

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

Audit Report

For the Year Ended December 31, 2005

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



**Auditor of State
Betty Montgomery**

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, 2005 through December 31, 2005. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 17, 2006

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CITY OF MANSFIELD
Richland County, Ohio
Audit Report
For the Year Ended December 31, 2005

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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

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, 2005, and have issued our report thereon dated July 27, 2006. 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 27, 2006

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	RECEIPTS	EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> (Direct Program)				
Community Development Block Grants/Entitlement Grants	14.218	CB-01-MC-39-0017 CB-02-MC-39-0017 CB-03-MC-39-0017 CB-04-MC-39-0017 CB-05-MC-39-0017	\$ 10,887 26,786 78,755 313,071 513,247 <u>942,746</u>	\$ - 28,943 82,046 312,621 462,649 <u>886,259</u>
HOME Investment Partnerships Program	14.239	M-00-MC-39-0221 M-01-MC-39-0221 M-02-MC-39-0221 M-03-MC-39-0221 M-04-MC-39-0221 M-05-MC-39-0221	12,550 41,569 168,435 18,811 88,815 17,266 <u>347,446</u>	17,873 41,569 63,735 151,217 54,703 17,266 <u>346,363</u>
Total U.S. Department of Housing and Urban Development			<u>1,290,192</u>	<u>1,232,622</u>
<u>U.S. DEPARTMENT OF JUSTICE</u> (Direct Programs)				
Local Law Enforcement Block Grants Program	16.592	2002LBBX2322 2003LBBX2219	- - <u>-</u>	582 10,389 <u>10,971</u>
Bulletproof Vest Partnership Program	16.607	2003BUBX03018860 2001BUBX01006392	7,251 10,415 <u>17,666</u>	7,251 10,415 <u>17,666</u>
(Passed through the Office of Juvenile Justice and Delinquency Prevention) (Passed through the National Police Athletic League)				
2005 Police Athletic League Youth Enrichment Program (PALYEP)	16.541	Not available	20,000	20,000
(Passed through the Ohio Bureau of Criminal Identification & Investigation, Office of the Attorney General)				
Crime Laboratory Improvement: Combined Offender DNA Index System Backlog Reduction	16.564	2002-DN-BX-K009 2003-DN-BX-K009 2004-DN-BX-K031	- 58,428 - -	6,556 43,939 6,698 45,271
DNA Capacity Enhancement Program Paul Coverdell Forensic Science Imp Grants		2004-DN-BX-K209 2004-DN-BX-0220	- - <u>58,428</u>	73,182 <u>175,646</u>
(Passed through the Ohio Attorney General's Office)				
Crime Victim Assistance	16.575	2005VAGENE019 2005VAGENE557 2006VAGENE019	19,545 17,435 12,696 <u>49,676</u>	19,545 17,435 12,696 <u>49,676</u>

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	RECEIPTS	EXPENDITURES
(Passed through the Office of Criminal Justice Services)				
Byrne Formula Grant Program	16.579	03-DG-A01-7008	\$ 40,805	\$ 84,764
		04-DG-A01-7008	200,990	214,678
		03-DG-F01-7031	13,431	1,911
		04-DG-C01-7031	29,439	60,375
		04-DG-C01-7455	23,763	26,311
		04-PC-NFS-7809	3,144	3,144
			<u>311,572</u>	<u>391,183</u>
Total U.S. Department of Justice			<u>457,342</u>	<u>665,142</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u> (Direct Program)				
Airport Improvement Program	20.106	3-39-0049-17-01	79,358	291
		3-39-0049-18-03	20,523	4,334
		3-39-0049-19-04	1,848,642	1,498,954
Total Airport Improvement Program			<u>1,948,523</u>	<u>1,503,579</u>
(Passed through Ohio Dept of Public Safety - The Governor's Highway Safety Office)				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	2004-PT-MN/1	17,045	13,167
Total U.S. Department of Transportation			<u>17,045</u>	<u>13,167</u>
<u>U.S. DEPARTMENT OF LABOR</u> (Passed through the Ohio Dept of Job and Family Services) (Passed through the Richland County Job and Family Services)				
Workforce Investment Act-Youth Activities	17.259	01/01-06/30/05	213,729	213,729
Total U.S. Department of Labor			<u>213,729</u>	<u>213,729</u>
<u>U.S. DEPARTMENT OF EDUCATION</u> (Passed through the Ohio Department of Education)				
Twenty-First Century Community Learning Centers	84.287	Not available	240,223	240,223
Total U.S. Department of Education			<u>240,223</u>	<u>240,223</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> (Direct Program)				
Assistance to Firefighters	97.044	2004-57-6410RA- 63210000-4101-D	92,208	89,210
(Passed through the Ohio Dept of Public Safety) (Passed through the Emergency Management Agency)				
Public Assistance Program	97.036	FEMA-1580-DR- 139-47138	712,206	712,206
Total U.S. Department of Homeland Security			<u>804,414</u>	<u>801,416</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 4,971,468</u>	<u>\$ 4,669,878</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, 2005

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – SUBRECIPIENTS

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

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

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

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

NOTE D - WORKFORCE INVESTMENT ACT ATTACHMENT SCHEDULES

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

NOTE E - MATCHING REQUIREMENTS

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

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

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

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, 2005 which collectively comprises the City's basic financial statements and have issued our report thereon dated July 27, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving internal controls over financial reporting that we have reported to management in a separate letter dated July 27, 2006.

Compliance and Other Matters

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

However, we noted other immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated July 27, 2006.

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 27, 2006

**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

Compliance

We have audited the compliance of the City of Mansfield (the City) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2005. 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, 2005.

Internal Control Over Compliance

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

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

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

Charles E. Harris & Associates, Inc.
July 27, 2006

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

**CITY OF MANSFIELD
RICHLAND COUNTY
For the Year Ended December 31, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA #14.218-Community Development Block Grants/Entitlement Grants CFDA #14.239 HOME Investment Partnerships Program CFDA #20.106 Airport Improvement Program CFDA #97.036 Homeland Security Public Assistance Program
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

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

CITY OF MANSFIELD
RICHLAND COUNTY
For the Year Ended December 31, 2005

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF MANSFIELD
 RICHLAND COUNTY, OHIO
 For the Year Ending December 31, 2005**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2004-001	Establishing a capital projects fund and written policy for motor pool vehicle/equipment.	No	Partially corrected. Purchases are better tracked. Description exists stating funding, purpose, intent and function of fund. Included in Management Letter.
2004-002	Improper obligation of HOME funds, failing to obligate funds within the required timeframe.	Yes	Corrective action taking, system established to ensure all available funds are properly obligated.
2004-003	Administrative expenses relating to HOME grant charged to CDBG grant.	Yes	Payroll procedures corrected to track administrative expenses to the proper grants. Reimbursement made.
2004-004	Improper reporting of the CDBG grant, reports not filed within the require timeframe.	Yes	Corrective action taken, procedures have been enacted to properly submit reports in the designated time period.

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

Prepared By
Department of Finance

Sandra L. Converse
Director of Finance

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CITY OF MANSFIELD, OHIO
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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CITY OF MANSFIELD

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SANDRA CONVERSE • FINANCE DIRECTOR

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July 27, 2006

Citizens of Mansfield
Mayor Lydia Reid
Members of Council
City of Mansfield, Ohio

As the Finance Director for the City of Mansfield (the “City”), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2005. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City’s implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

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

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

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

OVERVIEW AND INTRODUCTION TO THE CITY

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

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

The downtown Richland Carrousel 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 third NASCAR event in 2006, the Craftsman Truck Series. Mansfield has 28 parks covering 435 acres. Those looking for exercise can try bicycling or in-line skating on the 18 mile B&O Bike Trail, which begins at North Lake Park in the City, running south through Lexington.

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

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2005 to development possibilities. The City was able to assist 8 companies in 2005. 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 \$215,000 were granted which have leveraged approximately \$820,000 in additional investments in new and existing projects creating 25 new jobs and assisted in retaining 40 jobs.

Two companies moved into the Airport Industrial Parks during 2005. Mansfield Railport, Inc. and Midway, Inc. created 18 new full-time jobs. In addition, five expansion projects were completed by existing companies, which will create 35 new full-time jobs over the next two years. The expansion projects were Ohio Valley Manufacturing, Milark Industries, D.A. International, Newman Technologies, Inc., and Carousel Works.

Environmental Remediation of the former Ohio Brass site was completed with the assistance of a grant in the amount of \$504,000 from the Clean Ohio Assistance Fund. With the completion of the final remediation at this site, we have applied for a "No Further Action" (NFA) and "Covenant not to Sue" from the Ohio EPA. We should receive approval during the spring of 2006.

The former Johnson Controls property's ownership was transferred to Crane Plumbing. They intend to implement renovations of the second building on the site and plan to complete the renovations by the end of 2006. We received a "Covenant not to Sue" from the Ohio EPA on this property in 2004.

Moritz International, Inc. has completed renovations of the former Peabody Barnes office building and has expanded into the additional 26,000 square feet of space. They completed the purchase of the site during the first quarter of 2005. Their investment in the site as of year end 2005 was approximately \$550,000. Environmental remediation is complete at this site. We will submit an "NFA" and request a "Covenant not to Sue" from the Ohio EPA during the spring of 2006.

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield. The Ohio Department of Development has approved our request for a grant from the Clean Ohio Assistance Fund to be used to complete phase two environmental assessments to Voluntary Action Program standards for the site. The contract for environmental assessments is underway at the site with a scheduled completion date of September 2006.

The Economic Development Department completed the first loan from the Mansfield Cleanup Revolving Loan Fund (MCRLF) to the Mansfield Reformatory Historical Preservation Society, Inc. in the amount of \$200,000. The MCRLF will be used in conjunction with the society's capital improvement funds to complete environmental remediation of asbestos and lead based paint within the former Mansfield Reformatory building. The MCRLF is funded through a \$1,000,000 grant from the US-EPA.

Other 2005 new project highlights are as follows:

- 1) Ohio Valley Manufacturing broke ground on a 15,000 square foot addition which includes additional manufacturing space. The project will create 10 new full-time jobs. The projected investment is \$2,400,000.
- 2) Kokosing Materials, Inc. completed construction of a 15,000 ton liquid asphalt storage tank at their Oak Street complex. The project will create three new jobs. Their investment was \$3,200,000.
- 3) Longview Steel, subsidiary of Jay Industries, completed construction of a 50,000 square foot addition to their West Longview facility. They will create 10 new full-time jobs. The total investment was \$9,700,000.
- 4) R.T. Dunn, Inc. completed construction of a new 15,000 square foot facility at their Sawyer Parkway site.
- 5) Kroger Company broke ground on a 50,000 square foot expansion of their Lexington Avenue store. The project will create 50 new part-time jobs. The project investment is \$6,000,000.
- 6) CCX broke ground on a new 36 dock truck terminal at their Cairns Road site. The project will create 10 new jobs. Their investment is \$2,000,000.
- 7) Clean Water, Ltd. broke ground on a new 15,000 square foot facility at their Knight Parkway site. The project will create eight new jobs with an investment of \$6,000,000.
- 8) Our Detergent broke ground on a new 6,000 square foot facility at their Knight Parkway site. The project will create three new jobs. The project investment is \$200,000.
- 9) WalMart broke ground on a new 204,000 square foot facility at their Interstate 71/State Route 13 site. The project will create a combination of 500 full-time and part-time jobs. Their investment is \$12,000,000.
- 10) General Technologies, Inc. broke ground on a new 60,000 square foot facility at their Piper Road site. The project will create 20 new jobs with an investment of \$1,500,000.
- 11) Jay Industries completed a 10,000 square foot addition to their East Longview facility. The project will create three new jobs. Their investment was \$3,200,000.

MAJOR INITIATIVES

The Downtown Revitalization Plan continues to be implemented. Our downtown buildings are no longer empty but filled with businesses, many of them unique, which enhances our attraction to tourists. The State Route 30 expansion and improvement through the City was completed in 2005 and is already bringing additional business to Mansfield.

In 2006, construction will begin on the Illinois Avenue overpass after 50 years of struggling to get approval and dollars from the State of Ohio. Numerous projects are occurring at the Interstate 71/State Route 13 intersection. Construction of a new Walmart Super Store, Wendy's Restaurant, and Hampton Inn will be completed in 2006. Additional retail stores and restaurants are currently in the works.

FINANCIAL INFORMATION

Basis of Accounting

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units and is consistent with GASB Cod. Sec. 1600, *Basis of Accounting*. All governmental funds are accounted for using a current financial resources-current asset and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

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

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

The City complies with GASB #34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental activities, in order to comply with GASB #34, are presented on the full accrual basis of accounting. As part of this new reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the City's finances for 2005. Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

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

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

Budgetary Controls

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

CASH MANAGEMENT

The City had deposits of \$6,116,415 as of December 31, 2005. 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 2005 totaled \$1,029,572. The notes to the basic financial statements provide additional information regarding investments.

RISK MANAGEMENT

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

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

INDEPENDENT AUDIT

An audit team from Charles Harris & Associates, Inc. has performed the City's 2005 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 2005 by Charles Harris & Associates, Inc. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

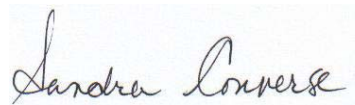
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). The contents of this report must conform to program standards and must satisfy both Generally Accepted Accounting Principles (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 years (years ended 1985-2004). 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

A special thank you to Scott Arnett and Debra Keller who prepared the CAFR for 2005. Also, I would like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

Finally, appreciation to the City Administration, department heads, and employees who have contributed in the effort to achieve excellence in financial reporting.



Sandra Converse
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



Carla E. Perry

President

Jeffrey R. Enos

Executive Director

CITY OF MANSFIELD, OHIO

PRINCIPAL OFFICIALS DECEMBER 31, 2005

ELECTED OFFICIALS

EXECUTIVE:

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

LEGISLATIVE:

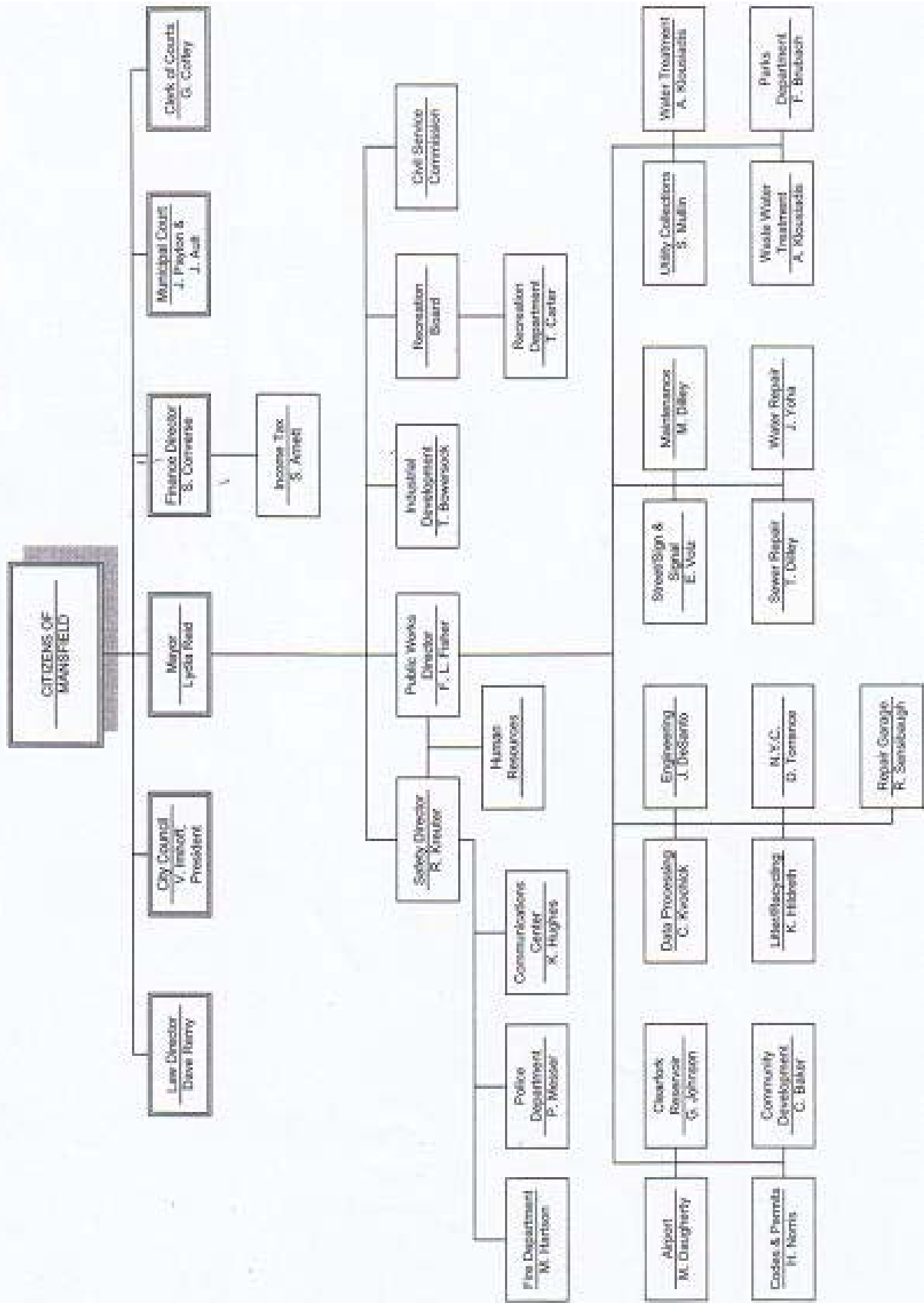
President of Council	Virginia M. Imhoff
Council Members	
Ward 1	Douglas P. Versaw
Ward 2	C. David Robinson
Ward 3	Scott E. Hazen
Ward 4	Walden A. Jefferson
Ward 5	Ethel M. (Pat) Hightower
Ward 6	Sandra Carmichael
At Large	Donald R. Culliver
At Large	Michael N. Hill

APPOINTED OFFICIALS

Director of Public Works	Francis L. Fisher
Director of Service and Safety	Ronald S. Kreuter
Director of Industrial Development	Timothy R. Bowersock
Chief of Police	Philip Messer
Chief of Fire	Michael L. Hartson

The present terms of the executive branch and the President of Council will expire November 30, 2007. The present terms of the legislative branch will expire November 30, 2007 or November 30, 2009. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

CITY OF MANSFIELD OHIO



INDEPENDENT ACCOUNTANTS' REPORT

**The Honorable Mayor and City Council
City of Mansfield
Mansfield, Ohio**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Mansfield (the City), as of and for the year ended December 31, 2005, 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, 2005, 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 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 27, 2006 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 27, 2006

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 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, 2005. 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 2005 are as follows:

- The total net assets of the City increased \$973,213. Net assets of governmental activities decreased \$1,654,136 or 2.65% over 2004 and net assets of business-type activities increased \$2,627,349 or 5.35% from 2004.
- General revenues accounted for \$30,874,706 of total governmental activities revenue. Program specific revenues accounted for \$15,925,223 or 32.96% of total governmental activities revenue.
- The City had \$48,454,065 in expenses related to governmental activities; \$15,925,223 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$32,528,842 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$30,874,706.
- The City's major governmental funds are the general fund, community development fund, and safety services fund. The general fund had revenues and other financing sources of \$10,477,839 in 2005. This represents an increase of \$722,546 from 2004. The expenditures and other financing uses of the general fund, which totaled \$9,695,665 in 2005, increased \$490,445 from 2004. The net increase in fund balance for the general fund was \$782,174 or 160.90%.
- The community development fund had revenues of \$1,422,510 in 2005. The expenditures and other financing uses of the community development fund totaled \$1,218,593 in 2005. The net increase in fund balance for the community development fund was \$203,917 or 8.43%.
- The safety services fund had revenues and other financing sources of \$21,851,145 in 2005. The expenditures and other financing uses for the safety services fund totaled \$21,088,403 in 2005. The net increase in fund balance for the safety services fund was \$762,742 or 688.37%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Airport Operating, and Parking Garage enterprise funds, increased in 2005 by \$2,627,349.
- In the general fund, the actual revenues came in \$11,692 higher than they were in the final budget and actual expenditures were \$458,008 less than the amount in the final budget. These positive variances are the result of the City's conservative budgeting. Budgeted revenues increased \$480,409 from the original to the final budget due primarily to an increase in projected investment income, charges for services, and intergovernmental revenue. Budgeted expenditures decreased \$608,842 from the original to the final budget due to a decrease in various types of expenditures.

Using this Annual Financial Report

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

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

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 2005?" 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, 2005
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 32-37 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 38 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 39-70 of this report.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2005 compared to 2004:

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>	Business-Type Activities <u>2005</u>	Business-Type Activities <u>2004</u>	Total <u>2005</u>	Total <u>2004</u>
<u>Assets</u>						
Current and other assets	\$ 28,506,559	\$ 27,913,316	\$ 16,782,350	\$ 14,193,245	\$ 45,288,909	\$ 42,106,561
Capital assets	<u>50,123,034</u>	<u>52,231,117</u>	<u>42,908,612</u>	<u>42,721,235</u>	<u>93,031,646</u>	<u>94,952,352</u>
Total assets	<u>78,629,593</u>	<u>80,144,433</u>	<u>59,690,962</u>	<u>56,914,480</u>	<u>138,320,555</u>	<u>137,058,913</u>
<u>Liabilities</u>						
Long-term liabilities	10,898,350	10,556,742	6,842,471	6,906,499	17,740,821	17,463,241
Other liabilities	<u>6,868,176</u>	<u>7,070,488</u>	<u>1,135,713</u>	<u>922,552</u>	<u>8,003,889</u>	<u>7,993,040</u>
Total liabilities	<u>17,766,526</u>	<u>17,627,230</u>	<u>7,978,184</u>	<u>7,829,051</u>	<u>25,744,710</u>	<u>25,456,281</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	45,754,819	47,833,128	37,370,730	36,878,972	83,125,549	84,712,100
Restricted	15,521,272	15,950,708	3,979,276	4,070,672	19,500,548	20,021,380
Unrestricted	<u>(413,024)</u>	<u>(1,266,633)</u>	<u>10,362,772</u>	<u>8,135,785</u>	<u>9,949,748</u>	<u>6,869,152</u>
Total net assets	<u>\$ 60,863,067</u>	<u>\$ 62,517,203</u>	<u>\$ 51,712,778</u>	<u>\$ 49,085,429</u>	<u>\$ 112,575,845</u>	<u>\$ 111,602,632</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2005, the City's assets exceeded liabilities by \$112,575,845. Net assets were \$60,863,067 and \$51,712,778 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 67.26% 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, was \$45,754,819 and \$37,370,730 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, 2005, the City is able to report positive balances in all three categories of net assets for the business-type activities.

A portion of the City's net assets, \$19,500,548, represents resources that are subject to external restriction on how they may be used.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The next table shows the changes in net assets for fiscal year 2005 and 2004.

