

Dave Yost • Auditor of State

CITY OF MANSFIELD
RICHLAND COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2011, wherein we noted the City restated its remaining fund information (other governmental funds') fund balance, and governmental activities, business-type activities and water and sewer enterprise funds' net assets. We also noted the City is in fiscal emergency. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider significant deficiencies in internal control over financial reporting. We consider findings 2010-003 and 2010-004 to be significant deficiencies. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2010-001 and 2010-002.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 30, 2011.

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

We intend this report solely for the information and use of management, the audit committee, City Council, federal awarding agencies and pass-through entities, and others within the City. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

June 30, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the City Council:

Compliance

We have audited the compliance of the City of Mansfield, Richland County, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 of Mansfield, Richland County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings and questioned costs lists these instances as Findings 2010-005 through 2010-007.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could directly and materially affect a major federal program, 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, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies, described in the accompanying schedule of findings and questioned costs as items 2010-005 through 2010-007. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011, wherein we noted the City restated its remaining fund information (other governmental funds') fund balance, and governmental activities, business-type activities and water and sewer enterprise funds' net assets. We also noted the City is in fiscal emergency. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

We also noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 30, 2011.

We intend this report solely for the information and use of the audit committee, management, City Council, others within the City, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 30, 2011

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**CITY OF MANSFIELD
RICHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Receipts	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed through the Ohio Department of Education:</i>				
National School Lunch Program	10.555	N/A N/A	\$30,446 0	\$26,434 3,546
Total U.S. Department of Agriculture/National School Lunch Program			<u>30,446</u>	<u>29,980</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Program:</i>				
Community Development Block Grants Cluster:				
Community Development Block Grants/Entitlement Grant	14.218	CB-03-MC-39-0017 CB-04-MC-39-0017 CB-06-MC-39-0017 CB-07-MC-39-0017 CB-08-MC-39-0017 CB-09-MC-39-0017 CB-10-MC-39-0017	550 19,781 87,350 81,786 35,275 254,850 398,139	550 19,781 88,419 85,987 63,376 254,158 391,433
Total Community Development Block Grants/Entitlement Grant			<u>877,731</u>	<u>903,704</u>
ARRA - Community Development Block Grant/Entitlement Grants	14.253	CB-08-MC-39-0017	<u>121,383</u>	<u>121,383</u>
Total Community Development Block Grants Cluster			999,114	1,025,087
Community Development Block Grants/State's Program	14.228	A-Z-08-288-1	1,056,286	1,085,946
HOME Investment Partnerships Program	14.239	M-03-MC-39-0221 M-06-MC-39-0221 M-08-MC-39-0221 M-09-MC-39-0221 M-10-MC-39-0221	7,392 550 92,920 122,555 25,802	7,392 550 57,368 120,607 987
Total HOME Investment Partnerships Program			<u>249,219</u>	<u>186,904</u>
Total U.S. Department of Housing and Urban Development			2,304,619	2,297,937
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
Local Law Enforcement Block Grants Program	16.592	2006-DJ-BX-0743 2007-DJ-BX-1073	0 0	9,651 23,356
Total Local Law Enforcement Block Grants Program			<u>0</u>	<u>33,007</u>
Bulletproof Vest Partnership Program	16.607	2007BUBX07039001	0	2,780
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2009RKWX0687	268,122	371,684
Support for Adam Walsh Act Implementation Grant Program	16.750	2008-DD-BX-0047	0	12,042
<i>Passed through the Ohio Office of Criminal Justice Services:</i>				
ARRA - Violence Against Women Formula Grants	16.588	2009-AR-VA2-1262	80,653	95,193
Paul Coverdell Forensic Sciences Improvement Program	16.742	2009-PC-NFS-7809	7,173	15,002
Edward Byrne Memorial Justice Assistance Grant Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0617 08-JG-A01-6404 09-JG-A01-6404 2009-DL-LEF-5808	14,430 70,755 75,104 187,500	14,430 44,697 178,225 187,500
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>347,789</u>	<u>424,852</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-RA-C01-2046 2009-RA-A01-2067 2009-RA-A02-2314	105,646 228,515 323,538	85,361 352,224 453,799
Total ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories			<u>657,699</u>	<u>891,384</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SC-B9-0091 2009-SB-B9-0112	93,469 0	131,366 17,594
Total ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government			<u>93,469</u>	<u>148,960</u>
Total Edward Byrne Memorial Justice Assistance Grant Program Cluster			1,098,957	1,465,196

