	17,810,478	1.95%	345
4,585,000	308,009	8,780,587	1.47%	173
4,930,000	357,073	10,078,215	1.69%	199

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)**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (3)</u>	<u>Gross General Obligation Bonded Debt (2,4)</u>	<u>Less Debt Service Fund Balance (4)</u>	<u>Less Debt Payable from Enterprise Revenues</u>
2007	51,600	\$ 685,398	\$ 5,745	\$ 62	\$ 2,165
2006	51,600	742,313	6,305	178	2,490
2005	51,600	783,682	6,845	1,202	2,805
2004	51,600	720,973	7,835	1,946	3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910
2000	51,600	684,020	6,955	2,946	4,230
1999	50,627	580,860	8,030	1,938	4,893
1998	50,627	576,861	9,230	2,497	5,287

(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.

<u>Less Debt Payable from Municipal Income Taxes</u>	<u>Net General Obligation Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
\$ -	\$ 3,518	0.51%	\$ 68.20
-	3,637	0.49%	70.48
-	2,838	0.36%	55.00
-	2,789	0.39%	54.05
-	4,723	0.67%	91.53
-	4,863	0.72%	94.24
-	(1,498) (5)	0.00%	-
-	(221) (5)	0.00%	-
-	1,199	0.21%	23.68
-	1,446	0.25%	28.56

CITY OF MANSFIELD, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2007

<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	\$ 3,519,000	100.00%	\$ 3,519,000
Overlapping Debt:			
Richland County	15,847,555	31.58%	5,004,658
Mansfield City School District	15,655,000	93.29%	14,604,550
Crestview Local School District	3,964,618	2.78%	110,216
Madison Local School District	505,000	28.44%	143,622
Ontario Local School District	16,629,993	0.03%	4,989
Pioneer Career and Technology Center	<u>435,000</u>	9.79%	<u>42,587</u>
Total Direct and Overlapping Debt	<u>\$ 56,556,166</u>		<u>\$ 23,429,621</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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Value	\$ 685,397,888	\$ 742,313,487	\$ 783,681,822	\$ 720,973,337
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation	<u>71,966,778</u>	<u>77,942,916</u>	<u>82,286,591</u>	<u>75,702,200</u>
Total Voted and Unvoted Debt Outstanding at December 31st	5,745,000	6,305,000	6,845,000	7,838,139
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues	(2,165,000)	(2,490,000)	(2,805,000)	(3,100,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,139)</u>
Debt Within 10 1/2 Percent Limitation	3,580,000	3,815,000	4,040,000	4,735,000
Less: Debt Service Fund Balance	<u>(61,604)</u>	<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>
Net Debt Subject to 10 1/2 Percent Limitation	<u>3,518,396</u>	<u>3,637,204</u>	<u>2,837,565</u>	<u>2,789,121</u>
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$ 68,448,382</u>	<u>\$ 74,305,712</u>	<u>\$ 79,449,026</u>	<u>\$ 72,913,079</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.11%	95.33%	96.55%	96.32%
Assessed Value	\$ 685,397,888	\$ 742,313,487	\$ 783,681,822	\$ 720,973,337
Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation	<u>37,696,884</u>	<u>40,827,242</u>	<u>43,102,500</u>	<u>39,653,534</u>
Total Unvoted Debt Outstanding at December 31st	5,745,000	6,305,000	6,845,000	7,358,139
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues	(2,165,000)	(2,490,000)	(2,805,000)	(3,100,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,139)</u>
Debt Within 5 1/2 Percent Limitation	3,580,000	3,815,000	4,040,000	4,255,000
Less: Debt Service Fund Balance	<u>(61,604)</u>	<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>
Net Debt Subject to 5 1/2 Percent Limitation	<u>3,518,396</u>	<u>3,637,204</u>	<u>2,837,565</u>	<u>2,309,121</u>
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$ 34,178,488</u>	<u>\$ 37,190,038</u>	<u>\$ 40,264,935</u>	<u>\$ 37,344,413</u>
Legal Debt Margin as a Percentage of the Debt Limit	90.67%	91.09%	93.42%	94.18%