Changes in Net Assets

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>	Business-Type Activities <u>2005</u>	Business-Type Activities <u>2004</u>	Total <u>2005</u>	Total <u>2004</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 6,013,764	\$ 4,951,801	\$ 17,015,437	\$ 16,384,514	\$ 23,029,201	\$ 21,336,315
Operating grants and contributions	9,841,045	6,849,290	-	-	9,841,045	6,849,290
Capital grants and contributions	70,414	309,775	1,148,728	629,261	1,219,142	939,036
Total program revenues	<u>15,925,223</u>	<u>12,110,866</u>	<u>18,164,165</u>	<u>17,013,775</u>	<u>34,089,388</u>	<u>29,124,641</u>
General revenues:						
Property taxes	3,306,521	2,266,451	-	-	3,306,521	2,266,451
Income taxes	23,717,168	21,975,862	439,395	256,830	24,156,563	22,232,692
Unrestricted grants and entitlements	2,646,945	5,169,330	486,715	-	3,133,660	5,169,330
Gain on sale of capital asset	-	89,416	-	-	-	89,416
Investment earnings	1,029,572	411,338	-	44,265	1,029,572	455,603
Miscellaneous	174,500	231,320	123,738	32,238	298,238	263,558
Total general revenues	<u>30,874,706</u>	<u>30,143,717</u>	<u>1,049,848</u>	<u>333,333</u>	<u>31,924,554</u>	<u>30,477,050</u>
Total revenues	<u>46,799,929</u>	<u>42,254,583</u>	<u>19,214,013</u>	<u>17,347,108</u>	<u>66,013,942</u>	<u>59,601,691</u>
Program expenses:						
General government	12,154,838	10,496,931	-	-	12,154,838	10,496,931
Public safety	23,850,064	21,355,233	-	-	23,850,064	21,355,233
Public health and welfare	137,328	156,000	-	-	137,328	156,000
Transportation	10,078,954	8,390,900	-	-	10,078,954	8,390,900
Community environment	1,491,159	2,065,065	-	-	1,491,159	2,065,065
Leisure time activity	488,317	449,412	-	-	488,317	449,412
Interest and fiscal charges	253,405	355,645	-	-	253,405	355,645
Water	-	-	7,412,809	7,638,373	7,412,809	7,638,373
Sewer	-	-	8,158,651	8,211,524	8,158,651	8,211,524
Airport operating	-	-	784,276	736,546	784,276	736,546
Parking garage	-	-	230,928	22,301	230,928	22,301
Total program expenses	<u>48,454,065</u>	<u>43,269,186</u>	<u>16,586,664</u>	<u>16,608,744</u>	<u>65,040,729</u>	<u>59,877,930</u>
Increase (decrease) in net assets before special items and transfers	<u>(1,654,136)</u>	<u>(1,014,603)</u>	<u>2,627,349</u>	<u>738,364</u>	<u>973,213</u>	<u>(276,239)</u>
Change in net assets	(1,654,136)	(1,014,603)	2,627,349	738,364	973,213	(276,239)
Net assets, January 1, restated	<u>62,517,203</u>	<u>63,531,806</u>	<u>49,085,429</u>	<u>48,347,065</u>	<u>111,602,632</u>	<u>111,878,871</u>
Net assets, December 31	<u>\$ 60,863,067</u>	<u>\$ 62,517,203</u>	<u>\$ 51,712,778</u>	<u>\$ 49,085,429</u>	<u>\$ 112,575,845</u>	<u>\$ 111,602,632</u>

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Governmental Activities

Governmental activities net assets decreased \$1,654,136 in 2005. This decrease is a result of an increase in expenses and a decrease in municipal income taxes versus amounts reported in the prior year.

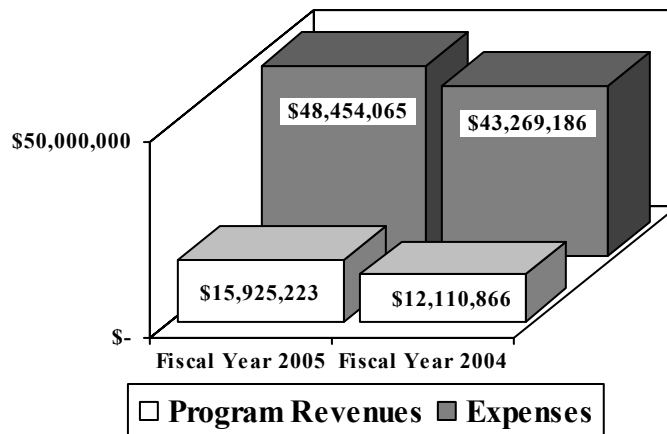
Public safety, which primarily supports the operations of the police and fire departments accounted for \$23,850,064 of the total expenses of the City. These expenses were partially funded by \$1,653,534 in direct charges to users of the services. Transportation expenses totaled \$10,078,954. Transportation expenses were partially funded by \$295,065 in direct charges to users of the services, \$3,507,450 in operating grants and contributions and \$70,414 in capital grants and contributions.

The state and federal government contributed to the City a total of \$9,841,045 in operating grants and contributions and \$70,414 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$70,414 subsidized transportation programs.

General revenues totaled \$30,874,706 and amounted to 65.97% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$27,023,689. 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 \$2,646,945.

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

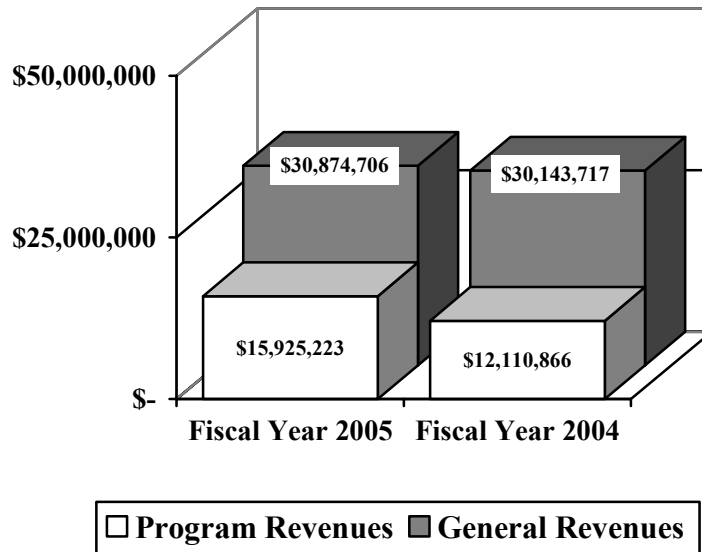
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program Expenses:				
General government	\$ 12,154,838	\$ 4,431,019	\$ 10,496,931	\$ 5,281,650
Public safety	23,850,064	21,436,247	21,355,233	19,750,385
Public health and welfare	137,328	46,312	156,000	80,613
Transportation	10,078,954	6,206,025	8,390,900	4,942,582
Community environment	1,491,159	(16,755)	2,065,065	318,659
Leisure activity	488,317	172,589	449,412	428,786
Interest and fiscal charges	<u>253,405</u>	<u>253,405</u>	<u>355,645</u>	<u>355,645</u>
Total	<u>\$ 48,454,065</u>	<u>\$ 32,528,842</u>	<u>\$ 43,269,186</u>	<u>\$ 31,158,320</u>

The dependence upon general revenues for governmental activities is apparent, with 66.85% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



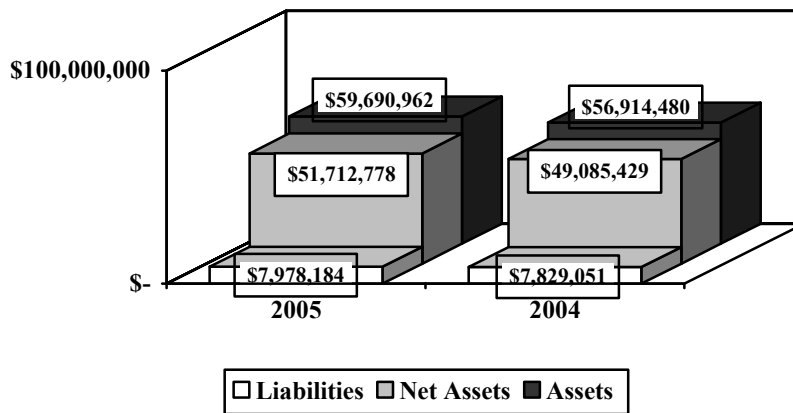
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Business-Type Activities

Business-type activities include the water, sewer, airport and parking garage enterprise funds. These programs had program revenues of \$18,164,165 general revenues of \$1,049,848 and expenses of \$16,586,664 for 2005. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 22-23) reported a combined fund balance of \$12,138,861 which is \$1,993,964 above last year's total of \$10,144,897.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2005 and December 31, 2004 for all major and nonmajor governmental funds.

	Fund Balances	Fund Balances	Increase
	<u>12/31/05</u>	<u>12/31/04</u>	<u>(Decrease)</u>
Major funds:			
General	\$ 295,944	\$ (486,126)	\$ 782,070
Community development	2,623,002	2,418,627	204,375
Safety services	874,212	110,738	763,474
Other nonmajor governmental funds	<u>8,345,703</u>	<u>8,101,658</u>	<u>244,045</u>
Total	<u>\$ 12,138,861</u>	<u>\$ 10,144,897</u>	<u>\$ 1,993,964</u>

General Fund

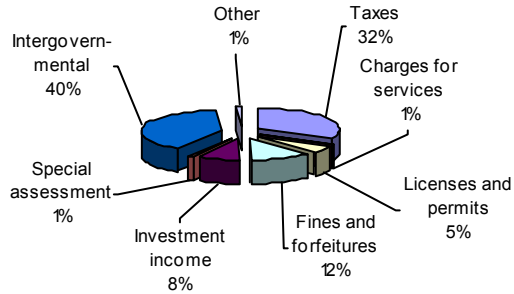
The City's general fund balance increased \$782,070, primarily due to a decline in expenses for general government. The table that follows assists in illustrating the revenues of the general fund.

	<u>2005</u>	<u>2004</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 3,314,310	\$ 2,718,850	21.90 %
Charges for services	103,223	81,955	25.95 %
Licenses, permits and fees	498,424	683,856	(27.12) %
Fines and forfeitures	1,282,750	1,319,420	(2.78) %
Investment income	876,272	263,000	233.18 %
Special assessments	147,700	25,127	487.81 %
Intergovernmental	4,128,338	4,528,399	(8.83) %
Other	<u>118,453</u>	<u>89,027</u>	<u>33.05 %</u>
Total	<u>\$ 10,469,470</u>	<u>\$ 9,709,634</u>	<u>7.83 %</u>

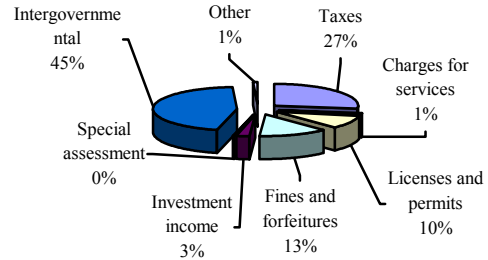
Tax revenue, which is a combination of property and income tax, represents 31.66% of all general fund revenue. The tax revenue increased by 21.90% over prior year. The increase in investment income is due to an increase in interest rates by the Federal Reserve Bank throughout the year. The increase in special assessments revenue is due to special assessments that were moved from the debt service fund. All other revenue remained comparable to 2004.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Revenues – Fiscal Year 2005



Revenues – Fiscal Year 2004



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

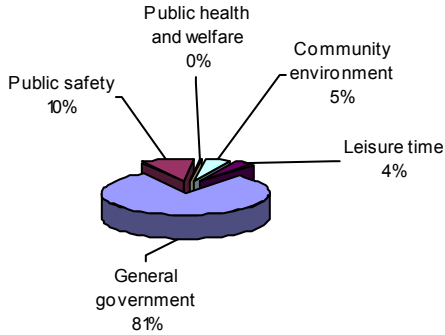
	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 6,701,642	\$ 6,649,298	0.79 %
Public safety	1,027,420	898,234	14.38 %
Public health and welfare	40,730	41,900	(2.79) %
Community environment	474,395	389,789	21.71 %
Leisure time activity	418,584	390,776	7.12 %
Debt service:			
Interest and fiscal charges	-	44,265	(100.00) %
Total	<u>\$ 8,662,771</u>	<u>\$ 8,414,262</u>	<u>2.95 %</u>

The most significant decrease was due to interest no longer being paid from the general fund. The other expenditures decreased due to tighter management of the City's resources. Expenditure increases are primarily due to an increase in cost of services.

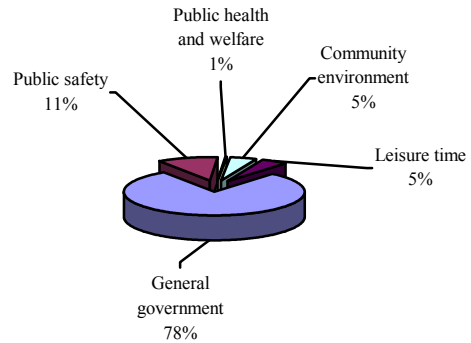
CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Expenditures - Fiscal Year 2005



Expenditures - Fiscal Year 2004



Community Development Fund

The community development fund had revenues of \$1,422,510 in 2005. The expenditures of the community development fund totaled \$968,593 in 2005. The net increase in fund balance for the community development fund was \$203,917.

Safety Services Fund

The safety services fund had revenues of \$20,931,145 in 2005. The expenditures for the safety services fund totaled \$20,905,686 in 2005. The net increase in fund balance for the safety services fund was \$762,742.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The water enterprise fund had revenues of \$8,343,947, which exceeded expenses of \$7,087,259 by \$1,256,688. The sewer enterprise fund had revenues of \$8,395,183, which was more than expenses of \$7,966,831 by \$428,352.

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, and safety services fund. In the general fund, one of the changes was between the original and final budgeted amount in the area of expenditures, which decreased \$608,842 from \$11,513,009 to \$10,904,167. Actual revenues of \$11,589,969 exceeded final budgeted revenues by \$11,692. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$458,008 lower than the final budgeted amounts.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

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, 2005, the City had \$93,031,646 (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, \$50,123,034 was reported in governmental activities and \$42,908,612 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal 2005 balances compared to 2004:

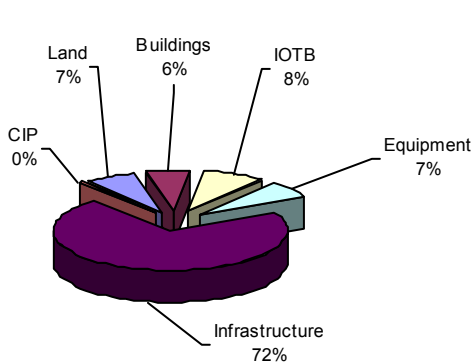
**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 3,640,639	\$ 3,831,202	\$ 2,164,307	\$ 2,164,307	\$ 5,804,946	\$ 5,995,509
Buildings	3,074,328	4,152,874	3,099,868	2,805,627	6,174,196	6,958,501
IOTB	4,256,328	1,126,402	12,618,003	9,887,373	16,874,331	11,013,775
Machinery & Equipment	3,422,950	3,774,457	1,471,571	1,583,648	4,894,521	5,358,105
Infrastructure	35,543,616	37,218,746	23,052,294	23,024,442	58,595,910	60,243,188
CIP	185,173	2,127,436	502,569	3,255,838	687,742	5,383,274
Totals	<u>\$ 50,123,034</u>	<u>\$ 52,231,117</u>	<u>\$ 42,908,612</u>	<u>\$ 42,721,235</u>	<u>\$ 93,031,646</u>	<u>\$ 94,952,352</u>

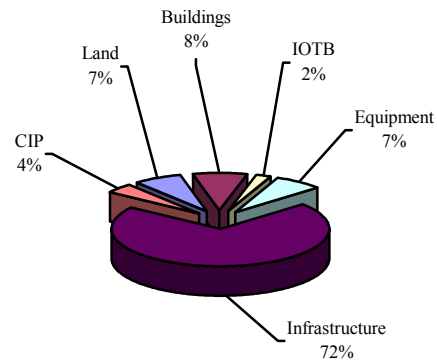
CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

The following graphs show the breakdown of governmental capital assets by category for 2005 and 2004.

Capital Assets - Governmental Activities 2005



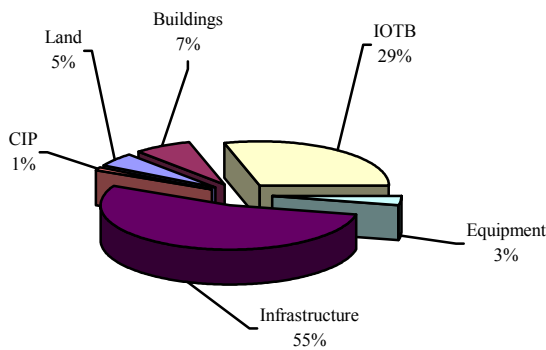
Capital Assets - Governmental Activities 2004



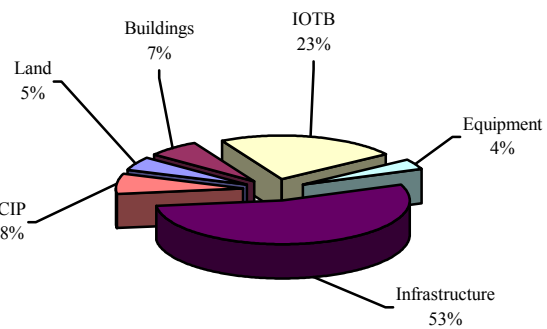
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 72% of the City's total governmental capital assets. The following graphs show the breakdown of business-type capital assets by category for 2005 and 2004.

Capital Assets - Business-Type Activities 2005



Capital Assets - Business-Type Activities 2004



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
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

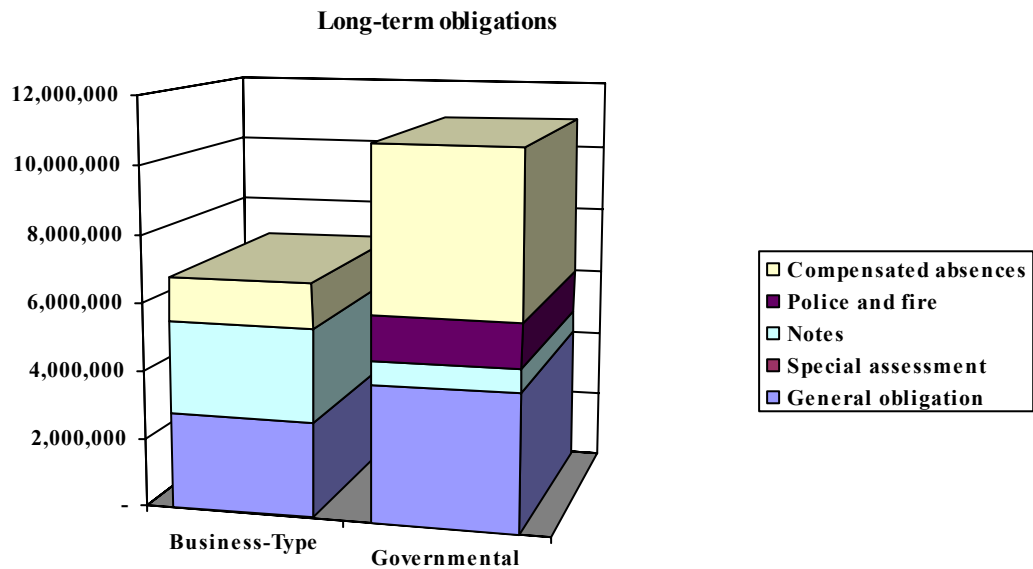
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2005 and 2004:

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 4,040,000	\$ 4,735,000
Special assessment bonds	-	3,139
Notes payable	655,430	730,862
Police and fire pension liability	1,311,555	1,333,591
Capital lease obligation	76,309	93,572
Compensated absences	<u>4,815,056</u>	<u>3,660,578</u>
Total long-term obligations	<u>\$ 10,898,350</u>	<u>\$ 10,556,742</u>

	Business-type Activities	
	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 2,805,000	\$ 3,100,000
Compensated absences	1,304,590	1,064,236
Notes payable	<u>2,732,881</u>	<u>2,742,263</u>
Total long-term obligations	<u>\$ 6,842,471</u>	<u>\$ 6,906,499</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
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is 6.3%, which decreased from a rate of 7.1% a year ago. This rate exceeds the state's average unemployment rate of 5.9% 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 2006 fiscal year. At the end of the 2005 fiscal year, the cash basis fund balance of the general fund was \$883,879. This balance takes into consideration encumbrances for 2005 activity.