CITY OF MANSFIELD
RICHLAND COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Receipts	Federal Expenditures
Passed through the Ohio Bureau of Criminal Identification & Investigation, Office of the Attorney General:				
DNA Index System Backlog Reduction	16.564	2008-DN-BX-K099 2009-DN-BX-K146 2010-DN-BX-K046	\$76,855 47,691 0	\$40,555 76,149 6,021
Total DNA Index System Backlog Reduction			<u>124,546</u>	<u>122,725</u>
Passed through the Ohio Attorney General's Office:				
Crime Victim Assistance	16.575	2010VAGENE019 2010SAGENE019 2011VAGENE019 2011SAGENE019	34,127 0 7,615 4,182	31,685 3,600 14,404 1,308
Total Crime Victim Assistance			<u>45,924</u>	<u>50,997</u>
Passed through the Ohio Office of Criminal Justice Services: Passed through the City of Cleveland:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	N/A	0	64,862
Passed through the National Association of Police Athletic League, Inc.:				
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	2009-SC-B9-0162	<u>783</u>	<u>11,255</u>
Total U.S. Department of Justice			1,626,158	2,244,743
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106	3-39-0049-2308 3-39-0049-2409 3-39-0049-2510	538 6,618 851,253	0 6,618 851,253
Total Airport Improvement Program			<u>858,409</u>	<u>857,871</u>
Passed through the Ohio Department of Transportation:				
Highway Planning and Construction	20.205	77986-14680 83950-15025	205,840 205,523 411,363	205,840 205,523 411,363
ARRA - Highway Planning and Construction	20.205	86371-15839 86368-23260	1,283,176 939,288 2,222,464	1,283,176 939,288 2,222,464
Total Highway Planning and Construction			2,633,827	2,633,827
Passed through the Ohio Department of Public Safety - The Governor's Highway Safety Office:				
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	2010-70-00-00-00292-00 2011-70-00-00-00568-00	21,990 0	19,514 3,457
Total Alcohol Impaired Driving Countermeasures Incentive Grants			<u>21,990</u>	<u>22,971</u>
Total U.S. Department of Transportation			<u>3,514,226</u>	<u>3,514,669</u>
U.S. Department of Energy				
Direct Program:				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0001551	59,195	12,754
U.S. Department of Homeland Security				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2009-FO-11348	<u>230,040</u>	<u>230,973</u>
Total			<u>\$7,764,684</u>	<u>\$8,331,056</u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF MANSFIELD
RICHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the City of Mansfield's (the City's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE C - CHILD NUTRITION CLUSTER

The City commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the City assumes it expends federal monies first.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010	\$2,253,164
Loans made	69,550
Loan principal repaid	205,145
Ending loans receivable balance as of December 31, 2010	<u>\$2,117,569</u>
Cash balance on hand in the revolving loan fund as of December 31, 2010	\$384,508
Administrative costs expended during 2010	\$2,045

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2010, the City estimates \$762,422 to be uncollectible.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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CITY OF MANSFIELD
RICHLAND COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	<ul style="list-style-type: none"> ➤ CFDA # 14.218 and 14.253 – Community Development Block Grants/Entitlement Grants; ➤ CFDA # 14.228 – Community Development Block Grants/States Program; ➤ CFDA # 16.710 – ARRA - Public Safety Partnership and Community Policing Grants; ➤ CFDA # 16.738, 16.803 and 16.804 – Edward Byrne Memorial Justice Grant Program Cluster; ➤ CFDA # 20.205 – Highway Planning and Construction; ➤ CFDA # 97.044 – Assistance to Firefighters Grant.
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER – 2010-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2010, fund level expenditures of \$20,951,771 exceeded appropriations of \$18,624,794 by \$2,326,977 in the Safety Services Fund.

The City should frequently compare actual expenditures to appropriations at the fund level to avoid overspending.

Officials' Response: The City frequently compares actual expenditures to appropriations to avoid overspending. Unfortunately the 2010 budget was originally passed by City Council without enough funds to maintain anticipated expenditures. The recent establishment of a financial planning and supervision commission will prevent this practice from continuing in the future.

FINDING NUMBER – 2010-002

Noncompliance Citation

Ohio Rev. Code Section 5705.10(H) indicates money paid into any fund shall be used only for the purposes for which such fund is established.

At December 31, 2010, the following funds had negative cash fund balances:

<u>Major Fund:</u>	<u>Deficit Cash Balance *</u>
General Fund	(\$1,488,195)
Safety Services Fund	(1,994,476)
Grant Fund	(59,168)

* The General Fund deficit cash balance represents the balance after advancing money to other deficit funds. The Safety Services and Grant Fund deficit cash balance represents the actual cash balance at year-end before any General Fund advances.

Negative cash fund balances infer revenues from other sources were borrowed to pay obligations of these funds. Additionally, money spent for purposes other than specified in grant agreements could result in the loss of future grant awards.

For reporting purposes, the deficit cash balances were reported as part of the "Interfund payable" liability, and the funds with positive cash balances offsetting these deficits reported a "Interfund receivable" asset. Since the City's cash is pooled, there was no method to determine which funds' cash was used to offset the deficit balances and consequently the "Interfund receivable" amounts related to the deficit cash balances were assigned using certain assumptions.

FINDING NUMBER – 2010-002 (continued)

Noncompliance Citation (continued)

The City should ensure its fund appropriations and expenditures are consistent with the purposes for which the funds were established. The City should consult with its Law Director when questions arise regarding a fund's intended use. Additionally, the City should monitor its cash fund balances, expenditures, and appropriations and attempt to reduce existing, and avoid future, fund deficits.