Source: City of Mansfield, Ohio; Finance Department

2003	2002	2001	2000	1999	1998
\$ 705,781,908	\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691	\$ 562,726,875
<u>74,107,100</u>	<u>70,876,178</u>	<u>70,351,586</u>	<u>71,822,130</u>	<u>60,990,373</u>	<u>59,086,322</u>
11,093,268	5,138,758	5,957,148	7,024,200	8,131,687	9,725,916
(3,380,000)	(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)	(5,287,073)
<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>	<u>(138,843)</u>
7,710,000	1,485,000	2,010,000	2,725,000	3,445,000	4,300,000
<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>(3,507,606)</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>	<u>(2,496,904)</u>
<u>4,722,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,506,897</u>	<u>1,803,096</u>
<u>\$ 69,384,409</u>	<u>\$ 70,876,178</u>	<u>\$ 70,351,586</u>	<u>\$ 71,822,130</u>	<u>\$ 59,483,476</u>	<u>\$ 57,283,226</u>
93.63%	100.00%	100.00%	100.00%	97.53%	96.95%
\$ 705,781,908	\$ 675,011,218	\$ 670,015,102	\$ 684,020,288	\$ 580,860,691	\$ 562,726,875
<u>38,818,005</u>	<u>37,125,617</u>	<u>36,850,831</u>	<u>37,621,116</u>	<u>31,947,338</u>	<u>30,949,978</u>
10,118,268	10,718,758	3,947,148	4,474,200	5,026,687	6,060,916
(3,380,000)	(3,650,000)	(3,910,000)	(4,230,000)	(4,585,000)	(5,287,073)
<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>	<u>(69,200)</u>	<u>(101,687)</u>	<u>(138,843)</u>
6,735,000	7,065,000	-	175,000	340,000	635,000
<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>-</u>	<u>(2,946,145)</u>	<u>(1,938,103)</u>	<u>(2,496,904)</u>
<u>3,747,691</u>	<u>3,378,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 35,070,314</u>	<u>\$ 33,747,404</u>	<u>\$ 36,850,831</u>	<u>\$ 37,621,116</u>	<u>\$ 31,947,338</u>	<u>\$ 30,949,978</u>
90.35%	90.90%	100.00%	100.00%	100.00%	100.00%

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

<u>Year</u>	<u>Special Assessment Collections (1)</u>	<u>Debt Service (2)</u>		<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>		
2007	\$ 32,941	\$ -	\$ -	\$ -	-
2006	34,109	-	-	-	-
2005	29,714	3,139	-	3,139	9.47
2004	37,359	129	245	374	99.89
2003	61,697	490	282	772	79.92
2002	66,195	33,390	2,813	36,203	1.83
2001	85,266	32,052	5,625	37,677	2.26
2000	67,600	32,487	15,454	47,941	1.41
1999	65,350	37,156	18,267	55,423	1.18
1998	98,550	40,048	21,079	61,127	1.61

(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>
2007	51,600 a	\$ 914,661,600	17,726 a	30,176 a	6.5%
2006	51,600 a	914,661,600	17,726 a	30,176 a	6.1%
2005	51,600 a	914,661,600	17,726 a	30,176 a	6.5%
2004	51,600 a	914,661,600	17,726 a	30,176 a	7.2%
2003	51,600 a	914,661,600	17,726 a	30,176 a	7.2%
2002	51,600 a	914,661,600	17,726 a	30,176 a	6.7%
2001	51,600 a	914,661,600	17,726 a	30,176 a	5.2%
2000	51,600 a	914,661,600	17,726 a	30,176 a	5.1%
1999	50,627 b	596,082,298	11,774 b	22,591 b	6.5%
1998	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, 2007 AND DECEMBER 31, 1998**

2007

<u>Employer (1)</u>	<u>Rank (1)</u>	<u>Employees (1)</u>	<u>Percentage of Total City Employment (2)</u>
MedCentral Health Systems	1	2,400	4.13%
Richland County Government	2	1,474	2.54%
Newman Technology	3	1,100	1.89%
Jay Industries, Inc.	4	943	1.62%
Gorman Rupp Company	5	809	1.39%
Embarq	6	800	1.38%
Therm-O-Disc, Inc.	7	721	1.24%
Mansfield Board of Education	8	700	1.20%
Mansfield Correctional (MANCI)	9	621	1.07%
City of Mansfield Government	10	588	1.01%
	Total	10,156	17.47%

1998

<u>Employer (1)</u>	<u>Rank (1)</u>	<u>Employees (1)</u>	<u>Percentage of Total City Employment (2)</u>
MedCentral Health Systems	1	1,800	3.10%
Therm-O-Disc, Inc.	2	1,500	2.59%
Richland County Government	3	1,300	2.24%
Jay Industries, Inc.	4	950	1.64%
AK Steel	5	850	1.47%
School Specialty, Inc.	6	800	1.38%
Mansfield Board of Education	7	750	1.29%
State of Ohio Government	8	700	1.21%
City of Mansfield Government	9	610	1.05%
Newman Technology	10	550	0.95%
	Total	9,810	16.92%