Contacting the City's Financial Management

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

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,866,053	\$ 7,785,839	\$ 19,651,892
Cash and cash equivalents with fiscal agents	50,711	3,724	54,435
Receivables (net of allowances for uncollectibles):			
Taxes	7,007,414	57,837	7,065,251
Accounts	-	2,853,940	2,853,940
Accrued interest	136,525	-	136,525
Special assessments	11,976	31,377	43,353
Loans	2,882,603	-	2,882,603
Internal balances	(1,470,723)	1,470,723	-
Due from other governments	7,765,924	478,601	8,244,525
Materials and supplies inventory	256,076	121,033	377,109
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	3,979,276	3,979,276
Capital assets:			
Land and construction in progress	3,825,812	2,666,876	6,492,688
Depreciable capital assets, net	46,297,222	40,241,736	86,538,958
Total capital assets, net	50,123,034	42,908,612	93,031,646
Total assets	<u>78,629,593</u>	<u>59,690,962</u>	<u>138,320,555</u>
Liabilities:			
Accounts payable	544,798	519,239	1,064,037
Contracts payable	146,609	17,841	164,450
Retainage payable	50,711	3,724	54,435
Accrued wages and benefits	1,038,553	348,527	1,387,080
Due to other governments	1,549,685	232,753	1,782,438
Unearned revenue	1,515,458	-	1,515,458
Notes payable	750,000	-	750,000
Accrued interest payable	55,344	13,629	68,973
Claims payable	1,217,018	-	1,217,018
Long-term liabilities:			
Due within one year	1,317,266	3,333,545	4,650,811
Due in more than one year	9,581,084	3,508,926	13,090,010
Total liabilities	<u>17,766,526</u>	<u>7,978,184</u>	<u>25,744,710</u>
Net assets:			
Invested in capital assets, net of related debt	45,754,819	37,370,730	83,125,549
Restricted for:			
Capital projects	3,015,525	-	3,015,525
Debt service	1,147,091	-	1,147,091
Community development	4,356,694	-	4,356,694
Transportation projects	3,191,279	-	3,191,279
Industrial development	1,257,142	-	1,257,142
Grants	1,204,593	-	1,204,593
Replacement and improvement	-	3,979,276	3,979,276
Other purposes	1,348,948	-	1,348,948
Unrestricted	(413,024)	10,362,772	9,949,748
Total net assets	<u>\$ 60,863,067</u>	<u>\$ 51,712,778</u>	<u>\$ 112,575,845</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 12,154,838	\$ 3,490,786	\$ 4,233,033	\$ -
Public safety	23,850,064	1,653,534	760,283	-
Public health and welfare	137,328	380	90,636	-
Transportation	10,078,954	295,065	3,507,450	70,414
Community environment	1,491,159	258,271	1,249,643	-
Leisure time activities	488,317	315,728	-	-
Interest and fiscal charges	253,405	-	-	-
Total governmental activities	<u>48,454,065</u>	<u>6,013,764</u>	<u>9,841,045</u>	<u>70,414</u>
Business-Type Activities:				
Water	7,412,809	8,343,947	-	796,330
Sewer	8,158,651	8,395,183	-	350,511
Nonmajor:				
Airport operating	784,276	88,611	-	1,887
Parking garage	230,928	187,696	-	-
Total business-type activities	<u>16,586,664</u>	<u>17,015,437</u>	<u>-</u>	<u>1,148,728</u>
Total	<u>\$ 65,040,729</u>	<u>\$ 23,029,201</u>	<u>\$ 9,841,045</u>	<u>\$ 1,219,142</u>

General Revenues:

Property taxes levied for:	
General purposes	
Debt service	
Special purposes	
Income taxes levied for:	
General purposes	
Special purposes	
Capital projects	
Airport	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues	
Change in net assets	
Net assets at beginning of year	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (4,431,019)	\$ -	\$ (4,431,019)
(21,436,247)	-	(21,436,247)
(46,312)	-	(46,312)
(6,206,025)	-	(6,206,025)
16,755	-	16,755
(172,589)	-	(172,589)
(253,405)	-	(253,405)
<u>(32,528,842)</u>	<u>-</u>	<u>(32,528,842)</u>
-	1,727,468	1,727,468
-	587,043	587,043
-	(693,778)	(693,778)
-	(43,232)	(43,232)
<u>-</u>	<u>1,577,501</u>	<u>1,577,501</u>
<u>(32,528,842)</u>	<u>1,577,501</u>	<u>(30,951,341)</u>
2,520,948	-	2,520,948
1,062	-	1,062
784,511	-	784,511
714,984	-	714,984
19,109,121	-	19,109,121
3,893,063	-	3,893,063
-	439,395	439,395
2,646,945	486,715	3,133,660
1,029,572	-	1,029,572
174,500	123,738	298,238
<u>30,874,706</u>	<u>1,049,848</u>	<u>31,924,554</u>
(1,654,136)	2,627,349	973,213
<u>62,517,203</u>	<u>49,085,429</u>	<u>111,602,632</u>
<u>\$ 60,863,067</u>	<u>\$ 51,712,778</u>	<u>\$ 112,575,845</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,317,992	\$ 376,006	\$ 1,251,636
Cash and cash equivalents with fiscal agent	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	2,437,119	-	3,586,642
Accrued interest	92,507	37,935	-
Loans	-	2,286,268	-
Special assessments	11,976	-	-
Due from other governments	2,364,151	1,814,241	32,011
Loans to other funds	123,400	-	-
Materials and supplies inventory	47,165	1,319	46,354
Total assets	<u>\$ 6,394,310</u>	<u>\$ 4,515,769</u>	<u>\$ 4,916,643</u>
Liabilities:			
Accounts payable	\$ 100,551	\$ 52,890	\$ 93,323
Contracts payable	-	-	-
Retainage payable	-	-	-
Accrued wages and benefits	227,843	8,875	666,290
Compensated absences	41,000	2,068	35,290
Loans from other funds	1,800,000	-	150,000
Due to other governments	279,332	35,365	1,083,256
Notes payable	-	-	-
Unearned revenue	3,649,640	1,793,569	2,014,272
Total liabilities	<u>6,098,366</u>	<u>1,892,767</u>	<u>4,042,431</u>
Fund Balances:			
Reserved for encumbrances	314,058	10,885	136,904
Reserved for materials and supplies inventory	47,165	1,319	46,354
Reserved for loans	-	2,286,268	-
Reserved for loans to other funds	123,400	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	(210,543)	-	-
Special revenue funds	-	324,530	690,954
Capital projects funds	-	-	-
Total fund balances	<u>295,944</u>	<u>2,623,002</u>	<u>874,212</u>
Total liabilities and fund balances.	<u>\$ 6,394,310</u>	<u>\$ 4,515,769</u>	<u>\$ 4,916,643</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 8,017,940	\$ 10,963,574
50,711	50,711
983,653	7,007,414
6,083	136,525
596,335	2,882,603
-	11,976
3,555,521	7,765,924
-	123,400
108,747	203,585
<u>\$ 13,318,990</u>	<u>\$ 29,145,712</u>
\$ 236,126	\$ 482,890
146,609	146,609
50,711	50,711
83,103	986,111
42,340	120,698
123,400	2,073,400
96,801	1,494,754
750,000	750,000
<u>3,444,197</u>	<u>10,901,678</u>
<u>4,973,287</u>	<u>17,006,851</u>
2,090,423	2,552,270
108,747	203,585
596,335	2,882,603
-	123,400
1,202,435	1,202,435
-	21,864
-	(210,543)
2,649,072	3,664,556
<u>1,698,691</u>	<u>1,698,691</u>
<u>8,345,703</u>	<u>12,138,861</u>
<u>\$ 13,318,990</u>	<u>\$ 29,145,712</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total governmental fund balances \$ 12,138,861

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

Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds. 48,856,720

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

Property taxes	694,412
Income taxes	2,180,207
Special assessments	11,976
Intergovernmental revenues	<u>6,499,625</u>

Total 9,386,220

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: 981,554

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	(55,344)
Capital lease obligation	(76,309)
Notes payable	(655,430)
Compensated absences	(4,361,650)
Police and fire pension liability	(1,311,555)
General obligation bonds	<u>(4,040,000)</u>

(10,500,288)

Net assets of governmental activities \$ 60,863,067

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, 2005

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 769,296	\$ -	\$ 18,599,608
Property and other taxes	2,545,014	-	497,953
Charges for services	103,223	-	1,280,570
Licenses, permits and fees	498,424	-	85,240
Fines and forfeitures	1,282,750	-	128,782
Intergovernmental	4,128,338	1,249,643	268,272
Special assessments	147,700	-	-
Investment income	876,272	104,011	-
Other	118,453	68,856	70,720
Total revenues	<u>10,469,470</u>	<u>1,422,510</u>	<u>20,931,145</u>
Expenditures:			
Current:			
General government	6,701,642	-	-
Public safety	1,027,420	-	20,905,686
Public health and welfare	40,730	-	-
Transportation	-	-	-
Community environment	474,395	968,593	-
Leisure time activities	418,584	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,662,771</u>	<u>968,593</u>	<u>20,905,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,806,699</u>	<u>453,917</u>	<u>25,459</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	8,369	-	-
Proceeds from sale of note premium	-	-	-
Transfers in	-	-	920,000
Transfers out	(1,032,894)	(250,000)	(182,717)
Total other financing sources (uses)	<u>(1,024,525)</u>	<u>(250,000)</u>	<u>737,283</u>
Net change in fund balances	782,174	203,917	762,742
Fund balances (deficit) at beginning of year . . .	(486,126)	2,418,627	110,738
Increase (decrease) in reserve for inventory . .	(104)	458	732
Fund balances at end of year	<u>\$ 295,944</u>	<u>\$ 2,623,002</u>	<u>\$ 874,212</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 3,885,679	\$ 23,254,583
1,062	3,044,029
671,476	2,055,269
371,253	954,917
305,014	1,716,546
8,435,944	14,082,197
566	148,266
49,289	1,029,572
877,598	1,135,627
<u>14,597,881</u>	<u>47,421,006</u>
3,549,216	10,250,858
958,897	22,892,003
91,440	132,170
3,681,798	3,681,798
-	1,442,988
56,180	474,764
5,621,233	5,621,233
765,000	765,000
256,095	256,095
<u>14,979,859</u>	<u>45,516,909</u>
<u>(381,978)</u>	<u>1,904,097</u>
106,098	114,467
1,303	1,303
581,262	1,501,262
<u>(35,651)</u>	<u>(1,501,262)</u>
<u>653,012</u>	<u>115,770</u>
271,034	2,019,867
8,101,658	10,144,897
<u>(26,989)</u>	<u>(25,903)</u>
<u>\$ 8,345,703</u>	<u>\$ 12,138,861</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, 2005

Net change in fund balances - total governmental funds	\$ 2,019,867
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$7,836,346) were less than depreciation expense (\$6,425,068) in the current period. Both amounts are exclusive of internal service funds activity.	1,411,278
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(3,123,847)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.	(25,903)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(798,716)
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.	812,870
In the statement of activities, interest is accrued on outstanding bonds, notes and the police and fire pension liability, whereas in governmental funds, an interest expenditure is reported when due.	2,690
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are exclusive of internal service funds activity.	(1,086,554)
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.	(865,821)
Change in net assets of governmental activities	\$ (1,654,136)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,835,780	\$ 2,800,151	\$ 2,799,545	\$ (606)
Charges for services	1,284,039	1,572,832	1,571,755	(1,077)
Licenses, permits and fees	675,569	501,619	498,424	(3,195)
Fines and forfeitures.	1,370,450	1,288,150	1,283,597	(4,553)
Intergovernmental	4,228,760	4,471,246	4,450,218	(21,028)
Special assessments	159,606	153,535	147,700	(5,835)
Investment income	391,293	648,593	709,226	60,633
Other	152,371	142,151	129,504	(12,647)
Total revenues.	<u>11,097,868</u>	<u>11,578,277</u>	<u>11,589,969</u>	<u>11,692</u>
Expenditures:				
Current:				
Public safety	1,254,027	1,261,777	1,176,401	85,376
Public health and welfare.	94,087	94,087	40,730	53,357
Community environment	711,239	736,139	701,128	35,011
Leisure time activities	835,966	840,114	823,338	16,776
General government	<u>8,617,690</u>	<u>7,972,050</u>	<u>7,704,562</u>	<u>267,488</u>
Total expenditures	<u>11,513,009</u>	<u>10,904,167</u>	<u>10,446,159</u>	<u>458,008</u>
Excess (deficiency) of revenues over (under) expenditures	(415,141)	674,110	1,143,810	469,700
Other financing sources (uses):				
Proceeds from sale of capital assets	2,817	2,817	8,368	5,551
Loan to other funds	(123,400)	(123,400)	(123,400)	-
Payment on loan from other funds	(240,000)	(240,000)	(240,000)	-
Repayment on loan to other funds	419,116	419,116	419,116	-
Transfers in	-	45,007	-	(45,007)
Transfers out	<u>(190,772)</u>	<u>(1,046,614)</u>	<u>(1,032,894)</u>	<u>13,720</u>
Total other financing sources (uses)	<u>(132,239)</u>	<u>(943,074)</u>	<u>(968,810)</u>	<u>(25,736)</u>
Net change in fund balance	(547,380)	(268,964)	175,000	443,964
Fund balance at beginning of year	434,537	434,537	434,537	-
Prior year encumbrances appropriated	<u>274,342</u>	<u>274,342</u>	<u>274,342</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 161,499</u>	<u>\$ 439,915</u>	<u>\$ 883,879</u>	<u>\$ 443,964</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,015,000	\$ 2,988,500	\$ 1,305,191	\$ (1,683,309)
Investment income	90,888	99,888	100,620	732
Other	371,726	389,226	385,434	(3,792)
Total revenues.	<u>3,477,614</u>	<u>3,477,614</u>	<u>1,791,245</u>	<u>(1,686,369)</u>
Expenditures:				
Current:				
Community environment	3,299,153	3,336,559	1,417,077	1,919,482
Total expenditures	<u>3,299,153</u>	<u>3,336,559</u>	<u>1,417,077</u>	<u>1,919,482</u>
Excess of revenues over expenditures	178,461	141,055	374,168	233,113
Other financing uses:				
Transfers out	(253,609)	(250,000)	(250,000)	-
Total other financing uses	<u>(253,609)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(75,148)	(108,945)	124,168	233,113
Fund balance at beginning of year	84,230	84,230	84,230	-
Prior year encumbrances appropriated	<u>49,909</u>	<u>49,909</u>	<u>49,909</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 58,991</u>	<u>\$ 25,194</u>	<u>\$ 258,307</u>	<u>\$ 233,113</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 19,043,111	\$ 19,034,610	\$ 19,030,291	\$ (4,319)
Licenses, permits and fees	88,900	89,550	84,106	(5,444)
Charges for services	976,000	1,215,750	1,280,570	64,820
Fines and forfeitures.	171,134	132,839	132,125	(714)
Intergovernmental	136,008	270,103	262,116	(7,987)
Other	10,584	14,364	70,720	56,356
Total revenues.	<u>20,425,737</u>	<u>20,757,216</u>	<u>20,859,928</u>	<u>102,712</u>
Expenditures:				
Current:				
Public safety	21,649,067	22,013,181	21,340,727	672,454
Total expenditures	<u>21,649,067</u>	<u>22,013,181</u>	<u>21,340,727</u>	<u>672,454</u>
Deficiency of revenues under expenditures	(1,223,330)	(1,255,965)	(480,799)	775,166
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	729,554	957,554	920,000	(37,554)
Transfers out	-	(211,502)	(182,717)	28,785
Total other financing sources (uses)	<u>679,554</u>	<u>696,052</u>	<u>687,283</u>	<u>(8,769)</u>
Net change in fund balance	(543,776)	(559,913)	206,484	766,397
Fund balance at beginning of year	538,438	538,438	538,438	-
Prior year encumbrances appropriated	61,883	61,883	61,883	-
Fund balance at end of year.	<u>\$ 56,545</u>	<u>\$ 40,408</u>	<u>\$ 806,805</u>	<u>\$ 766,397</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2005

	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	\$ 4,201,502	\$ 3,424,072	\$ 160,265	\$ 7,785,839	\$ 902,479
Cash and cash equivalents with fiscal agent	3,724	-	-	3,724	-
Receivables (net of allowance for uncollectibles)					
Taxes	-	-	57,837	57,837	-
Accounts	1,397,739	1,419,813	36,388	2,853,940	-
Special assessments	-	31,377	-	31,377	-
Due from other governments	4,920	473,176	505	478,601	-
Loans to other funds	-	1,950,000	-	1,950,000	-
Materials and supplies inventory	78,531	17,351	25,151	121,033	52,491
Restricted Assets:					
Equity in pooled cash and cash equivalents	-	3,979,276	-	3,979,276	-
Total current assets	<u>5,686,416</u>	<u>11,295,065</u>	<u>280,146</u>	<u>17,261,627</u>	<u>954,970</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	845,797	155,598	1,665,481	2,666,876	-
Depreciable capital assets, net	<u>8,840,576</u>	<u>29,303,373</u>	<u>2,097,787</u>	<u>40,241,736</u>	<u>1,266,314</u>
Total capital assets, net	<u>9,686,373</u>	<u>29,458,971</u>	<u>3,763,268</u>	<u>42,908,612</u>	<u>1,266,314</u>
Total assets	<u>15,372,789</u>	<u>40,754,036</u>	<u>4,043,414</u>	<u>60,170,239</u>	<u>2,221,284</u>
Liabilities:					
Current liabilities:					
Accounts payable	179,370	325,522	14,347	519,239	61,908
Contracts payable	17,841	-	-	17,841	-
Retainage payable	3,724	-	-	3,724	-
Accrued wages and benefits	238,032	97,597	12,898	348,527	52,442
Due to other governments	129,124	93,863	9,766	232,753	54,931
Claims payable	-	-	-	-	1,217,018
Current portion of bonds	170,000	-	-	170,000	-
Accrued interest payable	13,629	-	-	13,629	-
Total current liabilities	<u>751,720</u>	<u>516,982</u>	<u>37,011</u>	<u>1,305,713</u>	<u>1,386,299</u>
Long-term liabilities					
General obligation bonds	2,635,000	-	-	2,635,000	-
Notes payable	107,882	2,625,000	-	2,732,882	-
Compensated absences	809,976	470,450	24,163	1,304,589	332,708
Total long-term liabilities	<u>3,552,858</u>	<u>3,095,450</u>	<u>24,163</u>	<u>6,672,471</u>	<u>332,708</u>
Total liabilities	<u>4,304,578</u>	<u>3,612,432</u>	<u>61,174</u>	<u>7,978,184</u>	<u>1,719,007</u>
Net assets:					
Invested in capital assets, net of related debt	6,773,491	26,833,971	3,763,268	37,370,730	1,266,314
Restricted for replacement and improvement	-	3,979,276	-	3,979,276	-
Unrestricted (deficit)	4,294,720	6,328,357	218,972	10,842,049	(764,037)
Total net assets	<u>\$ 11,068,211</u>	<u>\$ 37,141,604</u>	<u>\$ 3,982,240</u>	<u>52,192,055</u>	<u>\$ 502,277</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(479,277)	
Net assets of business-type activities				<u>\$ 51,712,778</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, 2005

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 8,343,947	\$ 8,395,183	\$ 276,307	\$ 17,015,437	\$ 12,752,348
Total operating revenues	<u>8,343,947</u>	<u>8,395,183</u>	<u>276,307</u>	<u>17,015,437</u>	<u>12,752,348</u>
Operating expenses:					
Personal services	3,032,165	2,188,116	215,598	5,435,879	1,373,169
Fringe benefits	2,520	4,345	-	6,865	7,158
Contractual services	2,314,490	2,599,599	410,794	5,324,883	5,678,383
Materials and supplies	776,586	677,809	70,693	1,525,088	596,064
Depreciation	514,262	1,739,281	238,962	2,492,505	457,182
Utilities	433,230	728,916	54,528	1,216,674	66,383
Claims expense	-	-	-	-	5,862,682
Other	14,006	28,765	1,435	44,206	-
Total operating expenses	<u>7,087,259</u>	<u>7,966,831</u>	<u>992,010</u>	<u>16,046,100</u>	<u>14,041,021</u>
Operating income (loss)	<u>1,256,688</u>	<u>428,352</u>	<u>(715,703)</u>	<u>969,337</u>	<u>(1,288,673)</u>
Nonoperating revenues (expenses):					
Other nonoperating revenue	14,377	3,168	4,397	21,942	7,955
Loss on disposal of assets	(73)	(474)	-	(547)	(306)
Municipal income tax	-	-	439,395	439,395	-
Tap and license fees	82,745	1,995	-	84,740	-
Sale of note premium	-	17,056	-	17,056	-
Gain on sale of fixed assets	-	-	-	-	629
Intergovernmental	127,880	290,956	67,879	486,715	50,146
Interest expense and fiscal changes	(177,996)	(65,625)	-	(243,621)	-
Total nonoperating revenues (expenses)	<u>46,933</u>	<u>247,076</u>	<u>511,671</u>	<u>805,680</u>	<u>58,424</u>
Income (loss) before capital contributions and transfers	1,303,621	675,428	(204,032)	1,775,017	(1,230,249)
Capital contributions	<u>796,330</u>	<u>350,511</u>	<u>1,887</u>	<u>1,148,728</u>	<u>-</u>
Changes in net assets	2,099,951	1,025,939	(202,145)	2,923,745	(1,230,249)
Net assets at beginning of year	<u>8,968,260</u>	<u>36,115,665</u>	<u>4,184,385</u>		<u>1,732,526</u>
Net assets at end of year	<u>\$ 11,068,211</u>	<u>\$ 37,141,604</u>	<u>\$ 3,982,240</u>		<u>\$ 502,277</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(296,396)	
Changes in net assets of business-type activities				<u>\$ 2,627,349</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 8,367,970	\$ 8,495,162	\$ 265,265	\$ 17,128,397	\$ 12,752,348
Cash received from other operating revenues.	225,002	296,119	503,431	1,024,552	58,730
Cash payments to employees.	(2,819,897)	(2,068,527)	(220,941)	(5,109,365)	(1,285,082)
Cash payments to suppliers	(3,492,489)	(3,889,432)	(535,900)	(7,917,821)	(6,283,878)
Cash payments for claims expense.	-	-	-	-	(5,156,260)
Cash payments for other operating expenses.	(17,660)	(32,402)	(1,435)	(51,497)	-
Net cash provided by operating activities	<u>2,262,926</u>	<u>2,800,920</u>	<u>10,420</u>	<u>5,074,266</u>	<u>85,858</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	290,000	-	290,000	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(1,245,652)	(307,901)	(3,447)	(1,557,000)	(61,974)
Proceeds from notes	-	2,625,000	-	2,625,000	-
Principal paid on general obligation debt	(295,000)	-	-	(295,000)	-
Interest paid on general obligation debt.	(179,310)	-	-	(179,310)	-
Principal paid on notes	(9,382)	(2,625,000)	-	(2,634,382)	-
Interest paid on notes.	-	(65,625)	-	(65,625)	-
Net cash used in capital and related financing activities	<u>(1,729,344)</u>	<u>(373,526)</u>	<u>(3,447)</u>	<u>(2,106,317)</u>	<u>(61,974)</u>
Net increase in cash and cash equivalents	533,582	2,717,394	6,973	3,257,949	23,884
Cash and cash equivalents at beginning of year	<u>3,671,644</u>	<u>4,685,954</u>	<u>153,292</u>	<u>8,510,890</u>	<u>878,595</u>
Cash and cash equivalents at end of year.	<u>\$ 4,205,226</u>	<u>\$ 7,403,348</u>	<u>\$ 160,265</u>	<u>\$ 11,768,839</u>	<u>\$ 902,479</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<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)	\$ 1,256,688	\$ 428,352	\$ (715,703)	\$ 969,337	\$ (1,288,673)
Adjustments:					
Depreciation	514,262	1,739,281	238,962	2,492,505	457,182
Other nonoperating revenues	14,377	3,168	4,397	21,942	7,955
Municipal income tax	-	-	439,395	439,395	-
Tap and license fees	82,745	1,995	-	84,740	-
Gain on sale of capital asset	-	-	-	-	629
Intergovernmental	127,880	290,956	67,879	486,715	50,146
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	21,908	(12,240)	(11,042)	(1,374)	-
Decrease in special assessments	-	7,844	-	7,844	-
(Increase) in taxes receivable	-	-	(8,156)	(8,156)	-
(Increase) in inventory of supplies	(11,124)	(5,480)	(5,668)	(22,272)	(3,445)
(Increase) decrease in due from other governments	2,115	104,375	(84)	106,406	-
Increase in accounts payable	25,100	149,941	5,783	180,824	60,397
Increase (decrease) in contracts payable	17,841	(27,745)	-	(9,904)	-
Increase (decrease) in accrued wages and benefits	91,071	(4,088)	(822)	86,161	(3,224)
Increase (decrease) in due to other governments	(1,134)	884	-	(250)	7,158
Increase (decrease) in compensated absences payable	121,197	123,677	(4,521)	240,353	91,311
Increase in claims payable	-	-	-	-	706,422
Net cash provided by operating activities	<u>\$ 2,262,926</u>	<u>\$ 2,800,920</u>	<u>\$ 10,420</u>	<u>\$ 5,074,266</u>	<u>\$ 85,858</u>

During the year land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$1,148,728.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 7,958,314	\$ 8,063,013	\$ 8,367,970	\$ 304,957
Intergovernmental	4,630	127,880	127,880	-
Tap and license fees	95,200	85,305	82,745	(2,560)
Other	-	2,282	14,377	12,095
Total revenues	<u>8,058,144</u>	<u>8,278,480</u>	<u>8,592,972</u>	<u>314,492</u>
Expenses:				
Personal services	2,714,843	2,837,843	2,819,897	17,946
Fringe benefits	7,500	7,500	3,654	3,846
Materials and supplies	1,144,934	1,118,834	1,023,894	94,940
Contractual services	5,557,007	5,651,893	4,841,922	809,971
Utilities	529,000	534,558	426,084	108,474
Capital outlay	150,000	150,000	23,651	126,349
Other	25,501	30,743	14,006	16,737
Debt service				
Principal retirement	295,000	295,000	295,000	-
Interest and fiscal charges	179,310	179,310	179,310	-
Total expenses	<u>10,603,095</u>	<u>10,805,681</u>	<u>9,627,418</u>	<u>1,178,263</u>
Deficiency of revenues under expenses	<u>(2,544,951)</u>	<u>(2,527,201)</u>	<u>(1,034,446)</u>	<u>1,492,755</u>
Payment on notes payable	(9,381)	(9,381)	(9,381)	-
Transfers in	1,229	1,229	-	(1,229)
Transfers out	-	(3,045)	-	3,045
Net change in fund equity	<u>(2,553,103)</u>	<u>(2,538,398)</u>	<u>(1,043,827)</u>	<u>1,494,571</u>
Fund equity at beginning of year	<u>2,474,677</u>	<u>2,474,677</u>	<u>2,474,677</u>	<u>-</u>
Prior year encumbrances appropriated	<u>1,140,081</u>	<u>1,140,081</u>	<u>1,140,081</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,061,655</u>	<u>\$ 1,076,360</u>	<u>\$ 2,570,931</u>	<u>\$ 1,494,571</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 7,326,582	\$ 7,370,362	\$ 8,489,313	\$ 1,118,951
Special assessments	7,800	7,845	7,845	-
Intergovernmental	207,463	429,944	290,956	(138,988)
Investment earnings	105,405	-	-	-
Other	7,509	86,146	3,166	(82,980)
	<u>7,654,759</u>	<u>7,894,297</u>	<u>8,791,280</u>	<u>896,983</u>
Expenses:				
Personal services	1,969,700	2,090,900	2,068,527	22,373
Fringe benefits	5,700	5,700	3,461	2,239
Materials and supplies	716,734	716,734	649,340	67,394
Contractual services	6,379,951	6,434,679	3,918,941	2,515,738
Utilities	634,000	834,000	740,791	93,209
Other	64,028	59,028	28,973	30,055
Debt service				
Interest and fiscal charges	65,625	65,625	65,625	-
	<u>9,835,738</u>	<u>10,206,666</u>	<u>7,475,658</u>	<u>2,731,008</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,180,979)</u>	<u>(2,312,369)</u>	<u>1,315,622</u>	<u>3,627,991</u>
Proceeds from the sale of notes	2,625,000	2,625,000	2,625,000	-
Payment on notes payable	(2,625,000)	(2,625,000)	(2,625,000)	-
Payment on loan to other funds	290,000	290,000	290,000	-
Proceeds from sale of note premium	-	-	17,056	17,056
Transfers out	-	(73)	-	73
	<u>(1,890,979)</u>	<u>(2,022,442)</u>	<u>1,622,678</u>	<u>3,645,120</u>
Net change in fund equity				
Fund equity at beginning of year	<u>3,920,129</u>	<u>3,920,129</u>	<u>3,920,129</u>	<u>-</u>
Prior year encumbrances appropriated	<u>702,751</u>	<u>702,751</u>	<u>702,751</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,731,901</u>	<u>\$ 2,600,438</u>	<u>\$ 6,245,558</u>	<u>\$ 3,645,120</u>

CITY OF MANSFIELD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2005

	Agency
Assets:	
Equity in pooled cash and cash equivalents	\$ 538,884
Cash and cash equivalents with fiscal agent	182,296
Investments	230,000
Receivables:	
Taxes	8,774
Due from other governments	3,881
Total assets.	963,835
 Liabilities:	
Due to other governments	388,594
Due to individuals	82,783
Undistributed monies	492,458
Total liabilities	\$ 963,835

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005

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, 2005

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.