Officials' Response: The negative cash balance in the Safety Services Fund is the result of being unable to pay for contractual obligations during a time of declining income tax revenues. An advance from the General Fund temporarily remedies the problem in the Safety Services Fund, but causes a negative balance in the General Fund until the advance is paid back on January 1st of the next year. The negative cash balance in the Grant Fund is simply due to the timing of receipts from reimbursable federal grants. The City has taken significant steps to alleviate the negative cash balances. Some of these steps include staff reductions, furlough days and union contract concessions. The City also hopes to pass an additional one quarter of one percent income tax levy.

FINDING NUMBER – 2010-003

Significant Deficiency

IT - Program Change Controls

Well-documented procedures for maintenance of computer application systems is vital to help ensure modified computer applications perform accurately, efficiently, and meet management's requirements. The procedures typically cover such areas as request guidelines, naming conventions, approval procedures for users, approval procedures for IT management, and testing standards and approvals. The procedures are also used to communicate and define a proper segregation of duties within the application change process, including the transfer of programs into production.

The City of Mansfield IT department does not have formal written procedures to track, monitor, remediate, test, implement, and document program changes. The new helpdesk system, SYSAid, used for requesting changes does not document an authorization for the change or authorization to move the program into production. In addition, throughout the audit period, the mainframe administrator who is responsible for all program changes had the access authorities to modify the application code, complete the testing of the changes, and also migrate the changed program(s) into the production environment.

During our detailed testing we noted the following weaknesses:

- Five of the 27 (19%) program changes made in 2010 were not requested on a form or helpdesk ticket.
- Comment sections within the programming source code detailing the changes made were not updated or did not exist for 12 of the 27 (44%) program changes made in 2010.
- No test documentation or evidence of end user acceptance of testing performed was maintained for program changes.

Without program change control procedures, critical data processing applications could be improperly modified, resulting in erroneous and unauthorized transaction processing. The lack of segregation of duties or strict monitoring of programs placed into production may result in key programs or data being changed without the knowledge and/or consent of management or the user departments.

FINDING NUMBER – 2010-003 (continued)

Significant Deficiency (continued)

The City of Mansfield IT Department should establish procedures for requesting, approving, documenting and moving tested program changes into production. These standards should include, but not be limited to, procedures for maintaining test documentation to reasonably ensure all key documentation of the testing performed for all program changes is maintained and available. In addition, user acceptance should be obtained for all pertinent changes to help ensure the applications are operating as intended. Each phase of the life cycle should be monitored to comply with the developed standards, be adequately documented, and have appropriate approvals.

Segregation of duties should also be implemented by upgrading the logical access controls of all the IT Department personnel who have access to the financial program and data housed on the mainframe. The migration of the programs into the production environment should be performed by someone without program modification capabilities whenever possible. If the segregation of duties is not possible due to staffing shortages, an independent and timely review of the migration activity should occur to help ensure only authorized changes were migrated into production.

Officials' Response: Even with the implementation of a formalized work order request system, the main frame administrator failed to properly document changes in the request and the actual source code. Some of the programs were tested, but no documentation was completed. Very few changes have been required since then. Necessary changes were performed by an outside consultant in a test environment and verified by in house personnel before being moved into production. In January 2011 the City went live with a new financial software package called New World SYSTEMS. Software changes are made by the developer and installed on a test server before they are moved into production.

FINDING NUMBER – 2010-004

Significant Deficiency

GAAP Issues

Our GAAP basis financial statement testing revealed the following:

- The City calculated the short term compensated absences liability based on the leave amount used during January 2011 rather than using actual severance payments made in 2011 for individuals who retired on or before December 31, 2010. This resulted in the short term compensated absences liability being overstated by \$22,583 in the General Fund. This amount was reported to management as an unadjusted item.
- The City did not include delinquent income taxes receivable in its calculation of taxes receivable. As a result, taxes receivable and deferred revenue were understated by \$261,429 in the Safety Services Fund and \$48,909 in the remaining fund information. These amounts were reported to management as unadjusted items.
- The City incorrectly included cash on hand at December 31, 2010, as an income tax receivable. As a result, taxes receivable and municipal income tax revenue were overstated by \$52,081 in the Safety Services Fund and \$9,743 in the remaining fund information. These amounts were reported to management as unadjusted items.
- The City incorrectly included one receipt as cash on hand at December 31, 2010, in both the water and sewer funds. As a result, cash on hand was overstated \$11,025 in the Water Fund.

FINDING NUMBER – 2010-004 (continued)

Significant Deficiency (continued)

- The City incorrectly included part of the unclaimed monies as of December 31, 2010, as unreserved/undesignated fund balance rather than reserved for unclaimed funds. As a result, unreserved/undesignated fund balance was overstated \$73,761 and reserved for unclaimed funds was understated in the General Fund. This amount was reported to management as an unadjusted item.
- The City incorrectly included part of the Debt Service fund balance as of December 31, 2010, as unreserved/undesignated fund balance rather than reserved for debt service. As a result, unreserved/undesignated fund balance was overstated \$129,128 and reserved for debt service was understated in the remaining fund information. This amount was reported to management as an unadjusted item.
- The City incorrectly credited full accrual adjustments for intergovernmental receivables of \$868,293 to General Revenue grants and entitlement not restricted to specific programs instead of to Program Revenue operating grants and capital grants.
- The City has numerous fully depreciated assets still in use by the City.