(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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Government:										
Council	12	11	11	11	11	11	11	11	11	11
Administration	5	4	6	6	6	6	10	10	10	10
Finance	28	26	23	22	20	20	25	27	23	23
Law	13	13	15	14	13	13	13	12	12	12
Courts	54	53	49	54	54	53	58	50	46	47
General Government	8	8	7	7	8	9	9	8	9	8
Economic/Community Development	6	6	8	7	7	7	8	7	8	6
Engineering	11	11	8	8	8	8	10	10	9	10
Maintenance	4	5	4	4	4	4	4	4	4	4
Codes/Permits	9	11	9	9	9	11	13	13	13	13
Litter Control	2	1	2	2	2	2	2	2	2	2
Regional Community Advancement	16	23	24	27	26	35	36	34	21	20
Parks/Recreation	12	9	10	9	12	16	18	19	19	19
Street/Highway	35	35	32	33	33	37	50	44	46	45
Police	150	148	142	139	145	154	162	160	165	162
Fire	98	100	102	95	98	102	108	107	108	109
Water	67	62	54	54	53	55	52	51	49	49
Sewer	40	41	50	56	56	56	61	58	60	53
Airport	5	5	6	6	5	7	8	9	9	9
Repair Garage	9	9	9	9	9	11	12	12	11	12
Information Technology	4	4	3	4	4	4	4	4	4	4
Total	<u>588</u>	<u>585</u>	<u>574</u>	<u>576</u>	<u>583</u>	<u>621</u>	<u>674</u>	<u>652</u>	<u>639</u>	<u>628</u>

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Government:										
Building permits issued	207	231	288	331	332	313	366	367	273	-
Code enforcements	5,519	4,195	2,922	3,301	3,921	4,533	2,678	-	-	-
Police (1)										
Calls for service	42,072	44,417	43,876	47,328	48,348	51,729	55,185	53,174	51,757	50,024
Traffic violations	6,741	5,958	4,760	7,056	6,104	10,703	8,370	6,650	6,744	7,110
Parking violations	5,896	9,530	9,337	10,639	9,671	12,112	14,740	9,664	9,851	8,118
Physical arrests	4,924	4,840	4,328	4,476	4,269	4,610	4,666	4,641	5,355	5,126
Fire										
Emergency responses	6,109	6,079	6,290	5,787	5,662	5,459	-	-	-	-
Fire responses	1,470	1,304	1,543	1,732	1,784	1,682	-	-	-	-
Street/Highway										
Street resurfacing mileage (2)	19	18	24	26	26	28	26	29	31	26
Number of streets resurfaced (2)	96	95	127	145	143	147	131	130	189	150
Tons of salt used	6,240	6,498	10,528	7,590	9,647	7,901	4,641	10,079	7,905	3,312
Leaf removal (cubic yards)	11,642	11,438	11,500	11,984	15,536	17,059	15,708	15,033	13,289	13,503
Water										
Number of customers	20,394	20,335	20,329	20,152	20,152	19,546	19,929	19,816	19,654	19,586
Average daily consumption (thousands of gallons)	8,480	9,000	10,000	10,000	10,000	9,430	10,180	10,000	9,610	9,040
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,870	10,360	9,130	9,580	10,520	9,400	9,250	9,320	10,340	9,030

Sources: Various city departments - some amounts may be estimates

(-) Not available

(1) Operating indicators from the Police Department were incorrectly reported in the Comprehensive Annual Report for the year ended December 31, 2006. The totals reported on this page are correct.

(2) Funded by income tax dollars only

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</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	45	42	38	39	40	38	38	39	40	42
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of fire trucks	7	5	5	5	5	5	5	5	5	5
Number of rescue squads	5	5	6	5	5	5	5	5	5	5
Streets/Highways										
Mileage	295	295	295	295	295	295	295	295	295	295
Street signs	13,270	13,262	13,203	13,147	13,125	13,045	12,976	12,848	12,740	12,452
Parks/Recreation										
Number of Parks	33	33	33	33	33	33	33	33	33	33
Acreage	435	435	435	435	435	435	435	435	435	435
Playgrounds	20	20	20	20	20	20	20	20	20	20
Swimming pools	3	3	3	3	3	3	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

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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 6, 2008**