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, 2005

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, 2005

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.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also 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, 2005

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 2005.

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 2005.

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 2005.

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 reapportioned.

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, 2005

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

During 2005, 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 2005. 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, 2005.

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, 2005, the total restricted cash in the enterprise funds was \$3,979,276. It is in the Sewer fund and is a result of the City receiving construction grant monies for the Wastewater Treatment Plant. A separate account was established to receive and disburse these monies for replacement and

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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 2006 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, 2005.

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 2005, 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, 2005

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, compensated absences, and contractually required pension contributions 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 fund financial statements, long-term interfund loans are classified as "loans to/from other funds" on the governmental balance sheet and proprietary statement of net assets. On the governmental fund financial statements, loans to other funds are equally offset by a fund balance reserve account, which

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

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, 2005**

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

assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities.

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For 2005, the City has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,” and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Post-employment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.” GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments. GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries. The implementation of GASB Statement No. 42 and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the City.

NOTE 4 – ACCOUNTABILITY

A. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2005:

Non-major governmental fund:	
Issue II	\$ 22,274
2005 Service fleet	250,417
Internal service funds:	
Utility collections	134,852
Health insurance	684,798

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

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

	General	Community Development	Safety Services
GAAP Basis	\$782,174	\$203,917	\$762,742
Adjustments:			
Revenue accruals	1,539,614	368,735	(71,217)
Expenditure accruals	(1,793,839)	(433,044)	(305,257)
Encumbrances	(352,949)	(15,440)	(179,784)
Budget Basis	\$175,000	\$124,168	\$206,484

NOTE 6 - DEPOSITS AND INVESTMENTS

State statues 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

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

1. The City is permitted to invest in any security specifically authorized by the Ohio Revised Code including, but not limited to the following, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Company, Government National Mortgage Association, and Student Loan Marketing Association.
2. Investments may only be made through specified dealers and institutions.
3. Investments in United States Treasury securities and those instruments completely guaranteed by the United States Treasury as to payment of principal and interest may be made in any dollar amount.
4. Investments in Repurchase Agreements and in Certificates of Deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total investment portfolio at the time of purchase in any one institution.
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 \$299,641 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, 2005, the carrying amount of all City deposits was \$6,116,415. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2005, \$6,515,307 of the City’s bank balance of \$6,772,853 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation and \$57,546 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 6 – DEPOSITS AND INVESTMENTS – (Continued)

C. Investments

As of December 31, 2005, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities	
		6 Months or Less	7 to 12 Months
FNMA DN	\$ 2,977,590	2,977,590	-
FHLMC DN	5,859,657	2,963,486	2,896,171
FHLB	2,977,333	2,977,333	-
FHLMC	2,904,316	-	2,904,316
REPO	139,588	139,588	-
STAR OHIO	3,362,244	3,362,244	-
Total	<u>\$ 18,220,727</u>	<u>\$ 12,420,240</u>	<u>5,800,487</u>

The weighted average maturity of investments is .39 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, 2005:

Investment Type	Fair Value	% of Total
FNMA DN	\$ 2,977,590	16.34%
FHLMC DN	5,859,657	32.16%
FHLB	2,977,333	16.34%
FHLMC	2,904,316	15.94%
REPO	139,588	0.77%
STAR OHIO	3,362,244	18.45%
Total	<u>\$18,220,727</u>	<u>100.00%</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005.

<u>Cash and Investments per Footnote</u>	
Carrying amount of deposits	\$ 6,116,415
Investments	18,220,727
Cash on hand	<u>299,641</u>
Total	<u><u>\$24,636,783</u></u>

<u>Cash and Investments per Statement of Net Assets</u>	
Carrying amount of deposits	\$11,916,764
Investments	11,768,839
Cash on hand	<u>951,180</u>
Total	<u><u>\$24,636,783</u></u>

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2005, 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	\$ 920,000	\$ -	\$ -	\$ -	\$ 920,000
Grant Fund	112,894	-	-	74,922	187,816
Debt Service	<u>-</u>	<u>35,651</u>	<u>250,000</u>	<u>107,795</u>	<u>393,446</u>
Total	<u><u>\$ 1,032,894</u></u>	<u><u>\$ 35,651</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 182,717</u></u>	<u><u>\$ 1,501,262</u></u>

Transfers are used (1) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (2) to move matching monies to finance the City's share of grant expenses, and (3) to move unrestricted revenues collected in the

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 7 - INTERFUND TRANSACTIONS - (Continued)

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

- B.** Loans to/from other funds consisted of the following at December 31, 2005, as reported in the fund financial statements:

<u>Loans to other funds</u>	<u>Loans from other funds</u>				
	General	Neighborhood Youth Corp	Safety Services	Grant Fund	Total
General	\$ -	\$ 58,200	\$ -	\$ 65,200	\$ 123,400
Sewer	<u>1,800,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>1,950,000</u>
Total	<u>\$ 1,800,000</u>	<u>\$ 58,200</u>	<u>\$ 150,000</u>	<u>\$ 65,200</u>	<u>\$ 2,073,400</u>

Loans to/from other funds at December 31, 2005, consisted of a loan of \$150,000 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 \$123,400 was issued in 2005 from the General fund. \$65,200 went to the Grant fund and \$58,200 to the Neighborhood Youth Corp to cover expenses for grants that receive monies on a reimbursement basis. These loans will be repaid in 2006 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 2005 are levied after October 1, 2004 on the assessed value listed as of January 1, 2004, the lien date. Assessed values are established by State

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 8 – TAXES – (Continued)

laws at 35% of appraised market value. All property is required to be revalued every six years. 2005 real property taxes are collected in and intended to finance 2006. 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 2005 became a lien December 31, 2003, were levied after October 1, 2004, and were collected in 2005 with real property taxes. 2005 tangible personal property taxes were levied on or after October 1, 2004 on the value listed as of December 31, 2004. Tangible personal property assessments are 25% of true value on capital assets and 23% on inventory. The assessed value upon which the 2005 taxes were collected was \$720,973,337. The full tax rate for all City operations for the fiscal year ended December 31, 2005 was \$3.60 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established. Tangible personal property taxes are also payable annually or semi-annually. If paid annually, payment is due April 30. If paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Multi-county corporations may pay the entire tax due in one payment by September 20. The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits the collections to the City. Property taxes receivables represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2005. 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 2005 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

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

As of December 31, 2005, the City had income taxes receivable of \$3,915,432 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$245,539 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the safety services fund, street resurfacing fund, and airport operating fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 9 - RECEIVABLES

Receivables at December 31, 2005, 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, 2005, as well as intended to finance fiscal 2005 operations. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities:

Taxes	\$ 7,007,414
Special assessments	11,976
Accrued interest	136,525
Loans	2,882,603
Due from other governments	7,765,924

Business-Type Activities:

Accounts	\$ 2,853,940
Taxes	57,837
Due from other governments	478,601
Internal balance	1,470,723
Special assessments	31,377

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 \$332,466 and \$28,391 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,831,202	\$ -	\$ (190,563)	\$ 3,640,639
Construction in progress	<u>2,127,436</u>	<u>185,173</u>	<u>(2,127,436)</u>	<u>185,173</u>
Total capital assets, not being depreciated	<u>5,958,638</u>	<u>185,173</u>	<u>(2,317,999)</u>	<u>3,825,812</u>
<i>Capital assets, being depreciated:</i>				
Buildings	14,097,353	-	(949,480)	13,147,873
Improvements other than buildings	1,544,188	3,197,433	-	4,741,621
Machinery and equipment	18,530,610	635,881	(600,200)	18,566,291
Infrastructure	<u>100,915,486</u>	<u>3,949,283</u>	<u>-</u>	<u>104,864,769</u>
Total capital assets, being depreciated	<u>135,087,637</u>	<u>7,782,597</u>	<u>(1,549,680)</u>	<u>141,320,554</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(9,944,479)	(205,024)	75,958	(10,073,545)
Improvements other than buildings	(417,786)	(67,507)	-	(485,293)
Machinery and equipment	(14,756,153)	(985,306)	598,118	(15,143,341)
Infrastructure	<u>(63,696,740)</u>	<u>(5,624,413)</u>	<u>-</u>	<u>(69,321,153)</u>
Total accumulated depreciation	<u>(88,815,158)</u>	<u>(6,882,250)</u>	<u>674,076</u>	<u>(95,023,332)</u>
Total capital assets, being depreciated, net	<u>46,272,479</u>	<u>900,347</u>	<u>(875,604)</u>	<u>46,297,222</u>
Governmental activities capital assets, net	<u>\$ 52,231,117</u>	<u>\$ 1,085,520</u>	<u>\$ (3,193,603)</u>	<u>\$ 50,123,034</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,164,307	\$ -	\$ -	\$ 2,164,307
Construction in progress	<u>3,255,838</u>	<u>396,773</u>	<u>(3,150,042)</u>	<u>502,569</u>
Total capital assets, not being depreciated	<u>5,420,145</u>	<u>396,773</u>	<u>(3,150,042)</u>	<u>2,666,876</u>
<i>Capital assets, being depreciated:</i>				
Buildings	12,863,213	606,577	-	13,469,790
Improvements other than buildings	27,342,181	3,611,850	-	30,954,031
Machinery and equipment	8,146,587	76,197	(18,659)	8,204,125
Infrastructure	<u>54,128,481</u>	<u>1,148,728</u>	<u>-</u>	<u>55,277,209</u>
Total capital assets, being depreciated	<u>102,480,462</u>	<u>5,443,352</u>	<u>(18,659)</u>	<u>107,905,155</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,057,586)	(312,336)	-	(10,369,922)
Improvements other than buildings	(17,454,808)	(881,220)	-	(18,336,028)
Machinery and equipment	(6,562,939)	(178,073)	8,458	(6,732,554)
Infrastructure	<u>(31,104,039)</u>	<u>(1,120,876)</u>	<u>-</u>	<u>(32,224,915)</u>
Total accumulated depreciation	<u>(65,179,372)</u>	<u>(2,492,505)</u>	<u>8,458</u>	<u>(67,663,419)</u>
Total capital assets, being depreciated, net	<u>37,301,090</u>	<u>2,950,847</u>	<u>(10,201)</u>	<u>40,241,736</u>
Business-type activities capital assets, net	<u>\$ 42,721,235</u>	<u>\$ 3,347,620</u>	<u>\$ (3,160,243)</u>	<u>\$ 42,908,612</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 249,443
Public safety	452,083
Public health and welfare	790
Transportation	5,665,390
Community environment	9,473
Leisure time activity	47,889

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	457,182
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Total depreciation expense - governmental activities	\$ 6,882,250
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Business -type activities:

Water	\$ 514,262
Sewer	1,739,281
Airport	238,962

Total depreciation expense - business-type activities	\$ 2,492,505
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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 \$710,321 will accrue on January 1, 2006 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, 2005

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 2005, 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>
2006	\$ 21,094
2007	21,094
2008	21,094
2009	<u>21,094</u>
Total minimum payments required	<u>\$ 84,376</u>
Less: amount representing interest at 4.83%	<u>(8,067)</u>
Present value of future minimum lease payments	<u>\$ 76,309</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 \$165,388 for the year ended December 31, 2005. 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, 2005:

2006	\$ 76,474
2007	65,643
2008	<u>17,730</u>
Total minimum payments required	<u>\$ 159,847</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2005, the following changes occurred in the City's long-term obligations:

	Interest Rate	Maturity Date	Balance 12/31/04	Additions	Disposals	Amounts	
						Balance 12/31/05	Due in One Year
<i>Governmental Activities:</i>							
<u>General Obligation Bonds</u>							
Series 1998 Sewer System Refunding	3.35 - 4.00%	2005	\$ 480,000	\$ -	\$ (480,000)	\$ -	\$ -
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	4,255,000	-	(215,000)	4,040,000	225,000
Total general obligation bonds			4,735,000	-	(695,000)	4,040,000	225,000
<u>Special Assessment Bonds</u>							
Series 1990 Superior Street Improvement	7.50%	2005	3,139	-	(3,139)	-	-
Total special assessment bonds			3,139	-	(3,139)	-	-
<u>Other Long-Term Obligations</u>							
Notes payable	0.00 - 4.00%	2006-2015	730,862	-	(75,432)	655,430	72,716
Capital lease obligation			93,572	-	(17,263)	76,309	17,727
Police and Fire Pension Liability	4.30%	2035	1,333,591	-	(22,036)	1,311,555	22,983
Compensated absences			3,660,578	2,986,379	(1,831,901)	4,815,056	978,840
Total other long-term obligations			5,818,603	2,986,379	(1,946,632)	6,858,350	1,092,266
Total governmental activities long-term obligations			\$ 10,556,742	\$ 2,986,379	\$ (2,644,771)	\$ 10,898,350	\$ 1,317,266

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 compensated absences liability has increased in 2005 because of a re-negotiated work agreement.

The Various Purpose Bonds issued in 2002 in the amount of \$4,565,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: furnishing and equipping fire stations, acquiring fire equipment, fire trucks and emergency squad vehicles; constructing, furnishing and equipping a building for the Service Departments; constructing a new fire station; paying costs of constructing water and sewer lines in the Piper Road Industrial Park; and constructing three public streets in and around the Airport Industrial Complex, including grading, draining, paving, constructing curbs, water, storm sewer and sanitary sewer lines. These bonds are being repaid from the safety services, community development, and street construction maintenance and repair funds. \$1,153,525 of the original issue amount remains unspent. The related construction of a new fire station is currently under review.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2005 are as follows:

Year Ended <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 22,982	\$ 55,499	\$ 78,481
2007	23,969	54,512	78,481
2008	24,999	53,483	78,482
2009	26,073	52,409	78,482
2010	27,193	51,289	78,482
2011 - 2015	154,519	237,891	392,410
2016 - 2020	190,681	201,729	392,410
2021 - 2025	235,302	157,108	392,410
2026 - 2030	290,365	102,045	392,410
2031 - 2035	<u>315,472</u>	<u>34,168</u>	<u>349,640</u>
Total	<u>\$ 1,311,555</u>	<u>\$ 1,000,133</u>	<u>\$ 2,311,688</u>

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 225,000	\$ 177,423	\$ 402,423
2007	235,000	170,447	405,447
2008	240,000	162,458	402,458
2009	250,000	153,697	403,697
2010	260,000	144,198	404,198
2011-2015	1,125,000	564,862	1,689,862
2016-2020	1,155,000	321,403	1,476,403
2021-2022	<u>550,000</u>	<u>41,500</u>	<u>591,500</u>
Total	<u>\$ 4,040,000</u>	<u>\$ 1,735,988</u>	<u>\$ 5,775,988</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2006	\$ 72,715	\$ 48,347	\$ 121,062
2007	72,715	43,356	116,071
2008	70,000	38,301	108,301
2009	70,000	33,249	103,249
2010	70,000	28,211	98,211
2011-2015	<u>300,000</u>	<u>61,694</u>	<u>361,694</u>
Total	<u>\$ 655,430</u>	<u>\$ 253,158</u>	<u>\$ 908,588</u>

At December 31, 2005, the City's legal voted and unvoted debt margin was \$39,184,091 and \$40,264,935 respectively.

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2005:

<i>Business-Type Activities:</i>	Interest Rate	Maturity Date	Balance 12/31/04	Additions	Disposals	Balance 12/31/05	Due in One Year
<u>General Obligation Bonds:</u>							
Series 1993 Water System	2.85-9.65%	2013	\$ 1,675,000	\$ -	\$ (150,000)	\$ 1,525,000	\$ 160,000
Series 1992 Water System	3.00-6.20%	2012	<u>1,425,000</u>	-	<u>(145,000)</u>	<u>1,280,000</u>	<u>155,000</u>
Total general obligation bonds			<u>3,100,000</u>	-	<u>(295,000)</u>	<u>2,805,000</u>	<u>315,000</u>
<u>Other long-term obligations:</u>							
Notes payable	0.00-2.50%	2005-2017	2,742,263	2,625,000	(2,634,382)	2,732,881	2,629,690
Compensated absences			<u>1,064,236</u>	<u>800,601</u>	<u>(560,247)</u>	<u>1,304,590</u>	<u>388,855</u>
Total other long-term obligations			<u>3,806,499</u>	<u>3,425,601</u>	<u>(3,194,629)</u>	<u>4,037,471</u>	<u>3,018,545</u>
Total business-type activities long-term obligations			<u>\$ 6,906,499</u>	<u>\$ 3,425,601</u>	<u>\$ (3,489,629)</u>	<u>\$ 6,842,471</u>	<u>\$ 3,333,545</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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

In 2005, the City authorized the issuance of bond anticipation notes totaling \$2,625,000. These notes are to pay the \$2,625,000 in outstanding bond anticipation notes issued in 2004. The notes are for improving the City's wastewater treatment plant and are being paid from the sewer fund.

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2005 are as follows:

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2006	315,000	163,545	478,545
2007	325,000	145,695	470,695
2008	345,000	127,030	472,030
2009	365,000	106,690	471,690
2010	390,000	85,170	475,170
2011-2013	<u>1,065,000</u>	<u>112,730</u>	<u>1,177,730</u>
Total	<u>\$ 2,805,000</u>	<u>\$ 740,860</u>	<u>\$ 3,545,860</u>

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2006	2,629,691	105,000	2,734,691
2007	9,381	-	9,381
2008	9,381	-	9,381
2009	9,381	-	9,381
2010	9,381	-	9,381
2011-2015	46,905	-	46,905
2016-2017	<u>18,761</u>	<u>-</u>	<u>18,761</u>
Total	<u>\$ 2,732,881</u>	<u>\$ 105,000</u>	<u>\$ 2,837,881</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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 - RISK MANAGEMENT - (Continued)

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 2004 and 2005, the City made contributions in the amounts of \$393,723 and \$403,701, and surplus contributions to the Pool in the amounts of \$43,747 and \$44,856, 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.

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

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

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

Medical and Dental insurance is provided through a self-insured program. An internal service fund was established to account for and finance this program. This plan provides medical coverage with a \$200 single deductible, \$400 family deductible, and a dental plan that pays 100% preventive maintenance costs for employees only. A third party administrator, E.S. Beveridge & Associates, Inc., reviews all claims which are paid by the City. The City pays into the self-insurance internal service fund an amount equal to \$526 single coverage and \$1,277 family coverage per employee per month. A portion of the amount paid into the self-insurance internal service fund is paid by the employees through payroll deduction. The amount depends on the employee's type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 - RISK MANAGEMENT - (Continued)

The liability for unpaid claims costs of \$1,217,018 reported in the internal service funds at December 31, 2005 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 2004 and 2003 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>
2005	\$ 510,596	\$ 6,569,104	\$ (5,862,682)	\$ 1,217,018
2004	\$ 754,261	\$ 5,120,313	\$ (5,363,978)	\$ 510,596

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2005 was 8.5% for employees. The employer contribution rate was 13.55% of covered payroll and 4.00% was the portion used to fund healthcare for 2005. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2005, 2004, and 2003 were \$1,972,583, \$1,911,508, and \$1,913,398 respectively. The full amount has been contributed for 2003 and 2004. 88.63% has been contributed for 2005 with the remainder being reported as a liability in the respective funds.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 16 - DEFINED BENEFIT PENSION PLANS – (Continued)

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, 2005, 2004, and 2003 were \$924,250, \$946,578, and \$890,685 respectively, and for firefighters the contributions were \$1,419,063, \$1,240,618, and \$1,137,703, respectively. The full amount has been contributed for 2003 and 2004. For police officers and firefighters, 70.46% and 71.88%, respectively, have been contributed for 2005 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, 2005, the unfunded liability of the City was \$1,311,555 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as a component of governmental activities long-term obligations.