The City should exercise due care when compiling and posting GAAP transactions to help ensure the GAAP financial statements are accurate. Management should review the draft GAAP journal entries and financial statements to help ensure they are supported by sufficient documentation, reconciled to the trial balances, free of obvious errors and omissions, and consistent with their financial expectations. These procedures should help avoid GAAP financial statement errors and help ensure more accurate financial reporting. In addition, the City should review the useful lives assigned to capital assets classes. If the assets are consistently being used beyond the useful life, the City should revise its useful life estimates accordingly.

Officials' Response: The implementation and unfamiliarity of the City's new software system led to some immaterial errors and omissions during the GAAP conversion. These items will be corrected in 2011. The City will review the useful lives assigned to fixed asset clarifications during the next phase of software implementation. Adjustments made during implementation should prevent assets from being used beyond the useful life in the future. The City will not dispose of fully depreciated assets that are still in use, but improvements to these assets will depreciate at adjusted useful lives in the future.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

Finding Number	2010-005
CFDA Title and Number	ARRA - Public Safety Partnership and Community Policing Grants CFDA # 16.710
Federal Award Number / Year	2009RKWX0687
Federal Agency	U.S. Department of Justice
Pass-Through Agency	N/A – Direct Program

Questioned Cost/Significant Deficiency

U.S. Department of Justice COPS Hiring Recovery Program (CHRP) Final Funding Memorandum, Revised on August 5, 2009 indicates \$0 and 0 hours of vacation leave and \$2,304 and 120 hours of sick leave annually may be charged to the grant. **2 CFR Part 225 (formerly OMB Circular A-87), Appendix A, Section (C)** indicates to be allowable under Federal awards, costs must meet the following general criteria: (a.) Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

Our testing of the COPS grant revealed, \$8,298 of vacation leave (salary of \$6,278 and projected fringe benefits of \$2,020) was charged to the grant. In addition, there was a total of \$9,745 of sick leave (salary of \$7,373 and projected fringe benefits of \$2,372) charged to the grant, with an allowable amount of \$6,090 (salary of \$4,608 for two employees and projected fringe benefits of \$1,482), resulting in \$3,655 (salary of \$2,765 and projected fringe benefits of \$890) in excess sick leave charged to the grant. The total amount of questioned costs for vacation and sick leave overcharged to the grant is \$11,953.

Furthermore, actual employer retirement and Medicare contributions for four of five employees exceeded the budget by \$354 to \$651 for retirement contributions and \$29 to \$45 for Medicare contributions. However, the total allowable salary and fringe benefits for each employee for the grant was not exceeded, and therefore, these amounts are not included in the questioned cost.

The City should implement procedures to ensure only allowable payroll and fringe benefits are charged to the grant. In addition, the budget should be modified for any changes in the salary resulting in a higher amount of fringe benefits to ensure the budget is not exceeded.

Officials' Response/Corrective Action Plan:

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-005	While expenditures may be over in various line items within the grant, the overall expenditures do not exceed allowable costs per officer. The grant was set up based on the officer's base pay at 2080 hours per year. It is the City's opinion that vacation hours were left blank because the total cost per hour is based on 2080 hours, which may include vacation, sick leave, or other pay statuses. To add specific number for vacation and other types of leave would have exceeded the overall allowable cost based on a 2080 hour year. On July 15, 2011 the City sent an e-mail to the grant coordinator for direction on these issues to ensure compliance. The City will submit a budget adjustment request if currently not in compliance.	July ,2011	Dino Sgambellone, Police Chief

Finding Number	2010-006
CFDA Title and Number	Community Development Block Grants/State's Program CFDA # 14.228
Federal Award Number / Year	A-Z-08-288-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A – Direct Program

Noncompliance Finding/Significant Deficiency

2 CFR Part 225 (formerly OMB Circular A-87), Appendix A, Section (C) documents factors affecting allowability of costs. To be allowable under Federal awards, costs must (j.) Be adequately documented.

Our testing of the Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP) revealed there was a significant delay in being provided with accurate expenditure amounts for the Community Development Department (the Department) grants. Additionally, as discussed in the following paragraph, we noted the allocation of payroll and fringe benefit disbursements of the Department between individual grants was not adequately supported.

The City charges all payroll and fringe benefit disbursements of the Department to CDBG and then internally the Department allocates the payroll and fringe benefit disbursements to the individual grants. However, the Department did not maintain support for the actual payroll and fringe benefit amounts charged to the individual grants. The Department was able to provide Project Requisition Forms which indicated the amount of payroll that should have been charged to each grant, allowing for a percentage of what should have been charged to each grant to be calculated. This percentage was multiplied by the City's total payroll for the Department of \$403,956 and the payroll and fringe benefit amounts that should have been charged to each grant were compared to the check register for each grant showing what was actually charged. The following grants had payroll and fringe benefits overcharged (undercharged) to the grant:

Neighborhood Stabilization Program (NSP)	\$1,761
HOME Investment Partnerships Program (HOME)	9,780
Richland County Fair Housing	9,082
Community Development Block Grant (CDBG)	(18,256)
Economic Development Action Revolving Loan Fund	(2,367)

Additionally, because of the discrepancies noted above regarding errors in the payroll allocation, incorrect amounts were reported to HUD on the CDBG quarterly Federal Cash Transaction Reports (SF 272) and the NSP semi-annual Status Reports.