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the Traditional or Combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the Member-Directed plan do not qualify for ancillary benefits, including postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 employer contribution rate for local government employers was 13.55% of covered payroll and 4.00% was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00%, 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 1.00% and 6.00% annually for the next eight years and 4.00% annually after eight years.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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 376,109. The City's contribution actually made to fund postemployment benefits was \$582,306. As of December 31, 2004 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

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

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, 2005, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postemployment health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2005. 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, 2004 (the latest information available), is 13,812 for police officers and 10,528 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$367,330 and \$458,239 for firefighters. OP&F's total health care expense for the year ending December 31, 2004 (the latest information available), was \$102.173 million, which was net of member contributions of \$55.665 million.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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:

General fund:	
Local government funds	\$ 1,714,710
Estate and inheritance tax	302,944
Richland County share of judge's salary	139,180
Public defenders reimbursement	26,331
State liquor permit fees	57,167
Homestead rollback	153
Court fees	<u>123,666</u>
Total General fund	<u>\$ 2,364,151</u>
Community Development fund:	
Fair housing reimbursement	\$ 7,500
CDBG and HOME grants	<u>1,806,741</u>
Total Community Development fund	<u>\$ 1,814,241</u>
Safety Services fund:	
Homestead rollback	\$ 31
Tax revenue	3,882
Police fees	880
Court fees	<u>27,218</u>
Total Safety Services fund	<u>\$ 32,011</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 19 - INTERGOVERNMENTAL RECEIVABLES - (Continued)

Other Governmental funds:	
Gasoline tax	\$ 866,465
Motor vehicle registration	238,861
Permissive sales tax	499,392
Court fees	42,245
Ohio Department of Development grant	16,124
Tax revenue	8,582
Indigent alcohol treatment court	13,385
Litter Control grant	11,320
FEMA reimbursement	6,617
FAA grant	294,456
Police and Fire Department grants	886,026
Neighborhood Youth Corp grants	431,239
Neighborhood Youth Corp contracts	174,054
Municipal Court grants	<u>66,755</u>
Total Other Governmental funds	<u>\$ 3,555,521</u>
Water fund:	
County water samples	<u>4,920</u>
Total Water fund	<u>\$ 4,920</u>
Sewer fund:	
City of Ontario sewer agreement	\$ 207,955
Richland County sewer agreement	<u>265,221</u>
Total Sewer fund	<u>\$ 473,176</u>
Other Enterprise funds:	
Tax revenue	<u>\$ 505</u>
Total Other Enterprise funds	<u>\$ 505</u>

NOTE 20 – SHORT-TERM OBLIGATIONS

During 2005, bond anticipation notes were issued in the amount of \$750,000 for the acquisition of vehicles and ancillary equipment for street maintenance. These bond anticipation notes are due to mature on November 21, 2006 bearing an interest rate of 4.00%.

NOTE 21 – SUBSEQUENT EVENTS

On August 23, 2006 four former City employees plead guilty to public corruption charges for offenses that occurred between 1999 and 2005. A fifth former employee has not yet been arraigned nor has a trial date set. The charges stem from an investigation by the Richland County Prosecutor's Office, the Mansfield Police Department and the Federal Bureau of Investigation. The former employees will be sentenced in November of 2006. As of today we are unable to determine the affect of this investigation on the City's financial statements. The City intends to seek restitution of all missing funds.

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.

Neighborhood Youth Corp:

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

Drug Law Enforcement:

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

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

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

Industrial Development:

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

Indigent Drivers Alcohol Treatment:

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

Court Computerization:

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

Local Law Enforcement Block Grant:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Grant Fund:

To account for federal, state and 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 the building and maintenance of a new justice center.

FEMA:

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

Nonmajor Debt Service Fund

Debt Service:

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

Nonmajor Capital Projects Funds

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

Street Resurfacing:

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

Issue II Improvement:

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

Section 108 Improvement:

To account for the construction of a new fire station, expansion of the Central Fire Station, and infrastructure improvements for the City's industrial parks.

Fixed Asset Acquisition:

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

2005 Service Fleet:

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

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,943,806	\$ 1,202,435	\$ 2,871,699	\$ 8,017,940
Cash and cash equivalents with fiscal agent	3,053	-	47,658	50,711
Receivables (net of allowances of uncollectibles):				
Taxes	-	-	983,653	983,653
Accrued interest	6,083	-	-	6,083
Loans	596,335	-	-	596,335
Due from other governments	3,546,939	-	8,582	3,555,521
Materials and supplies inventory	98,547	-	10,200	108,747
Total assets	<u>\$ 8,194,763</u>	<u>\$ 1,202,435</u>	<u>\$ 3,921,792</u>	<u>\$ 13,318,990</u>
Liabilities:				
Accounts payable	\$ 235,666	\$ -	\$ 460	\$ 236,126
Contracts payable	38,460	-	108,149	146,609
Retainage payable	3,053	-	47,658	50,711
Accrued wages and benefits	83,103	-	-	83,103
Compensated absences	42,340	-	-	42,340
Loans from other funds	123,400	-	-	123,400
Due to other governments	96,801	-	-	96,801
Notes payable	-	-	750,000	750,000
Unearned revenue	2,921,531	-	522,666	3,444,197
Total liabilities	<u>3,544,354</u>	<u>-</u>	<u>1,428,933</u>	<u>4,973,287</u>
Fund Balances:				
Reserved for encumbrances	1,306,455	-	783,968	2,090,423
Reserved for materials and supplies inventory	98,547	-	10,200	108,747
Reserved for loans	596,335	-	-	596,335
Reserved for debt service	-	1,202,435	-	1,202,435
Unreserved, undesignated, reported in:				
Special revenue funds	2,649,072	-	-	2,649,072
Capital projects funds	-	-	1,698,691	1,698,691
Total fund balances	<u>4,650,409</u>	<u>1,202,435</u>	<u>2,492,859</u>	<u>8,345,703</u>
Total liabilities and fund balances	<u>\$ 8,194,763</u>	<u>\$ 1,202,435</u>	<u>\$ 3,921,792</u>	<u>\$ 13,318,990</u>

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005

	Street Construction Maintenance and Repair	State Highway	Neighborhood Youth Corp	Drug Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents	\$ 954,131	\$ 12,548	\$ 4,882	\$ 26,468
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net of allowances of uncollectibles):				
Accrued interest	-	-	-	-
Loans	-	-	-	-
Due from other governments	1,022,429	82,897	605,293	-
Materials and supplies inventory	72,541	-	3,715	-
Total assets	<u>\$ 2,049,101</u>	<u>\$ 95,445</u>	<u>\$ 613,890</u>	<u>\$ 26,468</u>
Liabilities:				
Accounts payable	\$ 85,804	\$ 5,000	\$ 28,913	\$ -
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits	43,382	-	24,513	-
Compensated absences	35,995	-	3,927	-
Loans from other funds	-	-	58,200	-
Due to other governments	40,611	-	28,806	-
Unearned revenue	843,981	68,429	465,306	-
Total liabilities	<u>1,049,773</u>	<u>73,429</u>	<u>609,665</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	306,018	-	2,604	-
Reserved for materials and supplies inventory	72,541	-	3,715	-
Reserved for loans	-	-	-	-
Unreserved, undesignated (deficit)	620,769	22,016	(2,094)	26,468
Total fund balances	<u>999,328</u>	<u>22,016</u>	<u>4,225</u>	<u>26,468</u>
Total liabilities and fund balances	<u>\$ 2,049,101</u>	<u>\$ 95,445</u>	<u>\$ 613,890</u>	<u>\$ 26,468</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant	Grant Fund
\$ 37,892	\$ 999,873	\$ 662,468	\$ 343,435	\$ 415,088	\$ 42,867	\$ 134,579
-	3,053	-	-	-	-	-
-	-	6,083	-	-	-	-
-	-	596,335	-	-	-	-
-	499,392	16,124	14,329	18,094	30,260	1,228,937
-	-	-	-	8,832	-	13,397
<u>\$ 37,892</u>	<u>\$ 1,502,318</u>	<u>\$ 1,281,010</u>	<u>\$ 357,764</u>	<u>\$ 442,014</u>	<u>\$ 73,127</u>	<u>\$ 1,376,913</u>
\$ 27	\$ 16,857	\$ 13,138	\$ 13,389	\$ 2,046	\$ -	\$ 69,523
-	38,460	-	-	-	-	-
-	3,053	-	-	-	-	-
-	-	3,718	-	1,540	-	9,950
-	-	2,418	-	-	-	-
-	-	-	-	-	-	65,200
-	7,263	-	-	-	-	20,121
-	424,729	16,124	13,385	-	30,260	1,052,700
<u>27</u>	<u>490,362</u>	<u>35,398</u>	<u>26,774</u>	<u>3,586</u>	<u>30,260</u>	<u>1,217,494</u>
94	204,251	661,907	27,821	463	-	100,062
-	-	-	-	8,832	-	13,397
-	-	596,335	-	-	-	-
<u>37,771</u>	<u>807,705</u>	<u>(12,630)</u>	<u>303,169</u>	<u>429,133</u>	<u>42,867</u>	<u>45,960</u>
<u>37,865</u>	<u>1,011,956</u>	<u>1,245,612</u>	<u>330,990</u>	<u>438,428</u>	<u>42,867</u>	<u>159,419</u>
<u>\$ 37,892</u>	<u>\$ 1,502,318</u>	<u>\$ 1,281,010</u>	<u>\$ 357,764</u>	<u>\$ 442,014</u>	<u>\$ 73,127</u>	<u>\$ 1,376,913</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2005

	<u>Probation Services</u>	<u>Court Costs</u>	<u>FEMA</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 198,792	\$ 84,968	\$ 25,815	\$ 3,943,806
Cash and cash equivalents with fiscal agent	-	-	-	3,053
Receivables (net of allowances of uncollectibles):				
Accrued interest.	-	-	-	6,083
Loans	-	-	-	596,335
Due from other governments	7,382	15,185	6,617	3,546,939
Materials and supplies inventory	62	-	-	98,547
Total assets.	<u>\$ 206,236</u>	<u>\$ 100,153</u>	<u>\$ 32,432</u>	<u>\$ 8,194,763</u>
Liabilities:				
Accounts payable.	\$ 476	\$ 493	\$ -	\$ 235,666
Contracts payable.	-	-	-	38,460
Retainage payable	-	-	-	3,053
Accrued wages and benefits	-	-	-	83,103
Compensated absences	-	-	-	42,340
Loans from other funds	-	-	-	123,400
Due to other governments	-	-	-	96,801
Unearned revenue	-	-	6,617	2,921,531
Total liabilities.	<u>476</u>	<u>493</u>	<u>6,617</u>	<u>3,544,354</u>
Fund Balances:				
Reserved for encumbrances	1,157	2,078	-	1,306,455
Reserved for materials and supplies inventory	62	-	-	98,547
Reserved for loans	-	-	-	596,335
Unreserved, undesignated (deficit)	204,541	97,582	25,815	2,649,072
Total fund balances	<u>205,760</u>	<u>99,660</u>	<u>25,815</u>	<u>4,650,409</u>
Total liabilities and fund balances	<u>\$ 206,236</u>	<u>\$ 100,153</u>	<u>\$ 32,432</u>	<u>\$ 8,194,763</u>

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CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2005

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Section 108 Improvement</u>	<u>Fixed Asset Acquisition</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 878,268	\$ 35,358	\$ 1,153,526	\$ 304,504
Cash and cash equivalents with fiscal agent	47,658	-	-	-
Receivables (net of allowances of uncollectibles):				
Taxes.	983,653	-	-	-
Due from other governments	8,582	-	-	-
Materials and supplies inventory	10,200	-	-	-
Total assets.	<u>\$ 1,928,361</u>	<u>\$ 35,358</u>	<u>\$ 1,153,526</u>	<u>\$ 304,504</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	50,517	57,632	-	-
Retainage payable	47,658	-	-	-
Notes payable	-	-	-	-
Unearned revenue	522,666	-	-	-
Total liabilities.	<u>620,841</u>	<u>57,632</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	306,983	-	-	-
Reserved for materials and supplies inventory	10,200	-	-	-
Unreserved, undesignated (deficit).	990,337	(22,274)	1,153,526	304,504
Total fund balances (deficit)	<u>1,307,520</u>	<u>(22,274)</u>	<u>1,153,526</u>	<u>304,504</u>
Total liabilities and fund balances	<u>\$ 1,928,361</u>	<u>\$ 35,358</u>	<u>\$ 1,153,526</u>	<u>\$ 304,504</u>

<u>2005 Service Fleet</u>	<u>Total</u>
\$ 500,043	\$ 2,871,699
-	47,658
-	983,653
-	8,582
-	10,200
<u>\$ 500,043</u>	<u>\$ 3,921,792</u>
\$ 460	\$ 460
-	108,149
-	47,658
750,000	750,000
-	522,666
<u>750,460</u>	<u>1,428,933</u>
476,985	783,968
-	10,200
<u>(727,402)</u>	<u>1,698,691</u>
<u>(250,417)</u>	<u>2,492,859</u>
<u>\$ 500,043</u>	<u>\$ 3,921,792</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 288,633	\$ -	\$ 3,597,046	\$ 3,885,679
Property and other taxes	-	1,062	-	1,062
Charges for services	295,309	-	376,167	671,476
Licenses, permits and fees	371,253	-	-	371,253
Fines and forfeitures	305,014	-	-	305,014
Intergovernmental	8,323,130	-	112,814	8,435,944
Special assessments	-	566	-	566
Investment income	44,209	5,080	-	49,289
Other	877,598	-	-	877,598
Total revenues.	10,505,146	6,708	4,086,027	14,597,881
Expenditures:				
Current:				
General government	3,426,713	122,503	-	3,549,216
Public safety	958,897	-	-	958,897
Public health and welfare	91,440	-	-	91,440
Leisure time activity	56,180	-	-	56,180
Transportation	3,681,798	-	-	3,681,798
Capital outlay	1,576,916	-	4,044,317	5,621,233
Debt service:				
Principal retirement	-	765,000	-	765,000
Interest and fiscal charges	-	256,095	-	256,095
Total expenditures.	9,791,944	1,143,598	4,044,317	14,979,859
Excess (deficiency) of revenues over (under) expenditures	713,202	(1,136,890)	41,710	(381,978)
Other financing sources (uses):				
Proceeds from sale of note premium	-	-	1,303	1,303
Proceeds from sale of capital assets	106,098	-	-	106,098
Transfers in	187,816	393,446	-	581,262
Transfers out	(35,651)	-	-	(35,651)
Total other financing sources (uses)	258,263	393,446	1,303	653,012
Net change in fund balances	971,465	(743,444)	43,013	271,034
Fund balances at beginning of year	3,704,803	1,945,879	2,450,976	8,101,658
(Decrease) in reserve for inventory.	(25,859)	-	(1,130)	(26,989)
Fund balances at end of year.	\$ 4,650,409	\$ 1,202,435	\$ 2,492,859	\$ 8,345,703

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Street Construction Maintenance and Repair	State Highway	Neighborhood Youth Corp	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ 39,902	\$ -	\$ -	\$ -
Charges for services	294,233	-	1,076	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	33,748
Intergovernmental	2,238,541	160,957	979,268	-
Investment income	14,710	1,158	-	-
Other	832	-	5,657	-
Total revenues	<u>2,588,218</u>	<u>162,115</u>	<u>986,001</u>	<u>33,748</u>
Expenditures:				
Current:				
General government	-	-	1,223,231	-
Public safety	-	-	-	56,413
Public health and welfare	-	-	-	-
Leisure time activity	-	-	-	-
Capital outlay	-	-	-	-
Transportation	2,280,008	267,109	-	-
Total expenditures	<u>2,280,008</u>	<u>267,109</u>	<u>1,223,231</u>	<u>56,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>308,210</u>	<u>(104,994)</u>	<u>(237,230)</u>	<u>(22,665)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	21,236	-	-	-
Transfers in	-	-	-	-
Transfers out	(35,651)	-	-	-
Total other financing sources (uses):	<u>(14,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	293,795	(104,994)	(237,230)	(22,665)
Fund balances at beginning of year (deficit) . . .	693,554	162,660	248,252	49,133
Increase (decrease) in reserve for inventory. . .	11,979	(35,650)	(6,797)	-
Fund balances at end of year.	<u>\$ 999,328</u>	<u>\$ 22,016</u>	<u>\$ 4,225</u>	<u>\$ 26,468</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant	Grant Fund
\$ -	\$ -	\$ 248,731	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
7,303	-	-	-	-	-	12,756
-	-	-	14,150	257,116	-	-
-	1,107,952	104,065	26,939	-	-	2,967,387
4,138	-	14,615	-	-	9,588	-
-	-	598,681	-	-	-	272,428
<u>11,441</u>	<u>1,107,952</u>	<u>966,092</u>	<u>41,089</u>	<u>257,116</u>	<u>9,588</u>	<u>3,252,571</u>
-	-	663,291	-	160,990	-	266,677
32,235	-	-	53,861	-	12,929	803,459
-	-	-	-	-	-	91,440
-	-	-	-	-	-	56,180
-	-	-	-	-	-	1,576,916
-	1,134,681	-	-	-	-	-
<u>32,235</u>	<u>1,134,681</u>	<u>663,291</u>	<u>53,861</u>	<u>160,990</u>	<u>12,929</u>	<u>2,794,672</u>
<u>(20,794)</u>	<u>(26,729)</u>	<u>302,801</u>	<u>(12,772)</u>	<u>96,126</u>	<u>(3,341)</u>	<u>457,899</u>
-	-	84,862	-	-	-	-
-	-	-	-	-	4,990	182,826
-	-	-	-	-	-	-
-	-	84,862	-	-	4,990	182,826
<u>(20,794)</u>	<u>(26,729)</u>	<u>387,663</u>	<u>(12,772)</u>	<u>96,126</u>	<u>1,649</u>	<u>640,725</u>
58,659	1,038,685	857,949	343,762	340,998	41,218	(484,899)
-	-	-	-	1,304	-	3,593
<u>\$ 37,865</u>	<u>\$ 1,011,956</u>	<u>\$ 1,245,612</u>	<u>\$ 330,990</u>	<u>\$ 438,428</u>	<u>\$ 42,867</u>	<u>\$ 159,419</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Probation Services	Court Costs	FEMA	Total
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ 288,633
Charges for services	-	-	-	295,309
Licenses, permits and fees	134,317	216,877	-	371,253
Fines and forfeitures	-	-	-	305,014
Intergovernmental	-	-	738,021	8,323,130
Investment income	-	-	-	44,209
Other	-	-	-	877,598
Total revenues	134,317	216,877	738,021	10,505,146
Expenditures:				
Current:				
General government	148,151	252,167	712,206	3,426,713
Public safety	-	-	-	958,897
Public health and welfare	-	-	-	91,440
Leisure time activity	-	-	-	56,180
Capital outlay	-	-	-	1,576,916
Transportation	-	-	-	3,681,798
Total expenditures	148,151	252,167	712,206	9,791,944
Excess (deficiency) of revenues over (under) expenditures	(13,834)	(35,290)	25,815	713,202
Other financing sources:				
Proceeds from sale of capital assets	-	-	-	106,098
Transfers in	-	-	-	187,816
Transfers out	-	-	-	(35,651)
Total other financing sources (uses):	-	-	-	258,263
Net change in fund balances	(13,834)	(35,290)	25,815	971,465
Fund balances at beginning of year (deficit) . . .	219,882	134,950	-	3,704,803
Increase (decrease) in reserve for inventory . . .	(288)	-	-	(25,859)
Fund balances at end of year	\$ 205,760	\$ 99,660	\$ 25,815	\$ 4,650,409

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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, 2005

	Street Resurfacing	Issue II Improvement	Section 108 Improvement	Fixed Asset Acquisition
Revenues:				
Municipal income taxes	\$ 3,597,046	\$ -	\$ -	\$ -
Charges for services	-	-	-	376,167
Intergovernmental	42,400	70,414	-	-
Total revenues	3,639,446	70,414	-	376,167
Expenditures:				
Capital outlay	3,205,315	500,059	15,560	71,663
Total expenditures	3,205,315	500,059	15,560	71,663
Excess (deficiency) of revenues over (under) expenditures	434,131	(429,645)	(15,560)	304,504
Other financing sources:				
Proceeds on sale of note premium	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	434,131	(429,645)	(15,560)	304,504
Fund balances at beginning of year	874,519	407,371	1,169,086	-
(Decrease) in reserve for inventory	(1,130)	-	-	-
Fund balances (deficit) at end of year	\$ 1,307,520	\$ (22,274)	\$ 1,153,526	\$ 304,504

2005 Service Fleet	Total
\$ -	\$ 3,597,046
-	376,167
-	112,814
<u>-</u>	<u>4,086,027</u>
 251,720	 4,044,317
<u>251,720</u>	<u>4,044,317</u>
 (251,720)	 41,710
 1,303	 1,303
<u>1,303</u>	<u>1,303</u>
 (250,417)	 43,013
 -	 2,450,976
<u>-</u>	<u>(1,130)</u>
<u>\$ (250,417)</u>	<u>\$ 2,492,859</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,835,780	\$ 2,800,151	\$ 2,799,545	\$ (606)
Charges for services	1,284,039	1,572,832	1,571,755	(1,077)
Licenses, permits and fees	675,569	501,619	498,424	(3,195)
Fines and forfeitures	1,370,450	1,288,150	1,283,597	(4,553)
Intergovernmental	4,228,760	4,471,246	4,450,218	(21,028)
Special assessments	159,606	153,535	147,700	(5,835)
Investment income	391,293	648,593	709,226	60,633
Other	152,371	142,151	129,504	(12,647)
Total revenues	11,097,868	11,578,277	11,589,969	11,692
Expenditures:				
Current:				
Public safety				
Safety town				
Materials and supplies	12,044	15,794	13,157	2,637
Street lighting				
Contractual services	385,000	385,000	334,347	50,653
Housing of prisoners				
Contractual services	856,983	860,983	828,897	32,086
Total public safety	1,254,027	1,261,777	1,176,401	85,376
Public health and welfare				
Human relations				
Other	56,087	56,087	3,230	52,857
Indigent burial				
Other	8,000	8,000	7,500	500
Dog warden				
Other	30,000	30,000	30,000	-
Total public health and welfare	94,087	94,087	40,730	53,357
Leisure time activities				
Parks				
Personal services	186,600	190,367	190,362	5
Capital outlay	62,000	62,000	60,355	1,645
Materials and supplies	75,833	89,733	89,691	42
Contractual services	383,725	370,206	360,665	9,541
Other	500	500	-	500
Adopt-a-park				
Other	8,952	8,952	6,612	2,340
Recreation				
Personal services	53,100	53,100	51,294	1,806
Materials and supplies	2,500	3,300	3,211	89
Contractual services	62,756	61,956	61,148	808
Total leisure time activities	835,966	840,114	823,338	16,776

(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, 2005

	<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.	358,700	378,600	376,305	2,295
Materials and supplies	7,000	14,500	9,576	4,924
Contractual services	295,651	294,151	288,444	5,707
Other.	3,100	2,100	1,803	297
Regional planning				
Other.	25,000	25,000	25,000	-
Sub-division fees				
Other.	21,788	21,788	-	21,788
Total community environment	711,239	736,139	701,128	35,011
General government				
Council				
Personal services.	139,622	139,622	138,891	731
Contractual services	82,584	82,584	82,584	-
Materials and supplies	1,400	1,400	1,253	147
Other.	3,400	3,400	2,348	1,052
Human resource director				
Personal services.	154,600	156,686	156,686	-
Materials and supplies	23,000	3,593	3,190	403
Contractual services	130,661	159,619	159,009	610
Other.	5,000	1,000	883	117
Mayor				
Personal services.	112,613	115,122	114,970	152
Materials and supplies	14,000	14,000	13,578	422
Contractual services	87,584	85,078	82,584	2,494
Other.	3,500	3,497	1,474	2,023
Finance director				
Personal services.	445,767	451,602	449,259	2,343
Materials and supplies	25,213	19,888	16,089	3,799
Contractual services	418,503	446,925	442,069	4,856
Other.	500	500	54	446
Law director				
Personal services.	438,697	457,646	457,642	4
Materials and supplies	59,625	57,205	38,791	18,414
Contractual services	290,281	290,281	283,233	7,048
Other.	63,706	63,706	33,520	30,186
Municipal court				
Personal services.	583,025	563,764	563,678	86
Materials and supplies	24,231	24,231	16,306	7,925
Contractual services	780,021	780,021	700,606	79,415
Other.	4,150	4,150	3,153	997
Clerk of court				
Personal services.	726,649	726,650	699,696	26,954
Contractual services	385,393	385,393	385,393	-
Materials and supplies	86,165	87,165	86,160	1,005
Other	1,000	-	-	-

(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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Judicial				
Other	1,000	1,000	596	404
Civil service commission				
Personal services	19,500	19,501	18,750	751
Materials and supplies	400	400	-	400
Contractual services	923	41,923	41,299	624
Safety/service director				
Personal services	74,589	74,589	74,428	161
Materials and supplies	2,000	2,000	1,315	685
Contractual services	66,143	66,143	64,472	1,671
Other	500	500	50	450
Engineering				
Personal services	216,200	264,905	261,886	3,019
Materials and supplies	5,500	7,500	5,973	1,527
Contractual services	193,133	190,132	173,388	16,744
Capital outlay	3,500	3,500	3,438	62
Other	5,800	7,300	4,190	3,110
City building and public lands				
Personal services	193,600	193,600	192,708	892
Materials and supplies	51,729	51,729	46,102	5,627
Contractual services	496,213	511,713	507,478	4,235
Income tax administration				
Personal services	459,900	462,000	454,120	7,880
Materials and supplies	63,100	61,355	60,482	873
Contractual services	259,453	260,953	259,943	1,010
Other	500	745	742	3
Miscellaneous				
Fringe benefits	795,683	8,400	6,275	2,125
Contractual services	543,476	543,476	541,336	2,140
Festivals	25,000	25,000	19,510	5,490
Other	22,567	22,567	14,004	8,563
Unclaimed money				
Other	20,895	20,895	17,208	3,687
Shade tree commission				
Other	911	911	155	756
Special assessments				
Special assessments	4,585	4,585	1,615	2,970
Total general government	8,617,690	7,972,050	7,704,562	267,488

(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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	11,513,009	10,904,167	10,446,159	458,008
Excess (deficiency) of revenues over under expenditures	(415,141)	674,110	1,143,810	469,700
Other financing sources (uses):				
Proceeds from the sale of capital assets	2,817	2,817	8,368	5,551
Loan to other funds	(123,400)	(123,400)	(123,400)	-
Payment on loan from other funds	(240,000)	(240,000)	(240,000)	-
Repayment of loan to other funds	419,116	419,116	419,116	-
Transfers in	-	45,007	-	(45,007)
Transfers out	(190,772)	(1,046,614)	(1,032,894)	13,720
Total other financing sources (uses)	(132,239)	(943,074)	(968,810)	(25,736)
Net change in fund balance	(547,380)	(268,964)	175,000	443,964
Fund balance at beginning of year	434,537	434,537	434,537	-
Prior year encumbrances appropriated	274,342	274,342	274,342	-
Fund balance at end of year.	<u>\$ 161,499</u>	<u>\$ 439,915</u>	<u>\$ 883,879</u>	<u>\$ 443,964</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,015,000	\$ 2,988,500	\$ 1,305,191	\$ (1,683,309)
Investment income	90,888	99,888	100,620	732
Other	371,726	389,226	385,434	(3,792)
	<u>3,477,614</u>	<u>3,477,614</u>	<u>1,791,245</u>	<u>(1,686,369)</u>
Total revenues				
Expenditures:				
Current:				
Community environment				
Personal services	287,100	287,100	246,921	40,179
Fringe benefits	132,052	57,138	45,536	11,602
Materials and supplies	27,313	27,313	7,089	20,224
Contractual services	2,629,648	2,382,968	706,430	1,676,538
Other	223,040	582,040	411,101	170,939
	<u>3,299,153</u>	<u>3,336,559</u>	<u>1,417,077</u>	<u>1,919,482</u>
Total expenditures				
Excess of revenues over expenditures	178,461	141,055	374,168	233,113
Other financing uses:				
Transfers out	(253,609)	(250,000)	(250,000)	-
Total other financing uses	<u>(253,609)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(75,148)	(108,945)	124,168	233,113
Fund balance at beginning of year	84,230	84,230	84,230	-
Prior year encumbrances appropriated	49,909	49,909	49,909	-
	<u>134,139</u>	<u>134,139</u>	<u>134,139</u>	
Fund balance at end of year	<u>\$ 58,991</u>	<u>\$ 25,194</u>	<u>\$ 258,307</u>	<u>\$ 233,113</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, 2005

	<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	\$ 19,043,111	\$ 19,034,610	\$ 19,030,291	\$ (4,319)
Charges for services	976,000	1,215,750	1,280,570	64,820
Licenses, permits and fees	88,900	89,550	84,106	(5,444)
Fines and forfeitures	171,134	132,839	132,125	(714)
Intergovernmental	136,008	270,103	262,116	(7,987)
Other	10,584	14,364	70,720	56,356
	<u>20,425,737</u>	<u>20,757,216</u>	<u>20,859,928</u>	<u>102,712</u>
Expenditures:				
Current:				
Public safety				
Personal services	12,932,613	13,061,065	12,731,257	329,808
Fringe benefits	3,688,573	3,133,321	2,944,060	189,261
Materials and supplies	509,636	619,994	561,934	58,060
Contractual services	4,171,058	4,575,996	4,552,474	23,522
Capital outlay	185,000	443,842	379,633	64,209
Other	162,187	178,963	171,369	7,594
	<u>21,649,067</u>	<u>22,013,181</u>	<u>21,340,727</u>	<u>672,454</u>
Deficiency of revenues under expenditures . . .	<u>(1,223,330)</u>	<u>(1,255,965)</u>	<u>(480,799)</u>	<u>775,166</u>
Other financing sources (uses):				
Repayment on loan from other funds	(50,000)	(50,000)	(50,000)	-
Transfers in	729,554	957,554	920,000	(37,554)
Transfers out	-	(211,502)	(182,717)	28,785
	<u>679,554</u>	<u>696,052</u>	<u>687,283</u>	<u>(8,769)</u>
Net change in fund balance	(543,776)	(559,913)	206,484	766,397
Fund balance at beginning of year	538,438	538,438	538,438	-
Prior year encumbrances appropriated	61,883	61,883	61,883	-
Fund balance at end of year	<u>\$ 56,545</u>	<u>\$ 40,408</u>	<u>\$ 806,805</u>	<u>\$ 766,397</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, 2005

	<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	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Intergovernmental	1,810,000	2,117,154	2,217,984	100,830
Charges for services	162,233	294,233	294,233	-
Investment income	2,400	15,900	14,710	(1,190)
Other	-	1,948	832	(1,116)
Total revenues	2,024,633	2,479,235	2,577,759	98,524
Expenditures:				
Current:				
Transportation				
Personal services	672,700	797,700	768,932	28,768
Fringe benefits	160,463	-	-	-
Materials and supplies	288,811	433,447	430,567	2,880
Contractual services	1,472,522	1,479,129	1,462,171	16,958
Total expenditures	2,594,496	2,710,276	2,661,670	48,606
Deficiency of revenues under expenditures	(569,863)	(231,041)	(83,911)	147,130
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	21,236	21,236	-
Transfers in	250,967	967	-	(967)
Transfers out	-	(35,656)	(35,651)	5
Total other financing sources (uses)	250,967	(13,453)	(14,415)	(962)
Net change in fund balance	(318,896)	(244,494)	(98,326)	146,168
Fund balance at beginning of year	347,265	347,265	347,265	-
Prior year encumbrances appropriated	327,597	327,597	327,597	-
Fund balance at end of year	\$ 355,966	\$ 430,368	\$ 576,536	\$ 146,168

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 145,000	\$ 151,900	\$ 159,290	\$ 7,390
Investment income	200	1,300	1,158	(142)
Total revenues	<u>145,200</u>	<u>153,200</u>	<u>160,448</u>	<u>7,248</u>
Expenditures:				
Current:				
Transportation				
Personal services	75,000	83,000	83,000	-
Materials and supplies	<u>195,287</u>	<u>195,287</u>	<u>194,985</u>	<u>302</u>
Total expenditures	<u>270,287</u>	<u>278,287</u>	<u>277,985</u>	<u>302</u>
Net change in fund balance	(125,087)	(125,087)	(117,537)	7,550
Fund balance at beginning of year	18,137	18,137	18,137	-
Prior year encumbrances appropriated	<u>106,950</u>	<u>106,950</u>	<u>106,950</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ 7,550</u>

CITY OF MANSFIELD, OHIO

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

	<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	\$ 50,000	\$ -	\$ 1,076	\$ 1,076
Intergovernmental	1,529,000	1,576,000	1,034,760	(541,240)
Other	19,573	22,573	5,657	(16,916)
	<u>1,598,573</u>	<u>1,598,573</u>	<u>1,041,493</u>	<u>(557,080)</u>
Expenditures:				
Current:				
General government				
Personal services.	769,100	769,065	622,032	147,033
Fringe benefits.	121,603	32,000	22,757	9,243
Materials and supplies	86,014	71,049	69,048	2,001
Contractual services	705,067	700,067	532,503	167,564
Capital outlay	6,000	6,000	-	6,000
Other.	6,606	6,606	5,273	1,333
	<u>1,694,390</u>	<u>1,584,787</u>	<u>1,251,613</u>	<u>333,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(95,817)</u>	<u>13,786</u>	<u>(210,120)</u>	<u>(223,906)</u>
Other financing sources (uses):				
Loan from other funds	58,200	58,200	58,200	-
Transfers out	<u>(50,616)</u>	<u>(160,219)</u>	<u>-</u>	<u>160,219</u>
	<u>7,584</u>	<u>(102,019)</u>	<u>58,200</u>	<u>160,219</u>
Net change in fund balance	(88,233)	(88,233)	(151,920)	(63,687)
Fund balance at beginning of year	106,811	106,811	106,811	-
Prior year encumbrances appropriated	<u>45,153</u>	<u>45,153</u>	<u>45,153</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 63,731</u>	<u>\$ 63,731</u>	<u>\$ 44</u>	<u>\$ (63,687)</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, 2005

	<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	\$ 8,000	\$ 33,000	\$ 33,748	\$ 748
Total revenues	8,000	33,000	33,748	748
Expenditures:				
Current:				
Public safety				
Other	57,133	56,413	56,413	-
Total expenditures	57,133	56,413	56,413	-
Net change in fund balance	(49,133)	(23,413)	(22,665)	748
Fund balance at beginning of year	<u>49,133</u>	<u>49,133</u>	<u>49,133</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 25,720</u>	<u>\$ 26,468</u>	<u>\$ 748</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 7,303	\$ 1,803
Investment income	1,050	1,050	4,138	3,088
Other	50	50	-	(50)
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>11,441</u>	<u>4,841</u>
Expenditures:				
Current:				
Public safety				
Other	<u>65,751</u>	<u>65,751</u>	<u>32,818</u>	<u>32,933</u>
Total expenditures	<u>65,751</u>	<u>65,751</u>	<u>32,818</u>	<u>32,933</u>
Net change in fund balance	(59,151)	(59,151)	(21,377)	37,774
Fund balance at beginning of year	53,181	53,181	53,181	-
Prior year encumbrances appropriated	<u>5,970</u>	<u>5,970</u>	<u>5,970</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,774</u>	<u>\$ 37,774</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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 913,765	\$ 971,765	\$ 1,033,289	\$ 61,524
Other	58,125	125	-	(125)
Total revenues	<u>971,890</u>	<u>971,890</u>	<u>1,033,289</u>	<u>61,399</u>
Expenditures:				
Current:				
Transportation				
Contractual services	1,482,279	1,734,154	1,063,140	671,014
Materials and supplies	-	396,868	395,551	1,317
Other	5,431	5,431	5,431	-
Total expenditures	<u>1,487,710</u>	<u>2,136,453</u>	<u>1,464,122</u>	<u>672,331</u>
Deficiency of revenues under expenditures	<u>(515,820)</u>	<u>(1,164,563)</u>	<u>(430,833)</u>	<u>(733,730)</u>
Other financing sources (uses):				
Transfers out	<u>(648,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(648,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,164,563)	(1,164,563)	(430,833)	(733,730)
Fund balance at beginning of year	1,001,042	1,001,042	1,001,042	-
Prior year encumbrances appropriated	<u>179,477</u>	<u>179,477</u>	<u>179,477</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,956</u>	<u>\$ 15,956</u>	<u>\$ 749,686</u>	<u>\$ (733,730)</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, 2005

	<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	\$ 220,000	\$ 254,000	\$ 254,000	\$ -
Intergovernmental	166,463	715,463	214,472	(500,991)
Investment income	8,000	16,070	16,051	(19)
Other	356,438	558,079	261,176	(296,903)
	<u>750,901</u>	<u>1,543,612</u>	<u>745,699</u>	<u>(797,913)</u>
Total revenues				
Expenditures:				
Current:				
General government				
Personal services	32,000	92,400	92,328	72
Materials and supplies	53,457	38,057	36,351	1,706
Contractual services	1,330,375	2,079,948	1,348,751	731,197
Other	22,000	22,000	22,000	-
	<u>1,437,832</u>	<u>2,232,405</u>	<u>1,499,430</u>	<u>732,975</u>
Total expenditures				
Deficiency of revenues under expenditures	(686,931)	(688,793)	(753,731)	(64,938)
Other financing sources:				
Proceeds from the sale of capital assets	20,000	84,862	84,862	-
	<u>20,000</u>	<u>84,862</u>	<u>84,862</u>	<u>-</u>
Total other financing sources				
Net change in fund balance	(666,931)	(603,931)	(668,869)	(64,938)
Fund balance at beginning of year	223,647	223,647	223,647	-
Prior year encumbrances appropriated	445,789	445,789	445,789	-
	<u>\$ 2,505</u>	<u>\$ 65,505</u>	<u>\$ 567</u>	<u>\$ (64,938)</u>
Fund balance at end of year				

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 26,939	\$ 26,939	\$ 26,939	\$ -
Fines and forfeitures	13,061	13,061	14,176	1,115
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>41,115</u>	<u>1,115</u>
Expenditures:				
Current:				
Public safety				
Other	<u>382,792</u>	<u>382,792</u>	<u>79,489</u>	<u>303,303</u>
Total expenditures	<u>382,792</u>	<u>382,792</u>	<u>79,489</u>	<u>303,303</u>
Net change in fund balance	(342,792)	(342,792)	(38,374)	304,418
Fund balance at beginning of year	<u>342,792</u>	<u>342,792</u>	<u>342,792</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,418</u>	<u>\$ 304,418</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, 2005

	<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	\$ 300,000	\$ 300,000	\$ 258,370	\$ (41,630)
Total revenues	300,000	300,000	258,370	(41,630)
Expenditures:				
Current:				
General government				
Personal services	41,493	56,493	56,493	-
Materials and supplies	347,616	347,616	97,647	249,969
Contractual services	15,000	15,000	10,110	4,890
Total expenditures	404,109	419,109	164,250	254,859
Excess (deficiency) of revenues over (under) expenditures	(104,109)	(119,109)	94,120	(213,229)
Other financing uses:				
Transfers out	(15,000)	-	-	-
Total other financing uses	(15,000)	-	-	-
Net change in fund balance	(119,109)	(119,109)	94,120	(213,229)
Fund balance at beginning of year	319,111	319,111	319,111	-
Fund balance at end of year	\$ 200,002	\$ 200,002	\$ 413,231	\$ (213,229)

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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 39,950	\$ 39,950	\$ -	\$ (39,950)
Investment income	3,000	3,000	9,588	6,588
Other	9	9	-	(9)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	42,959	42,959	9,588	(33,371)
Expenditures:				
Current:				
Public safety				
Capital outlay	62,641	62,641	9,297	53,344
Other.	28,580	28,580	5,688	22,892
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	91,221	91,221	14,985	76,236
Deficiency of revenues under expenditures . . .	(48,262)	(48,262)	(5,397)	42,865
Other financing sources:				
Transfers in	4,990	4,990	4,990	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	4,990	4,990	4,990	-
Net change in fund balance	(43,272)	(43,272)	(407)	42,865
Fund balance at beginning of year	36,930	36,930	36,930	-
Prior year encumbrances appropriated	6,342	6,342	6,342	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,865</u>	<u>\$ 42,865</u>

CITY OF MANSFIELD, OHIO

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 3,293,051	\$ 3,556,799	\$ 2,818,352	\$ (738,447)
Licenses, permits and fees	5,000	5,000	13,009	8,009
Other	227,080	241,080	272,428	31,348
Total revenues	3,525,131	3,802,879	3,103,789	(699,090)
Expenditures:				
Current:				
Public safety				
Personal services	127,268	124,662	100,358	24,304
Materials and supplies	168,446	186,390	77,024	109,366
Contractual services	287,685	296,843	275,463	21,380
Capital outlay	402,142	410,049	401,109	8,940
Other	47,400	29,997	27,687	2,310
Total public safety	1,032,941	1,047,941	881,641	166,300
Public health and welfare				
Personal services	60,331	61,347	55,955	5,392
Fringe benefits	9,232	-	-	-
Materials and supplies	36,849	35,837	29,210	6,627
Contractual services	8,610	8,610	8,610	-
Total public health and welfare	115,022	105,794	93,775	12,019
General government				
Personal services	213,828	257,862	217,471	40,391
Fringe benefits	3,912	-	-	-
Materials and supplies	14,922	14,922	7,626	7,296
Contractual services	73,367	81,795	46,540	35,255
Total general government	306,029	354,579	271,637	82,942
Capital outlay				
Contractual services	1,771,822	1,931,822	1,730,502	201,320
Total capital outlay	1,771,822	1,931,822	1,730,502	201,320
Total expenditures	3,225,814	3,440,136	2,977,555	462,581
Excess of revenues over expenditures	299,317	362,743	126,234	(236,509)
Other financing sources (uses):				
Payment on loan from other funds	(419,116)	(419,116)	(419,116)	-
Loan from other funds	65,200	65,200	65,200	-
Transfers in	182,826	182,826	182,826	-
Transfers out	(109,734)	(173,664)	-	173,664
Total other financing sources (uses)	(280,824)	(344,754)	(171,090)	173,664
Net change in fund balance	18,493	17,989	(44,856)	(62,845)
Fund balance at beginning of year	8,596	8,596	8,596	-
Prior year encumbrances appropriated	36,326	36,326	36,326	-
Fund balance at end of year	\$ 63,415	\$ 62,911	\$ 66	\$ (62,845)

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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Licenses, permits and fees	\$ 158,000	\$ 158,000	\$ 136,804	\$ (21,196)
Other	1,601	1,601	-	(1,601)
Total revenues	<u>159,601</u>	<u>159,601</u>	<u>136,804</u>	<u>(22,797)</u>
Expenditures:				
Current:				
General government				
Personal services	125,632	137,313	109,756	27,557
Contractual services	244,030	232,349	39,642	192,707
Total expenditures	<u>369,662</u>	<u>369,662</u>	<u>149,398</u>	<u>220,264</u>
Net change in fund balance	(210,061)	(210,061)	(12,594)	197,467
Fund balance at beginning of year	209,766	209,766	209,766	-
Prior year encumbrances appropriated	295	295	295	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,467</u>	<u>\$ 197,467</u>

CITY OF MANSFIELD, OHIO

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

	<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	\$ 250,000	\$ 250,000	\$ 218,373	\$ (31,627)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>218,373</u>	<u>(31,627)</u>
Expenditures:				
Current:				
General government				
Personal services	224,245	244,245	244,245	-
Other	-	10,000	10,000	-
Total expenditures	<u>224,245</u>	<u>254,245</u>	<u>254,245</u>	<u>-</u>
Net change in fund balance	25,755	(4,245)	(35,872)	(31,627)
Fund balance at beginning of year	<u>118,268</u>	<u>118,268</u>	<u>118,268</u>	<u>-</u>
Fund balance at end of year	<u>\$ 144,023</u>	<u>\$ 114,023</u>	<u>\$ 82,396</u>	<u>\$ (31,627)</u>

CITY OF MANSFIELD, OHIO

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 881,815	\$ 738,021	\$ (143,794)
Total revenues	<u>-</u>	<u>881,815</u>	<u>738,021</u>	<u>(143,794)</u>
Expenditures:				
Current:				
General government:				
Capital outlay	-	856,000	712,206	143,794
Total expenditures	<u>-</u>	<u>856,000</u>	<u>712,206</u>	<u>143,794</u>
Net change in fund balance	-	25,815	25,815	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 25,815</u>	<u>\$ 25,815</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 2,400	\$ 2,233	\$ 1,062	\$ (1,171)
Special assessments	400	567	567	-
Investment income	5,417	5,417	5,417	-
	<u>8,217</u>	<u>8,217</u>	<u>7,046</u>	<u>(1,171)</u>
Total revenues				
Expenditures:				
Current:				
General government				
Other	119,364	119,364	119,364	-
Debt service				
Principal retirement	4,210,000	4,210,000	765,000	(3,445,000)
Interest and fiscal charges	777,705	777,705	256,095	(521,610)
	<u>5,107,069</u>	<u>5,107,069</u>	<u>1,140,459</u>	<u>(3,966,610)</u>
Total expenditures				
Excess of revenues over expenditures	<u>(5,098,852)</u>	<u>(5,098,852)</u>	<u>(1,133,413)</u>	<u>3,965,439</u>
Other financing sources:				
Transfers in	<u>4,231,809</u>	<u>4,231,809</u>	<u>393,447</u>	<u>(3,838,362)</u>
Total other financing sources	<u>4,231,809</u>	<u>4,231,809</u>	<u>393,447</u>	<u>(3,838,362)</u>
Net change in fund balance	(867,043)	(867,043)	(739,966)	127,077
Fund balance at beginning of year	<u>1,942,746</u>	<u>1,942,746</u>	<u>1,942,746</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,075,703</u>	<u>\$ 1,075,703</u>	<u>\$ 1,202,780</u>	<u>\$ 127,077</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, 2005

	<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	\$ 3,300,000	\$ 3,330,295	\$ 3,330,295	\$ -
Intergovernmental	-	42,400	42,400	-
Other	-	19	-	(19)
Total revenues	<u>3,300,000</u>	<u>3,372,714</u>	<u>3,372,695</u>	<u>(19)</u>
Expenditures:				
Capital outlay	<u>4,772,605</u>	<u>4,769,724</u>	<u>4,404,196</u>	<u>365,528</u>
Total expenditures	<u>4,772,605</u>	<u>4,769,724</u>	<u>4,404,196</u>	<u>365,528</u>
Deficiency of revenues under expenditures	<u>(1,472,605)</u>	<u>(1,397,010)</u>	<u>(1,031,501)</u>	<u>365,509</u>
Other financing sources:				
Transfers in	-	83,705	-	(83,705)
Total other financing sources	-	83,705	-	(83,705)
Net change in fund balance	(1,472,605)	(1,313,305)	(1,031,501)	281,804
Fund balance at beginning of year	503,496	503,496	503,496	-
Prior year encumbrances appropriated	<u>1,024,403</u>	<u>1,024,403</u>	<u>1,024,403</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,294</u>	<u>\$ 214,594</u>	<u>\$ 496,398</u>	<u>\$ 281,804</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 550,000	\$ 550,000	\$ 70,414	\$ (479,586)
Total revenues	550,000	550,000	70,414	(479,586)
Expenditures:				
Capital outlay	974,600	974,600	222,869	751,731
Total expenditures	974,600	974,600	222,869	751,731
Net change in fund balance	(424,600)	(424,600)	(152,455)	272,145
Fund balance at beginning of year	215,873	215,873	215,873	-
Prior year encumbrances appropriated	208,727	208,727	208,727	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,145</u>	<u>\$ 272,145</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	1,171,433	796,677	19,988	776,689
Total expenditures	1,171,433	796,677	19,988	776,689
Deficiency of revenues under expenditures . . .	(1,171,433)	(796,677)	(19,988)	776,689
Other financing sources:				
Transfers in	-	50,000	-	(50,000)
Total other financing sources.	-	50,000	-	(50,000)
Net change in fund balance	(1,171,433)	(746,677)	(19,988)	726,689
Fund balance at beginning of year	<u>1,171,433</u>	<u>1,171,433</u>	<u>1,171,433</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 424,756</u>	<u>\$ 1,151,445</u>	<u>\$ 726,689</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, 2005