FINDING NUMBER 2010-006 (continued)

The City should ensure payroll and fringe benefit disbursements are accurately allocated to the various grants within the Department and adequate supporting documentation for the allocation is maintained. This will help ensure expenditures are properly reported to HUD as required, are properly reported on the City's Federal Schedule, and are readily available for review and inspection.

Officials' Response/Corrective Action Plan:

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-006	In the beginning of 2010, the previous Community Development Finance Officer transferred a substantial amount of money into the CDBG account from the NSP account to cover 2009 payroll expenditures. Unfortunately this transfer was not done in a timely manner. The new Community Development Finance Officer is aware of the importance of accurately allocating disbursements to the various grants in a timely manner. She will begin corrective action immediately. As a result, future reports will be accurate and readily available for review and inspection.	Immediately	Cindy Baker, Community Development Manager

Finding Number	2010-007
CFDA Title and Number	Community Development Block Grants/Entitlement Grants CFDA # 14.218
Federal Award Number / Year	CB-03-MC-39-0017 CB-04-MC-39-0017 CB-06-MC-39-0017 CB-07-MC-39-0017 CB-08-MC-39-0017 CB-09-MC-39-0017 CB-10-MC-39-0017
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A – Direct Program

Questioned Cost/Significant Deficiency

24 C.F.R. Section 570.200 (g) indicates, in part, no more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in Section 570.205 and 507.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

FINDING NUMBER 2010-007

For the grant year 2009 (July 1, 2009 - June 30, 2010) Community Development Block Grant program, the City had administrative costs of \$214,151, which exceeded the 20 percent maximum allowable for administrative costs of \$196,818 by \$17,333. As such, we consider the excess \$17,333 a Questioned Cost.

The City should implement procedures to ensure no more than 20 percent of the grant is used for administrative costs.

Officials' Response/Corrective Action Plan:

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-007	A retirement payout in 2009 caused the City to exceed the 20 percent allowable administrative costs. The new Community Development Finance Officer will monitor administrative costs and try to reduce administrative costs immediately.	Immediately	Cindy Baker, Community Development Manager

**CITY OF MANSFIELD
RICHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Significant Deficiency/Noncompliance Citation: Ohio Rev. Code Section 5705.10(H) – The City charged certain employee payroll expenses to funds not consistent with their job duties. In addition, the General Fund had a negative cash balance of \$2,164,866.	No	Not Corrected - Repeated as Finding 2010-002
2009-002	Noncompliance Citation: Ohio Rev. Code Section 5705.41(B) – The City had expenditures exceeding appropriations in the Safety Services fund by \$2,029,760.	No	Not Corrected - Repeated as Finding 2010-001
2009-003	Significant Deficiency: GAAP Issues – The City had various immaterial audit adjustments regarding accounts payable, compensated absences and intergovernmental receivables.	No	Not Corrected - Repeated as Finding 2010-004
2009-004	Significant Deficiency: Program Change Controls – The City does not have formal written procedures to track, monitor, remediate, test, implement, and document program changes.	No	Not Corrected - Repeated as Finding 2010-003
2009-005	Questioned Cost/Significant Deficiency: 2 C.F.R. part 225, App. B 8.g(2) – The City paid a \$14,215 severance payment entirely from the Community Development Block Grant program rather than allocating the cost among all of the Community Development Department grants.	Yes	Finding no longer valid.

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

Prepared By
Department of Finance

Kelly G. Blankenship
Director of Finance

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

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City of Mansfield, Ohio

KELLY BLANKENSHIP, FINANCE DIRECTOR

30 N. Diamond Street
Mansfield, Ohio 44902

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

June 30, 2011,

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

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

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

OVERVIEW AND INTRODUCTION TO THE CITY

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

Other 2010 project highlights are as follows:

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

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

MAJOR INITIATIVES

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

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

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

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

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

FINANCIAL INFORMATION

Basis of Accounting

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

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

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

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

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

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

Internal Controls

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

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

Budgetary Controls

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

INDEPENDENT AUDIT

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

AWARDS

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

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

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

ACKNOWLEDGEMENTS

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

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

A handwritten signature in blue ink that reads "Kelly Blankenship". The signature is written in a cursive, flowing style.

Kelly Blankenship
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

CITY OF MANSFIELD, OHIO

PRINCIPAL OFFICIALS DECEMBER 31, 2010

ELECTED OFFICIALS

EXECUTIVE:

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

LEGISLATIVE:

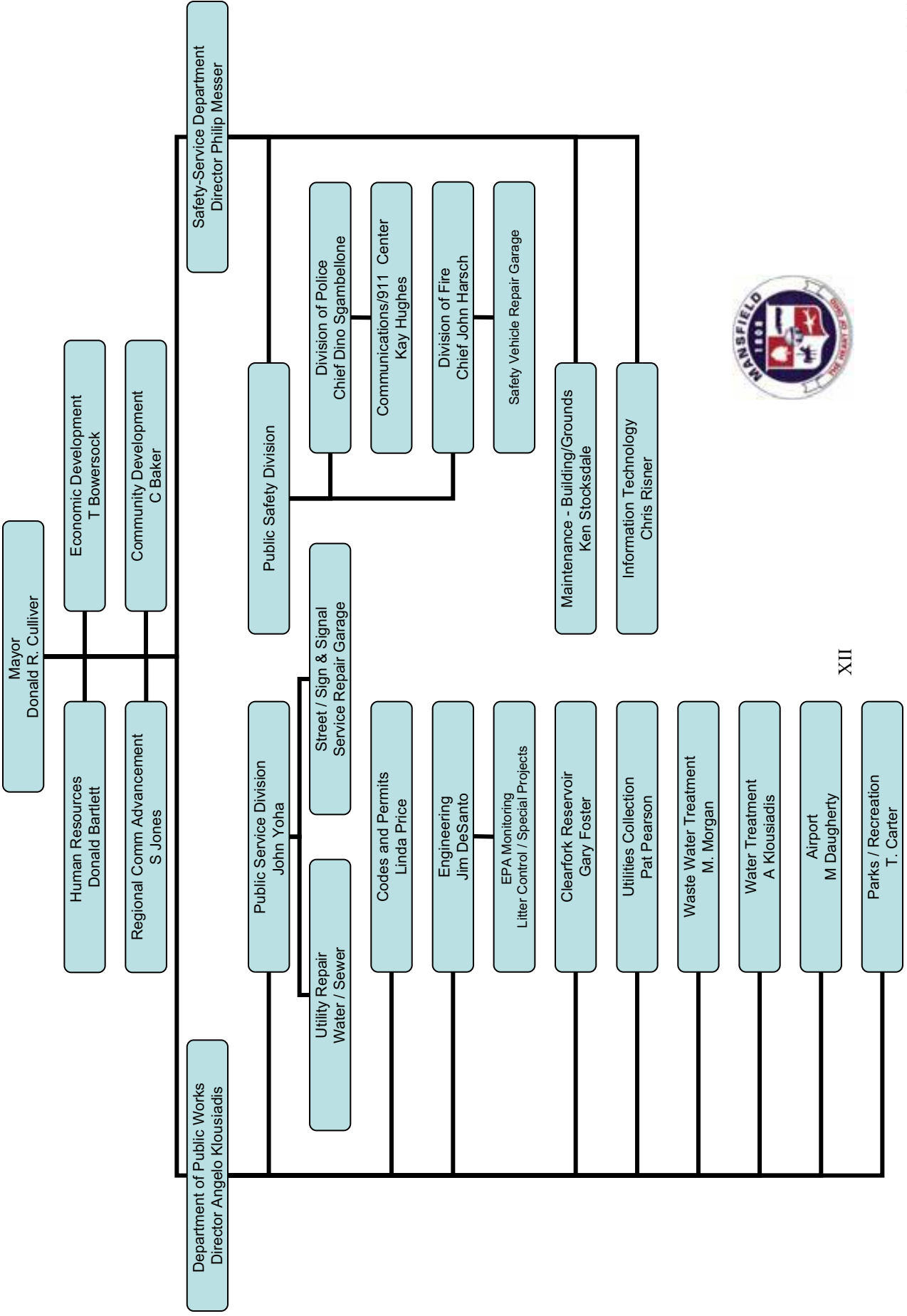
President of Council	Phillip E. Scott
Council Members	
Ward 1	Michael N. Hill
Ward 2	Jeffrey W. Rock
Ward 3	Scott E. Hazen
Ward 4	Walden A. Jefferson
Ward 5	Ethel M. (Pat) Hightower
Ward 6	Sandra G. Carmichael
At Large	Ellen K. Haring
At Large	Douglas P. Versaw

APPOINTED OFFICIALS

Director of Service Safety.....	Philip Messer
Director of Public Works.....	Angelo Klousiadis
Director of Human Resources.....	Donald R. Bartlett
Director of Industrial Development.....	Timothy R. Bowersock
Director of Community Development.....	Cynthia Baker
Director of Regional Community Advancement.....	Sherri R. Jones
Chief of Police.....	Dino Sgambellone
Chief of Fire.....	John C. Harsch

The present terms of the executive branch and the President of Council will expire November 30, 2011. The present terms of the legislative branch will expire November 30, 2011, or November 30, 2013. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

Office of the Mayor Department Organizational Structure City of Mansfield, Ohio





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The Auditor of State served during a portion of the year ended December 31, 2010 as the City's financial supervisor under Ohio Rev. Code Section 118.05(G). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the City because the Auditor of State may assume broad management powers, duties and functions under Ohio Rev. Code Section 118.04. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Rev. Code Section 118.05(G) requires the Auditor of State to provide these supervisory services, and Ohio Rev. Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Development Fund, Safety Services Fund and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the City will continue as a going concern. As discussed in Note 22 to the basic financial statements, the City has suffered recurring losses from operations and has a deficiency that raises substantial doubt about its ability to continue as a going concern. In addition, the Auditor of State has determined a fiscal emergency exists, and a financial planning and supervision commission has assumed certain management responsibilities for the duration of this emergency pursuant to Chapter 3316 of the Ohio Rev. Code. Note 22 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Additionally, as further described in Note 9 to the basic financial statements, the City restated its January 1, 2010 remaining fund information (other governmental funds') fund balance, and governmental activities, business-type activities, and water and sewer enterprise funds' net assets.