	<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	\$ 376,167	\$ 376,167	\$ 376,167	\$ -
Total revenues	<u>376,167</u>	<u>376,167</u>	<u>376,167</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>376,167</u>	<u>376,167</u>	<u>71,663</u>	<u>304,504</u>
Total expenditures	<u>376,167</u>	<u>376,167</u>	<u>71,663</u>	<u>304,504</u>
Net change in fund balance	-	-	304,504	304,504
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>\$ 304,504</u>	<u>\$ 304,504</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Principal retirement	\$ -	\$ 750,000	\$ 728,245	\$ 21,755
Total expenditures	-	750,000	728,245	21,755
Deficiency of revenues under expenditures	-	(750,000)	(728,245)	(21,755)
Other financing sources:				
Note proceeds	-	750,000	751,303	1,303
Total other financing sources	-	750,000	751,303	1,303
Net change in fund balance	-	-	23,058	23,058
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 23,058	\$ 23,058

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, 2005

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 99,944	\$ 60,321	\$ 160,265
Receivables (net of allowances of uncollectibles):			
Taxes	57,837	-	57,837
Accounts	36,388	-	36,388
Due from other governments	505	-	505
Materials and supplies inventory	25,151	-	25,151
Total current assets	<u>219,825</u>	<u>60,321</u>	<u>280,146</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,493,629	171,852	1,665,481
Depreciable capital assets, net	2,097,787	-	2,097,787
Total capital assets	<u>3,591,416</u>	<u>171,852</u>	<u>3,763,268</u>
Total assets	<u>\$ 3,811,241</u>	<u>\$ 232,173</u>	<u>\$ 4,043,414</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 14,347	\$ -	\$ 14,347
Accrued wages and benefits	12,898	-	12,898
Due to other governments	9,766	-	9,766
Total current liabilities	<u>37,011</u>	<u>-</u>	<u>37,011</u>
Long-term liabilities:			
Compensated absences	24,163	-	24,163
Total long-term liabilities	<u>24,163</u>	<u>-</u>	<u>24,163</u>
Total liabilities	<u>61,174</u>	<u>-</u>	<u>61,174</u>
Net assets:			
Invested in capital assets, net of related debt	3,591,416	171,852	3,763,268
Unrestricted	158,651	60,321	218,972
Total net assets	<u>\$ 3,750,067</u>	<u>\$ 232,173</u>	<u>\$ 3,982,240</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Airport Operating	Parking Garage	Total
Operating revenues:			
Charges for services	\$ 88,611	\$ 187,696	\$ 276,307
Total operating revenues	<u>88,611</u>	<u>187,696</u>	<u>276,307</u>
Operating expenses:			
Personal services	215,598	-	215,598
Contractual services	180,572	230,222	410,794
Materials and supplies	70,693	-	70,693
Depreciation	238,962	-	238,962
Utilities	54,528	-	54,528
Other	1,435	-	1,435
Total operating expenses	<u>761,788</u>	<u>230,222</u>	<u>992,010</u>
Operating (loss)	<u>(673,177)</u>	<u>(42,526)</u>	<u>(715,703)</u>
Nonoperating revenues:			
Other nonoperating revenue	4,397	-	4,397
Intergovernmental	67,879	-	67,879
Municipal income tax	439,395	-	439,395
Total nonoperating revenues	<u>511,671</u>	<u>-</u>	<u>511,671</u>
(Loss) before capital contributions and transfers	(161,506)	(42,526)	(204,032)
Capital contributions	1,887	-	1,887
Changes in net assets	(159,619)	(42,526)	(202,145)
Net assets at beginning of year	<u>3,909,686</u>	<u>274,699</u>	<u>4,184,385</u>
Net assets at end of year	<u>\$ 3,750,067</u>	<u>\$ 232,173</u>	<u>\$ 3,982,240</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 77,569	\$ 187,696	\$ 265,265
Cash received from other operating revenues	503,431	-	503,431
Cash payments to employees.	(220,941)	-	(220,941)
Cash payments to suppliers	(305,678)	(230,222)	(535,900)
Cash payments for other operating expenses.	<u>(1,435)</u>	<u>-</u>	<u>(1,435)</u>
Net cash provided by (used in) operating activities	<u>52,946</u>	<u>(42,526)</u>	<u>10,420</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(3,447)</u>	<u>-</u>	<u>(3,447)</u>
Net cash used in capital and related financing activities	<u>(3,447)</u>	<u>-</u>	<u>(3,447)</u>
Net increase (decrease) in cash and cash equivalents	49,499	(42,526)	6,973
Cash and cash equivalents at beginning of year.	<u>50,445</u>	<u>102,847</u>	<u>153,292</u>
Cash and cash equivalents at end of year	<u>\$ 99,944</u>	<u>\$ 60,321</u>	<u>\$ 160,265</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (673,177)	\$ (42,526)	\$ (715,703)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	238,962	-	238,962
Other non-operating revenues.	4,397	-	4,397
Intergovernmental	67,879	-	67,879
Municipal income tax.	439,395	-	439,395
Changes in assets and liabilities:			
(Increase) in accounts receivable	(11,042)	-	(11,042)
(Increase) in taxes receivable	(8,156)	-	(8,156)
(Increase) in inventory of supplies	(5,668)	-	(5,668)
(Increase) in due from other governments	(84)	-	(84)
Increase in accounts payable.	5,783	-	5,783
(Decrease) in accrued wages and benefits	(822)	-	(822)
(Decrease) in compensated absences payable	<u>(4,521)</u>	<u>-</u>	<u>(4,521)</u>
Net cash provided by (used in) operating activities	<u>\$ 52,946</u>	<u>\$ (42,526)</u>	<u>\$ 10,420</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, 2005

	<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	\$ 377,593	\$ 427,593	\$ 427,593	\$ -
Charges for services	79,700	77,500	77,569	69
Intergovernmental	75,000	78,942	67,879	(11,063)
Other	-	4,430	4,397	(33)
	<u>532,293</u>	<u>588,465</u>	<u>577,438</u>	<u>(11,027)</u>
Expenses:				
Personal services	222,700	227,700	220,941	6,759
Materials and supplies	88,936	88,936	83,693	5,243
Contractual services	203,599	203,599	200,983	2,616
Utilities	60,000	60,000	51,206	8,794
Other	2,435	2,435	1,435	1,000
	<u>577,670</u>	<u>582,670</u>	<u>558,258</u>	<u>24,412</u>
Excess (deficiency) of revenues over (under) expenses	<u>(45,377)</u>	<u>5,795</u>	<u>19,180</u>	<u>13,385</u>
Transfers out	<u>(871)</u>	<u>(6,872)</u>	<u>-</u>	<u>6,872</u>
Net change in fund equity	<u>(46,248)</u>	<u>(1,077)</u>	<u>19,180</u>	<u>20,257</u>
Fund equity at beginning of year	<u>42,268</u>	<u>42,268</u>	<u>42,268</u>	<u>-</u>
Prior year encumbrances appropriated	<u>5,936</u>	<u>5,936</u>	<u>5,936</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 1,956</u>	<u>\$ 47,127</u>	<u>\$ 67,384</u>	<u>\$ 20,257</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, 2005

	<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	\$ 185,902	\$ 185,902	\$ 187,696	\$ 1,794
Total revenues	185,902	185,902	187,696	1,794
Expenses:				
Contractual services	286,367	286,367	265,535	20,832
Total expenses	286,367	286,367	265,535	20,832
Net change in fund equity	(100,465)	(100,465)	(77,839)	22,626
Fund equity at beginning of year	76,971	76,971	76,971	-
Prior year encumbrances appropriated	25,226	25,226	25,226	-
Fund equity at end of year	<u>\$ 1,732</u>	<u>\$ 1,732</u>	<u>\$ 24,358</u>	<u>\$ 22,626</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.

Data Processing:

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, 2005

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 167,754	\$ 93,169	\$ 44,851
Materials and supplies inventory	<u>6,551</u>	<u>15,496</u>	<u>30,444</u>
Total current assets.	<u>174,305</u>	<u>108,665</u>	<u>75,295</u>
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	<u>1,156,346</u>	<u>56,342</u>	<u>53,626</u>
Total capital assets	<u>1,156,346</u>	<u>56,342</u>	<u>53,626</u>
Total assets	<u>\$ 1,330,651</u>	<u>\$ 165,007</u>	<u>\$ 128,921</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 59,668	\$ 993	\$ 783
Accrued wages and benefits	16,855	6,283	29,304
Due to other governments	17,629	7,689	29,613
Claims payable.	-	-	-
Total current liabilities.	<u>94,152</u>	<u>14,965</u>	<u>59,700</u>
Long-term liabilities:			
Compensated absences	<u>110,972</u>	<u>17,663</u>	<u>204,073</u>
Total long-term liabilities.	<u>110,972</u>	<u>17,663</u>	<u>204,073</u>
Total liabilities	<u>205,124</u>	<u>32,628</u>	<u>263,773</u>
Net assets:			
Invested in capital assets, net of related debt.	1,156,346	56,342	53,626
Unrestricted (deficit).	<u>(30,819)</u>	<u>76,037</u>	<u>(188,478)</u>
Total net assets (deficit).	<u>\$ 1,125,527</u>	<u>\$ 132,379</u>	<u>\$ (134,852)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Total
\$ 532,684	\$ 7,930	\$ 56,091	\$ 902,479
-	-	-	52,491
<u>532,684</u>	<u>7,930</u>	<u>56,091</u>	<u>954,970</u>
-	-	-	1,266,314
-	-	-	<u>1,266,314</u>
<u>\$ 532,684</u>	<u>\$ 7,930</u>	<u>\$ 56,091</u>	<u>\$ 2,221,284</u>
\$ 464	\$ -	\$ -	\$ 61,908
-	-	-	52,442
-	-	-	54,931
1,217,018	-	-	1,217,018
<u>1,217,482</u>	<u>-</u>	<u>-</u>	<u>1,386,299</u>
-	-	-	332,708
-	-	-	<u>332,708</u>
<u>1,217,482</u>	<u>-</u>	<u>-</u>	<u>1,719,007</u>
-	-	-	1,266,314
(684,798)	7,930	56,091	<u>(764,037)</u>
<u>(684,798)</u>	<u>\$ 7,930</u>	<u>\$ 56,091</u>	<u>\$ 502,277</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 965,139	\$ 615,505	\$ 1,383,574
Total operating revenues	<u>965,139</u>	<u>615,505</u>	<u>1,383,574</u>
Operating expenses:			
Personal services	399,948	219,394	753,827
Fringe benefits	6,284	68	806
Contractual services	604,032	308,243	583,701
Materials and supplies	403,817	21,343	170,904
Depreciation	424,376	25,845	6,961
Utilities	66,383	-	-
Claims expense	-	-	-
Total operating expenses	<u>1,904,840</u>	<u>574,893</u>	<u>1,516,199</u>
Operating income (loss)	<u>(939,701)</u>	<u>40,612</u>	<u>(132,625)</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	2,731	-	5,224
Gain on sale of capital assets	629	-	-
Intergovernmental	2,203	-	47,943
Loss on disposal of assets	-	(306)	-
Total nonoperating revenues (expenses)	<u>5,563</u>	<u>(306)</u>	<u>53,167</u>
Changes in net assets	(934,138)	40,306	(79,458)
Net assets (deficit) at beginning of year	<u>2,059,665</u>	<u>92,073</u>	<u>(55,394)</u>
Net assets (deficit) at end of year	<u>\$ 1,125,527</u>	<u>\$ 132,379</u>	<u>\$ (134,852)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 5,944,261	\$ 435,562	\$ 560,499	\$ 2,847,808	\$ 12,752,348
5,944,261	435,562	560,499	2,847,808	12,752,348
-	-	-	-	1,373,169
-	-	-	-	7,158
351,785	447,071	535,743	2,847,808	5,678,383
-	-	-	-	596,064
-	-	-	-	457,182
-	-	-	-	66,383
5,862,682	-	-	-	5,862,682
6,214,467	447,071	535,743	2,847,808	14,041,021
(270,206)	(11,509)	24,756	-	(1,288,673)
-	-	-	-	7,955
-	-	-	-	629
-	-	-	-	50,146
-	-	-	-	(306)
-	-	-	-	58,424
(270,206)	(11,509)	24,756	-	(1,230,249)
(414,592)	19,439	31,335	-	1,732,526
\$ (684,798)	\$ 7,930	\$ 56,091	\$ -	\$ 502,277

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Garage Operating	Data Processing	Utility Collections
Cash flows from operating activities:			
Cash received from customers	\$ 965,139	\$ 615,505	\$ 1,383,574
Cash received from other operating revenues	5,563	-	53,167
Cash payments to employees	(371,346)	(248,981)	(664,755)
Cash payments for suppliers	(1,015,860)	(326,552)	(759,523)
Cash payments for claims expense	-	-	-
Net cash provided by (used in) operating activities	(416,504)	39,972	12,463
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(25,667)	(36,307)
Net cash used in capital and related financing activities	-	(25,667)	(36,307)
Net increase (decrease) in cash and cash equivalents	(416,504)	14,305	(23,844)
Cash and cash equivalents at beginning of year	584,258	78,864	68,695
Cash and cash equivalents at end of year.	\$ 167,754	\$ 93,169	\$ 44,851
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (939,701)	\$ 40,612	\$ (132,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	424,376	25,845	6,961
Intergovernmental	2,203	-	47,943
Gain on sale of capital asset	629	-	-
Other nonoperating revenues	2,731	-	5,224
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(1,296)	2,041	(4,190)
Increase (decrease) in accounts payable	59,668	993	(728)
Increase (decrease) in accrued wages and benefits	(5,179)	(1,234)	3,189
Increase in due to other governments	6,284	68	806
Increase (decrease) in compensated absences payable	33,781	(28,353)	85,883
Increase in claims payable	-	-	-
Net cash provided by (used in) operating activities	\$ (416,504)	\$ 39,972	\$ 12,463

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Benefit Fund</u>	<u>Total</u>
\$ 5,944,261	\$ 435,562	\$ 560,499	\$ 2,847,808	\$ 12,752,348
-	-	-	-	58,730
-	-	-	-	(1,285,082)
(351,321)	(447,071)	(535,743)	(2,847,808)	(6,283,878)
<u>(5,156,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,156,260)</u>
<u>436,680</u>	<u>(11,509)</u>	<u>24,756</u>	<u>-</u>	<u>85,858</u>
-	-	-	-	(61,974)
-	-	-	-	(61,974)
436,680	(11,509)	24,756	-	23,884
96,004	19,439	31,335	-	878,595
<u>\$ 532,684</u>	<u>\$ 7,930</u>	<u>\$ 56,091</u>	<u>\$ -</u>	<u>\$ 902,479</u>
\$ (270,206)	\$ (11,509)	\$ 24,756	\$ -	\$ (1,288,673)
-	-	-	-	457,182
-	-	-	-	50,146
-	-	-	-	629
-	-	-	-	7,955
-	-	-	-	(3,445)
464	-	-	-	60,397
-	-	-	-	(3,224)
-	-	-	-	7,158
-	-	-	-	91,311
<u>706,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,422</u>
<u>\$ 436,680</u>	<u>\$ (11,509)</u>	<u>\$ 24,756</u>	<u>\$ -</u>	<u>\$ 85,858</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, 2005

	<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	\$ 965,144	\$ 965,139	\$ 965,139	\$ -
Intergovernmental	-	2,204	2,204	-
Other	468	468	2,731	2,263
	<u>965,612</u>	<u>967,811</u>	<u>970,074</u>	<u>2,263</u>
Expenses:				
Personal services	334,000	371,367	371,346	21
Materials and supplies	595,544	407,004	365,996	41,008
Contractual services	646,535	646,366	626,535	19,831
Utilities	64,497	64,495	60,518	3,977
Capital outlay	71,198	71,198	71,198	-
	<u>1,711,774</u>	<u>1,560,430</u>	<u>1,495,593</u>	<u>64,837</u>
Deficiency of revenues under expenses	<u>(746,162)</u>	<u>(592,619)</u>	<u>(525,519)</u>	<u>67,100</u>
Proceeds from the sale of capital assets	629	629	629	-
Transfers in	162,525	7,782	-	(7,782)
Transfers out	<u>(1,246)</u>	<u>(46)</u>	<u>-</u>	<u>46</u>
Net change in fund equity	(584,254)	(584,254)	(524,890)	59,364
Fund equity at beginning of year	<u>464,877</u>	<u>464,877</u>	<u>464,877</u>	<u>-</u>
Prior year encumbrances appropriated	<u>119,377</u>	<u>119,377</u>	<u>119,377</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,364</u>	<u>\$ 59,364</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DATA PROCESSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<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	\$ 546,491	\$ 615,477	\$ 615,505	\$ (28)
Total revenues.	<u>546,491</u>	<u>615,477</u>	<u>615,505</u>	<u>(28)</u>
Expenses:				
Personal services.	196,500	266,500	248,981	17,519
Materials and supplies	35,850	35,820	29,252	6,568
Contractual services	349,079	349,079	317,763	31,316
Capital outlay	41,798	41,798	23,603	18,195
Total expenses	<u>623,227</u>	<u>693,197</u>	<u>619,599</u>	<u>73,598</u>
Deficiency of revenues under expenses	<u>(76,736)</u>	<u>(77,720)</u>	<u>(4,094)</u>	<u>73,626</u>
Transfers in	-	984	-	(984)
Transfers out	<u>(2,128)</u>	<u>(2,128)</u>	<u>-</u>	<u>2,128</u>
Net change in fund equity	(78,864)	(78,864)	(4,094)	74,770
Fund equity at beginning of year	45,118	45,118	45,118	-
Prior year encumbrances appropriated	<u>33,746</u>	<u>33,746</u>	<u>33,746</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,770</u>	<u>\$ 74,770</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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,334,328	\$ 1,383,574	\$ 1,383,574	\$ -
Other	3,030	3,030	5,224	2,194
Total revenues.	<u>1,337,358</u>	<u>1,386,604</u>	<u>1,388,798</u>	<u>2,194</u>
Expenses:				
Personal services.	644,100	617,157	616,812	345
Fringe benefits.	1,000	-	-	-
Materials and supplies	227,921	227,922	212,993	14,929
Contractual services	532,826	589,802	583,037	6,765
Total expenses	<u>1,405,847</u>	<u>1,434,881</u>	<u>1,412,842</u>	<u>22,039</u>
Deficiency of revenues under expenses	<u>(68,489)</u>	<u>(48,277)</u>	<u>(24,044)</u>	<u>24,233</u>
Transfers in	-	754	-	(754)
Net change in fund equity	(68,489)	(47,523)	(24,044)	23,479
Fund equity at beginning of year	38,536	38,536	38,536	-
Prior year encumbrances appropriated	<u>30,037</u>	<u>30,037</u>	<u>30,037</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 84</u>	<u>\$ 21,050</u>	<u>\$ 44,529</u>	<u>\$ 23,479</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 5,944,261	\$ 5,944,261	\$ 5,944,261	\$ -
Other	218,987	218,987	-	(218,987)
Total revenues.	<u>6,163,248</u>	<u>6,163,248</u>	<u>5,944,261</u>	<u>(218,987)</u>
Expenses:				
Contractual services	<u>6,527,210</u>	<u>6,527,210</u>	<u>5,507,581</u>	<u>1,019,629</u>
Total expenses	<u>6,527,210</u>	<u>6,527,210</u>	<u>5,507,581</u>	<u>1,019,629</u>
Deficiency of revenues under expenses	<u>(363,962)</u>	<u>(363,962)</u>	<u>436,680</u>	<u>800,642</u>
Transfers in	<u>267,961</u>	<u>267,961</u>	<u>-</u>	<u>(267,961)</u>
Net change in fund equity	<u>(96,001)</u>	<u>(96,001)</u>	<u>436,680</u>	<u>532,681</u>
Fund equity at beginning of year	<u>96,001</u>	<u>96,001</u>	<u>96,001</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,681</u>	<u>\$ 532,681</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, 2005

	<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	\$ 435,559	\$ 433,745	\$ 435,562	\$ 1,817
Total revenues.	435,559	433,745	435,562	1,817
Expenses:				
Contractual services	455,000	453,186	447,071	6,115
Total expenses	455,000	453,186	447,071	6,115
Net change in fund equity	(19,441)	(19,441)	(11,509)	7,932
Fund equity at beginning of year	19,441	19,441	19,441	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,932</u>	<u>\$ 7,932</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, 2005

	<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	\$ 568,666	\$ 548,728	\$ 560,499	\$ 11,771
Total revenues	568,666	548,728	560,499	11,771
Expenses:				
Contractual services	600,000	588,228	535,743	52,485
Total expenses	600,000	588,228	535,743	52,485
Excess (deficiency) of revenues over (under) expenses	(31,334)	(39,500)	24,756	64,256
Transfers in	-	8,166	-	(8,166)
Net change in fund equity	(31,334)	(31,334)	24,756	56,090
Fund equity at beginning of year	<u>31,334</u>	<u>31,334</u>	<u>31,334</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,090</u>	<u>\$ 56,090</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 2,847,808	\$ 2,847,808	\$ -
Total operating revenues.	-	2,847,808	2,847,808	-
Expenses:				
Contractual services	-	2,876,120	2,847,808	28,312
Total expenses	-	2,876,120	2,847,808	28,312
Deficiency of revenues under expenses	-	(28,312)	-	28,312
Transfers in	-	28,312	-	(28,312)
Net change in fund equity	-	-	-	-
Fund equity at beginning of year	-	-	-	-
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

FUND DESCRIPTIONS

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

Agency Funds

OSP Fines Fund

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

Sewer and Street Opening Fund

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

Building Security Fund

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

Payroll Agency Fund

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

Municipal Court Fund

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

Transient Occupancy Tax Fund

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

Internet Auction Fund

To account for the monies collected for the sale of equipment on the internet. Monies collected are 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
 DECEMBER 31, 2005

	<u>Balance 01/01/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
OSP Fines				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 60,745	\$ 60,745	\$ -
Receivables (net of allowances of uncollectibles):				
Due from other governments	4,015	60,611	60,745	3,881
Total assets	<u>\$ 4,015</u>	<u>\$ 121,356</u>	<u>\$ 121,490</u>	<u>\$ 3,881</u>
Liabilities:				
Due to individuals	<u>\$ 4,015</u>	<u>\$ 60,611</u>	<u>\$ 60,745</u>	<u>\$ 3,881</u>
Total liabilities.	<u>\$ 4,015</u>	<u>\$ 60,611</u>	<u>\$ 60,745</u>	<u>\$ 3,881</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 13,666	\$ 8,430	\$ 6,400	\$ 15,696
Total assets	<u>\$ 13,666</u>	<u>\$ 8,430</u>	<u>\$ 6,400</u>	<u>\$ 15,696</u>
Liabilities:				
Due to individuals	<u>\$ 13,666</u>	<u>\$ 8,430</u>	<u>\$ 6,400</u>	<u>\$ 15,696</u>
Total liabilities.	<u>\$ 13,666</u>	<u>\$ 8,430</u>	<u>\$ 6,400</u>	<u>\$ 15,696</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 9,446	\$ 31,633	\$ 21,513	\$ 19,566
Total assets	<u>\$ 9,446</u>	<u>\$ 31,633</u>	<u>\$ 21,513</u>	<u>\$ 19,566</u>
Liabilities:				
Due to individuals	<u>\$ 9,446</u>	<u>\$ 31,633</u>	<u>\$ 21,513</u>	<u>\$ 19,566</u>
Total liabilities.	<u>\$ 9,446</u>	<u>\$ 31,633</u>	<u>\$ 21,513</u>	<u>\$ 19,566</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 196,096	\$ 26,108,093	\$ 26,121,893	\$ 182,296
Total assets	<u>\$ 196,096</u>	<u>\$ 26,108,093</u>	<u>\$ 26,121,893</u>	<u>\$ 182,296</u>
Liabilities:				
Due to other governments	\$ 152,715	\$ 15,049,906	\$ 15,058,513	\$ 144,108
Due to individuals	43,381	11,058,187	11,063,380	38,188
Total liabilities.	<u>\$ 196,096</u>	<u>\$ 26,108,093</u>	<u>\$ 26,121,893</u>	<u>\$ 182,296</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2005

	<u>Balance</u> <u>01/01/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/05</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 474,756	\$ 5,189,598	\$ 5,187,970	\$ 476,384
Investments.	<u>205,000</u>	<u>25,000</u>	<u>-</u>	<u>230,000</u>
Total assets	<u>\$ 679,756</u>	<u>\$ 5,214,598</u>	<u>\$ 5,187,970</u>	<u>\$ 706,384</u>
Liabilities:				
Due to other governments	\$ 218,015	\$ 3,041,468	\$ 3,046,063	\$ 213,420
Due to individuals	1,064	29,767	30,325	506
Undistributed monies	<u>460,677</u>	<u>2,143,363</u>	<u>2,111,582</u>	<u>492,458</u>
Total liabilities.	<u>\$ 679,756</u>	<u>\$ 5,214,598</u>	<u>\$ 5,187,970</u>	<u>\$ 706,384</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,497	\$ 188,778	\$ 192,275	\$ -
Receivables (net of allowances of uncollectibles):				
Taxes	<u>9,637</u>	<u>187,915</u>	<u>188,778</u>	<u>8,774</u>
Total assets	<u>\$ 13,134</u>	<u>\$ 376,693</u>	<u>\$ 381,053</u>	<u>\$ 8,774</u>
Liabilities:				
Due to other governments	\$ 3,187	\$ 37,745	\$ 34,870	\$ 6,062
Due to individuals	<u>9,947</u>	<u>150,171</u>	<u>157,406</u>	<u>2,712</u>
Total liabilities.	<u>\$ 13,134</u>	<u>\$ 187,916</u>	<u>\$ 192,276</u>	<u>\$ 8,774</u>
Internet Auction				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 39,363	\$ 28,943	\$ 42,146	\$ 26,160
Total assets	<u>\$ 39,363</u>	<u>\$ 28,943</u>	<u>\$ 42,146</u>	<u>\$ 26,160</u>
Liabilities:				
Due to other governments	\$ 37,660	\$ 26,178	\$ 39,362	\$ 24,476
Due to individuals	<u>1,703</u>	<u>2,765</u>	<u>2,784</u>	<u>1,684</u>
Total liabilities.	<u>\$ 39,363</u>	<u>\$ 28,943</u>	<u>\$ 42,146</u>	<u>\$ 26,160</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2005

	<u>Balance 01/01/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 460	\$ 3,238	\$ 3,170	\$ 528
Total assets	<u>\$ 460</u>	<u>\$ 3,238</u>	<u>\$ 3,170</u>	<u>\$ 528</u>
Liabilities:				
Due to governments	\$ 460	\$ 3,238	\$ 3,170	\$ 528
Total liabilities.	<u>\$ 460</u>	<u>\$ 3,238</u>	<u>\$ 3,170</u>	<u>\$ 528</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 700	\$ 50	\$ 200	\$ 550
Total assets	<u>\$ 700</u>	<u>\$ 50</u>	<u>\$ 200</u>	<u>\$ 550</u>
Liabilities:				
Due to individuals	\$ 700	\$ 50	\$ 200	\$ 550
Total liabilities.	<u>\$ 700</u>	<u>\$ 50</u>	<u>\$ 200</u>	<u>\$ 550</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 541,888	\$ 5,511,415	\$ 5,514,419	\$ 538,884
Cash and cash equivalents with fiscal agents	196,096	26,108,093	26,121,893	182,296
Investments.	205,000	25,000	-	230,000
Receivables (net of allowances of uncollectibles):				
Taxes	9,637	187,915	188,778	8,774
Due from other governments	4,015	60,611	60,745	3,881
Total assets	<u>\$ 956,636</u>	<u>\$ 31,893,034</u>	<u>\$ 31,885,835</u>	<u>\$ 963,835</u>
Liabilities:				
Due to other governments	\$ 412,037	\$ 18,158,535	\$ 18,181,978	\$ 388,594
Due to individuals	83,922	11,341,614	11,342,753	82,783
Undistributed monies	460,677	2,143,363	2,111,582	492,458
Total liabilities.	<u>\$ 956,636</u>	<u>\$ 31,643,512</u>	<u>\$ 31,636,313</u>	<u>\$ 963,835</u>

STATISTICAL SECTION

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

CITY OF MANSFIELD, OHIO

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN YEARS (1)
(AMOUNTS IN 000'S)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Public Safety	\$ 794	\$ 884	\$ 902	\$ 1,119	\$ 1,120	\$ 1,262	\$ 1,061	\$ 928	\$ 898	\$ 1,027
Public Health and Welfare	28	29	28	28	30	30	30	59	42	41
Leisure Time Activities	831	862	841	968	1,064	1,012	836	528	391	419
Community Environment	485	463	511	582	545	595	553	467	390	474
General Government	6,086	6,663	6,592	7,786	7,999	8,347	7,844	6,274	6,649	6,702
Interest	-	-	-	-	-	-	-	-	44	-
Total	<u>\$ 8,224</u>	<u>\$ 8,901</u>	<u>\$ 8,874</u>	<u>\$ 10,483</u>	<u>\$ 10,758</u>	<u>\$ 11,246</u>	<u>\$ 10,324</u>	<u>\$ 8,256</u>	<u>\$ 8,414</u>	<u>\$ 8,663</u>

(1) Includes only the general fund.

Source: Finance Department; City of Mansfield, Ohio

CITY OF MANSFIELD, OHIO

GENERAL GOVERNMENT REVENUES BY SOURCE
LAST TEN YEARS (1)
(AMOUNTS IN 000'S)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Property and Other Taxes	\$ 1,401	\$ 1,532	\$ 1,580	\$ 1,554	\$ 1,685	\$ 1,955	\$ 1,838	\$ 1,941	\$ 1,976	\$ 2,545
Municipal Income Taxes	224	892	445	457	430	446	951	395	743	769
Special Assessments	7	12	16	13	20	30	23	46	25	148
Intergovernmental	3,511	3,828	4,883	4,799	5,418	4,754	4,283	4,516	4,528	4,128
Charges for Services	46	43	32	44	40	40	43	36	82	103
Licenses, Permits and Fees	362	348	415	475	419	419	406	456	684	498
Fines and Forfeitures	1,494	1,520	1,588	1,495	1,532	1,543	1,515	1,375	1,319	1,283
Investment Income	1,099	1,085	1,151	991	1,785	1,034	606	446	263	876
Other	35	58	43	89	83	40	190	161	89	119
Total	\$ 8,179	\$ 9,318	\$ 10,153	\$ 9,917	\$ 11,412	\$ 10,261	\$ 9,855	\$ 9,372	\$ 9,709	\$ 10,469

(1) Includes only the general fund.

Source: Finance Department; City of Mansfield, Ohio

CITY OF MANSFIELD, OHIO

**REAL PROPERTY TAXES - BILLED AND COLLECTED
LAST TEN YEARS**

Collection Year	Billed (1)	Collected (2)	% Collected	Delinquent	
				Current	Accumulated
2005	\$ 2,005,354	\$ 1,715,128	86.0%	\$ 290,225	\$ 2,227,947
2004	2,004,286	2,002,840	99.9%	266,966	2,324,311
2003	1,900,247	1,715,056	90.2%	262,544	2,057,345
2002 (3)	1,868,997	1,636,801	87.5%	243,604	1,794,801
2001	2,671,096	2,634,667	98.6%	316,140	1,551,197
2000	2,709,006	2,649,291	97.8%	251,848	1,514,768
1999	2,277,372	2,572,404	112.9%	412,503	1,455,053
1998	2,337,323	2,337,330	100.0%	105,217	1,101,247
1997	2,313,875	2,131,475	92.1%	206,922	1,141,254
1996	2,257,715	2,182,732	96.7%	183,992	958,854

(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

**TANGIBLE PERSONAL PROPERTY TAXES - BILLED AND COLLECTED
LAST TEN YEARS**

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>% Collected</u>	<u>Delinquent</u>	
				<u>Current</u>	<u>Accumulated</u>
2005	\$ 488,035	\$ 484,641	99.3%	\$ 3,394	\$ 107,463
2004	495,186	487,072	98.4%	8,114	113,825
2003	429,084	421,587	98.2%	7,497	127,004
2002 (2)	435,686	427,099	98.0%	8,587	119,507
2001	454,467	446,200	98.2%	8,267	110,290
2000	633,510	615,018	97.0%	18,492	102,023
1999	614,053	579,394	94.4%	34,658	83,351
1998	558,658	534,485	95.7%	36,688	48,692
1997	548,516	566,082	103.2%	34,717	59,236
1996	514,259	510,123	99.2%	4,403	42,085

(1) "Collected" includes only those relating to current billings.

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

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

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

Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
2005 (4)	\$ 615,981,970	\$ 1,759,948,486	\$ 145,405,712	\$ 605,857,133
2004	553,471,750	1,581,347,857	145,331,157	631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208
2000	512,865,440	1,465,329,830	138,798,968	555,195,870
1999 (4)	425,438,580	1,215,538,800	123,722,561	494,890,244
1998	418,068,420	1,194,481,200	124,742,880	498,971,520
1997	412,653,410	1,179,009,743	103,856,310	415,425,240
1996 (3)	389,147,450	1,111,849,857	87,458,330	349,833,320

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update Year

(4) Reappraisal Year

Source: Richland County Auditor

Public Utility (2)		Totals		Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Estimated Actual	
\$ 22,294,140	\$ 63,697,543	\$ 783,681,822	\$ 2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	2,065,659,868	32.44%
32,355,880	92,445,400	684,020,288	2,112,971,100	32.37%
31,699,550	90,570,143	580,860,691	1,800,999,187	32.25%
34,050,070	97,285,914	576,861,370	1,790,738,634	32.21%
35,051,420	100,146,914	551,561,140	1,694,581,897	32.55%
36,865,250	105,329,286	513,471,030	1,567,012,463	32.77%

CITY OF MANSFIELD, OHIO

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

Collection Year	Operating (3)	Police and Fire Pension	Debt Retirement (2)	City of Mansfield	Richland County	Mansfield City School District	Total
2005	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 11.40	\$ 66.05	\$ 81.05
2004	3.00	0.60	-	3.60	11.40	66.05	81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25
2000	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1999	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1998	3.00	0.60	1.50	5.10	11.00	59.05	75.15
1997	3.00	0.60	1.70	5.30	11.00	59.35	75.65
1996	3.00	0.60	1.70	5.30	11.00	60.15	76.45

(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

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>Percent Collected</u>	<u>Accumulated Delinquent</u>
2005	\$ 41,549	\$ 29,714	72%	\$ 664,200
2004	74,549	37,359	50%	652,365
2003	132,315	61,697	47%	615,175
2002	109,960	66,195	60%	632,062
2001	119,085	85,266	72%	588,297
2000	85,800	67,600	79%	554,478
1999	80,410	65,350	81%	536,278
1998	148,265	98,550	66%	521,218
1997	101,770	88,486	87%	471,476
1996	97,519	94,942	97%	458,192

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

Source: Richland County Auditor

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
(DOLLAR AMOUNTS IN 000'S)

Year	Population (1)	Assessed Value (3)	Gross General Obligation Bonded Debt (2,4)	Less Debt Service Fund Balance (4)	Less Debt Payable from Enterprise Revenues
2005	51,600	\$ 783,682	\$ 6,845	\$ 1,202	\$ 2,805
2004	51,600	720,973	7,835	1,946	3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910
2000	51,600	684,020	6,955	2,946	4,230
1999	50,627	580,860	8,030	1,938	4,893
1998	50,627	576,861	9,230	2,497	5,287
1997	50,627	551,561	10,295	2,369	5,300
1996	50,627	513,471	11,405	2,226	5,710

(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>
\$ -	\$ 2,838	0.36%	\$ 55.00
-	2,789	0.39%	54.05
-	4,723	0.67%	91.53
-	4,863	0.72%	94.24
-	(1,498) (5)	0.00%	-
-	(221) (5)	0.00%	-
-	1,199	0.21%	23.68
-	1,446	0.25%	28.56
-	2,626	0.48%	51.87
-	3,469	0.68%	68.52

CITY OF MANSFIELD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5 1/2%)
AT DECEMBER 31, 2005**

COMPUTATION OF UNVOTED LEGAL DEBT MARGIN

Assessed Value		\$	<u>783,681,822</u>
Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation			43,102,500
Total Unvoted Debt Outstanding at December 31, 2005	\$	6,845,000	
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues		<u>(2,805,000)</u>	
Debt Within 5 1/2 Percent Limitation		4,040,000	
Less: Debt Service Fund Balance		<u>(1,202,435)</u>	
Net Debt Subject to 5 1/2 Percent Limitation			<u>2,837,565</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		\$	<u>40,264,935</u>

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
VOTED AND UNVOTED DEBT LIMIT (10 1/2%)
AT DECEMBER 31, 2005**

COMPUTATION OF OVERALL LEGAL DEBT MARGIN

Assessed Value		<u>\$ 783,681,822</u>
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation		82,286,591
Total Voted and Unvoted Debt Outstanding at December 31, 2005	\$ 6,845,000	
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues	<u>(2,805,000)</u>	
Debt Within 10 1/2 Percent Limitation	4,040,000	
Less: Debt Service Fund Balance	<u>(1,202,435)</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>2,837,565</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u>\$ 79,449,026</u>

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2005

<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	\$ 2,838,000	100.00%	\$ 2,838,000
Overlapping Debt:			
Richland County	32,616,000	33.95%	11,073,132
Mansfield City School District	18,354,802	67.19%	12,332,591
Crestview Local School District	4,489,618	13.22%	593,527
Lexington Local School District	130,000	44.08%	57,304
Madison Local School District	809,680	53.51%	433,260
Ontario Local School District	17,299,249	49.40%	8,545,829
Pioneer Career and Technology Center	520,000	32.73%	170,196
Mansfield-Richland County Library	975,000	38.63%	376,643
	<u>\$ 78,032,349</u>		<u>\$ 36,420,482</u>
Total Direct and Overlapping Debt			

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

CITY OF MANSFIELD, OHIO

RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS (1)

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Expenditures
2005	\$ 695,000	\$ 202,750	\$ 897,750	\$ 8,662,771	10.36%
2004	705,000	227,200	932,200	8,414,262	11.08%
2003	840,000	408,648	1,248,648	8,256,114	15.12%
2002	525,000	77,310	602,310	10,323,950	5.83%
2001	715,000	108,475	823,475	11,246,487	7.32%
2000	720,000	138,790	858,790	10,757,675	7.98%
1999	855,000	187,970	1,042,970	10,482,912	9.95%
1998	525,000	194,765	719,765	8,873,861	8.11% (2)
1997	765,000	379,085	1,144,085	8,900,721	12.85%
1996	745,000	425,525	1,170,525	8,224,979	14.23%

(1) General bonded debt expenditures in this table refers only to principal and interest for general obligation debt paid from the debt service fund and not general obligation debt paid from special assessments or enterprise funds.

(2) The principal and interest for general obligation debt paid from the debt service fund is lower because 1987 Sewer Treatment Plant improvement bonds were retired as of November 1998.

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

GENERAL OBLIGATION AND REVENUE BOND COVERAGE
WATER AND SEWER BONDS
LAST TEN YEARS

Year	Operating Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (1)			Coverage %
				Principal	Interest	Total	
<u>Water</u>							
2005	\$ 8,343,947	\$ 6,572,997	\$ 1,770,950	\$ 295,000	\$ 179,310	\$ 474,310	3.73
2004	7,952,678	6,885,565	1,067,113	280,000	193,903	473,903	2.25
2003	7,439,411	6,573,158	866,253	270,000	207,633	477,633	1.81
2002	6,120,456	5,954,985	165,471	260,000	220,525	480,525	0.34
2001	6,764,421	5,493,767	1,270,654	245,000	232,340	477,340	2.66
2000	6,691,283	5,260,934	1,430,349	230,000	249,810	479,810	2.98
1999	6,071,535	4,889,865	1,181,670	250,000	272,340	522,340	2.26
1998	5,795,163	4,149,921	1,645,242	240,000	283,098	523,098	3.15
1997	5,584,303	4,691,555	892,748	255,000	294,385	549,385	1.62
1996	5,335,803	4,047,749	1,288,054	245,000	304,798	549,798	2.34
<u>Sewer</u>							
2005	8,395,183	6,227,550	2,167,633	-	-	-	-
2004	7,863,166	6,345,814	1,517,352	-	-	-	-
2003	6,788,952	5,735,172	1,053,780	-	-	-	-
2002	5,300,947	5,274,709	26,238	-	-	-	-
2001	5,302,102	5,457,321	(155,219)	75,000	4,031	79,031	-
2000	5,105,072	5,282,641	(177,569)	95,000	9,313	104,313	-
1999	5,178,065	4,356,216	821,849	95,000	14,594	109,594	7.50
1998	5,440,364	4,931,726	508,638	130,000	22,000	152,000	3.35
1997	4,929,424	4,567,078	362,346	155,000	30,719	185,719	1.95
1996	4,814,818	4,788,439	26,379	155,000	39,438	194,438	0.14

(1) Current year only.

(2) Net of depreciation expense.

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

DEMOGRAPHIC STATISTICS
DECEMBER 31, 2005

<u>Population</u>				
<u>Year</u>	<u>City of Mansfield</u>	<u>Richland County</u>	<u>2000 Median Age</u>	
2000	51,600	128,852	Mansfield	36.4
1990	50,627	126,137	Richland	37.7
1980	53,927	131,205	Ohio	36.2
1970	55,047	129,997		
1960	47,325	117,761		

<u>Housing and Income Statistics</u>	<u>City of Mansfield</u>	<u>Richland County</u>	<u>State of Ohio</u>
Total Housing Units	22,267	53,062	4,783,051
Total year-round occupied units	20,182	49,534	4,445,773
Owner occupied (Percent of total year-round)	57.6%	71.5%	69.1%

Source: U.S. Bureau of Census, Census 2000

<u>Unemployment Rates</u>			
<u>Year</u>	<u>City of Mansfield</u>	<u>State of Ohio</u>	<u>United States</u>
2005	6.3%	5.9%	4.9%
2004	7.1%	6.1%	5.4%
2003	7.9%	6.2%	5.7%
2002	6.7%	5.2%	6.0%
2001	6.9%	4.5%	5.4%

Source: U.S. Bureau of Labor Services

CITY OF MANSFIELD, OHIO

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Year	Commercial Construction		Residential Construction		Bank Deposits (1,2)	Assessed Property Value (3)		
	Number of Units	Value	Number of Units	Value		Commercial/Industrial	Residential/Agriculture	Nontaxable
2005	105	\$ 43,521,076	114	\$ 11,944,875	\$ 373,398	\$ 180,324,420	\$ 435,657,550	\$ 173,122,400
2004	108	26,975,415	209	13,576,835	386,652	168,674,990	385,723,970	181,768,980
2003	99	12,163,425	111	11,199,171	861,673	164,463,110	382,987,000	159,429,790
2002	93	15,928,570	197	11,421,898	858,312	167,490,150	348,388,550	156,332,510
2001	97	51,410,100	107	9,210,255	828,782	161,299,780	346,749,920	153,733,650
2000	117	42,086,297	226	9,976,497	768,325	166,013,230	346,725,290	149,263,330
1999	392	43,048,998	186	6,840,548	774,137	166,140,150	346,725,290	149,263,330
1998	123	26,720,533	211	7,956,786	746,517	147,651,220	271,851,010	128,364,160
1997	129	27,117,882	200	6,651,672	685,174	148,358,570	269,709,850	126,303,570
1996	81	14,069,914	191	7,471,295	1,013,018	145,934,840	266,718,970	121,622,070

(1) Figures reflect totals for Richland County

(2) Source for bank deposits: Department of Data Services, Federal Reserve Bank of Cleveland, amounts in thousands.

(3) Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

REAL AND TANGIBLE PERSONAL PROPERTY
PRINCIPAL TAXPAYERS
DECEMBER 31, 2005

Real: Excluding Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Newman Technology	Manufacturing	\$ 4,406,810	0.72%
SSI Mansfield	Educational Supplies	2,818,420	0.46%
Willard Rental Properties	Rentals	2,321,800	0.38%
AK Steel Corporation	Steel and Steel Products	2,310,070	0.38%
Crane Plumbing	Manufacturing	1,919,420	0.31%
Jay Industries	Manufacturing	1,839,740	0.30%
Shiloh Corporation	Tool & Die	1,710,100	0.28%
City of Mansfield	Government	1,646,460	0.27%
Therm-O-Disc	Thermostats	1,619,280	0.26%
Stimens Apartments	Rentals	1,500,420	0.24%
Totals		<u>\$ 22,092,520</u>	<u>3.60%</u>

Tangible Personal: Excluding Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Newman Technology	Manufacturing	\$ 27,881,650	19.18%
AK Steel Corporation	Steel and Steel Products	18,200,730	12.52%
Jay Industries	Manufacturing	9,103,660	6.26%
Gorman Rupp Company	Pumps and Pumping Units	7,806,330	5.37%
Therm-O-Disc	Thermostats	5,761,300	3.96%
Shiloh Corporation	Tool & Die	3,442,830	2.37%
Graham Chevrolet	Car Dealership	2,441,300	1.68%
Ideal Electric	Electric Motors, Generators	2,284,710	1.57%
Weidner Pontiac	Car Dealership	2,234,230	1.54%
C.I.I. Technology Corporation	Manufacturing	1,950,050	1.34%
Totals		<u>\$ 81,106,790</u>	<u>55.79%</u>

Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Utility</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Sprint	Telephones	\$ 9,739,970	43.69%
Ohio Edison	Electric	6,171,720	27.68%
American Transmissions	Electric	3,643,200	16.34%
Columbia Gas Company	Natural Gas	2,013,740	9.03%
Totals		<u>\$ 21,568,630</u>	<u>96.74%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2005

Date of incorporation	1857
Form of government	Council/Mayor
Area - square miles	29.02
Miles of streets	295
Fire Protection:	
Number of stations	5
Number of sworn firemen	100
Police Protection:	
Number of stations	1
Number of sworn policemen	86
Municipal Water Department:	
Number of customers	20,329
Average daily consumption (gallons)	10,000,000
Miles of water mains	250
Municipal Sewage System:	
Miles of sanitary sewer	200
Mansfield Parks System:	
Number of parks	28
Area (number of acres)	435
Transportation:	
Air	
Number of airports	1
Land	
Number of trucking firms	16
Interstate bus lines	1
Local bus lines	1
Rail	
Number of railroad systems	2
Education (students)	
Ohio State University - Mansfield Branch	1,536
North Central State College	2,948



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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
DECEMBER 12, 2006**