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 30, 2011

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

The discussion and analysis of the City of Mansfield's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total net assets of the City increased \$10,570,496. Net assets of governmental activities increased \$5,574,806 or 9.34% from 2009 and net assets of business-type activities increased \$4,995,690 or 10.51% from 2009.
- General revenues accounted for \$28,200,851 of total governmental activities revenue. Program specific revenues accounted for \$21,360,627 or 43.10% of total governmental activities revenue.
- The City had \$43,223,382 in expenses related to governmental activities; \$21,360,627 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$21,862,755 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$28,200,851.
- The City's major governmental funds are the general fund, community development fund, safety services fund and grant fund. The general fund had revenues and other financing sources of \$9,769,874 in 2010. This represents an increase of \$1,041,645 from 2009. The expenditures and other financing uses of the general fund, which totaled \$8,921,805 in 2010, decreased \$1,233,812 from 2009. The net increase in fund balance for the general fund was \$848,069.
- The community development fund had revenues of \$2,594,993 in 2010. The expenditures and other financing uses of the community development fund totaled \$2,646,774 in 2010. The net decrease in fund balance for the community development fund was \$51,781 or 2.96%.
- The safety services fund had revenues of \$20,083,353 in 2010. The expenditures and other financing uses for the safety services fund totaled \$20,539,749 in 2010. The net decrease in fund balance for the safety services fund was \$456,396.
- The grant fund had revenues and other financing sources of \$8,641,132 in 2010. The expenditures for the grant fund totaled \$9,085,289 in 2010. The net decrease in fund balance for the grant fund was \$444,157 or 81.93%.
- Net assets for the business-type activities, which are made up of the water, sewer and airport operating enterprise funds, increased in 2010 by \$4,995,690.
- In the general fund, the actual revenues came in \$266,912 higher than they were in the final budget and actual expenditures were \$360,561 less than the amount in the final budget. These positive variances are the result of the City's conservative revenue estimates and expenditure reductions. Budgeted revenues and expenditures increased \$1,242,000 from the original to the final budget due to an increase in public safety needs.

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities (except fiduciary funds) using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, community development fund, safety services fund, and grant fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-30 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and airport functions. The City's major enterprise funds are the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 31-34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page 35 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-70 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2010 compared to 2009:

Net Assets

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009 (Restated)</u>	Business-Type Activities <u>2010</u>	Business-Type Activities <u>2009 (Restated)</u>	Total <u>2010</u>	Total <u>2009 (Restated)</u>
<u>Assets</u>						
Current and other assets	\$ 26,740,796	\$ 26,161,451	\$ 14,894,925	\$ 11,464,479	\$ 41,635,721	\$ 37,625,930
Capital assets	<u>55,044,425</u>	<u>51,159,332</u>	<u>42,796,985</u>	<u>40,997,785</u>	<u>97,841,410</u>	<u>92,157,117</u>
Total assets	<u>81,785,221</u>	<u>77,320,783</u>	<u>57,691,910</u>	<u>52,462,264</u>	<u>139,477,131</u>	<u>129,783,047</u>
<u>Liabilities</u>						
Long-term liabilities	11,579,749	12,678,332	4,656,850	3,895,336	16,236,599	16,573,668
Other liabilities	<u>4,954,466</u>	<u>4,966,251</u>	<u>484,670</u>	<u>1,012,228</u>	<u>5,439,136</u>	<u>5,978,479</u>
Total liabilities	<u>16,534,215</u>	<u>17,644,583</u>	<u>5,141,520</u>	<u>4,907,564</u>	<u>21,675,735</u>	<u>22,552,147</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	49,379,425	45,218,744	39,214,411	38,192,427	88,593,836	83,411,171
Restricted	17,794,871	8,528,084	3,231,968	2,998,376	21,026,839	11,526,460
Unrestricted	<u>(1,923,290)</u>	<u>5,929,372</u>	<u>10,104,011</u>	<u>6,363,897</u>	<u>8,180,721</u>	<u>12,293,269</u>
Total net assets	<u>\$ 65,251,006</u>	<u>\$ 59,676,200</u>	<u>\$ 52,550,390</u>	<u>\$ 47,554,700</u>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$117,801,396. Net assets were \$65,251,006 and \$52,550,390 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 70.15% of total assets. Capital assets include land, buildings, improvements other than buildings (IOTB), machinery and equipment, construction in progress (CIP) and infrastructure. Capital assets, net of related debt to acquire the assets, were \$49,379,425 and \$39,214,411 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2010, the City is able to report positive balances in all three categories of net assets for the business-type activities.

A portion of the City's net assets, \$21,026,839, represents resources that are subject to external restriction on how they may be used.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The next table shows the changes in net assets for fiscal year 2010 and 2009.

Changes in Net Assets

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-Type Activities <u>2010</u>	Business-Type Activities <u>2009</u>	Total <u>2010</u>	Total <u>2009</u>
Revenues						
Program revenues:						
Charges for services	\$ 6,334,752	\$ 5,380,553	\$ 15,412,320	\$ 14,968,295	\$ 21,747,072	\$ 20,348,848
Operating grants and contributions	9,097,678	6,807,761	-	-	9,097,678	6,807,761
Capital grants and contributions	<u>5,928,197</u>	<u>1,424,961</u>	<u>1,821,086</u>	<u>1,916,402</u>	<u>7,749,283</u>	<u>3,341,363</u>
Total program revenues	<u>21,360,627</u>	<u>13,613,275</u>	<u>17,233,406</u>	<u>16,884,697</u>	<u>38,594,033</u>	<u>30,497,972</u>
General revenues:						
Property taxes	2,441,748	2,304,037	-	-	2,441,748	2,304,037
Income taxes	21,626,757	21,463,776	257,365	263,384	21,884,122	21,727,160
Unrestricted grants and entitlements	3,719,190	8,094,480	53,198	73,888	3,772,388	8,168,368
Investment earnings	326,473	413,969	15,600	20,670	342,073	434,639
Gain on sale of capital assets	84,756	167,581	-	-	84,756	167,581
Miscellaneous	<u>1,927</u>	<u>68,484</u>	<u>18,366</u>	<u>34,337</u>	<u>20,293</u>	<u>102,821</u>
Total general revenues	<u>28,200,851</u>	<u>32,512,327</u>	<u>344,529</u>	<u>392,279</u>	<u>28,545,380</u>	<u>32,904,606</u>
Total revenues	<u>49,561,478</u>	<u>46,125,602</u>	<u>17,577,935</u>	<u>17,276,976</u>	<u>67,139,413</u>	<u>63,402,578</u>
Program expenses:						
General government	12,724,498	11,198,654	-	-	12,724,498	11,198,654
Public safety	25,028,107	23,263,250	-	-	25,028,107	23,263,250
Public health and welfare	69,089	110,876	-	-	69,089	110,876
Transportation	2,196,791	8,313,893	-	-	2,196,791	8,313,893
Community environment	2,697,080	2,623,592	-	-	2,697,080	2,623,592
Leisure time activities	215,429	500,889	-	-	215,429	500,889
Interest and fiscal charges	292,388	276,828	-	-	292,388	276,828
Water	-	-	6,100,219	8,238,470	6,100,219	8,238,470
Sewer	-	-	6,672,653	10,683,047	6,672,653	10,683,047
Airport operating	-	-	<u>572,663</u>	<u>683,312</u>	<u>572,663</u>	<u>683,312</u>
Total program expenses	<u>43,223,382</u>	<u>46,287,982</u>	<u>13,345,535</u>	<u>19,604,829</u>	<u>56,568,917</u>	<u>65,892,811</u>
Excess (Deficiency) before transfers	6,338,096	(162,380)	4,232,400	(2,327,853)	10,570,496	(2,490,233)
Transfers	<u>(763,290)</u>	<u>-</u>	<u>763,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	5,574,806	(162,380)	4,995,690	(2,327,853)	10,570,496	(2,490,233)
Net assets, January 1 (Restated)	<u>59,676,200</u>	<u>59,838,580</u>	<u>47,554,700</u>	<u>49,882,553</u>	<u>107,230,900</u>	<u>109,721,133</u>
Net assets, December 31	<u>\$ 65,251,006</u>	<u>\$ 59,676,200</u>	<u>\$ 52,550,390</u>	<u>\$ 47,554,700</u>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

Governmental Activities

Governmental activities net assets increased \$5,574,806 in 2010. This increase is the result of an increase in operating and capital grants.

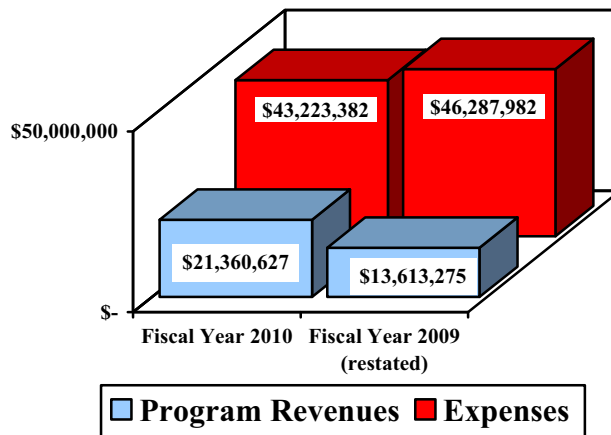
Public safety, which primarily supports the operations of the police and fire departments accounted for \$25,028,107 of the total expenses of the City. These expenses were partially funded by \$1,816,016 in direct charges to users of the services, and \$2,307,879 in operating grants and contributions. Transportation expenses totaled \$2,196,791. Transportation expenses were partially funded by \$147,242 in direct charges to users of the services, \$2,652,174 in operating grants and contributions, and \$5,928,197 in capital grants and contributions.

The state and federal government contributed to the City a total of \$9,097,678 in operating grants and contributions and \$5,928,197 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$28,200,851 and amounted to 56.90% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$24,068,505. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funds making up \$3,719,190.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF MANSFIELD, OHIO

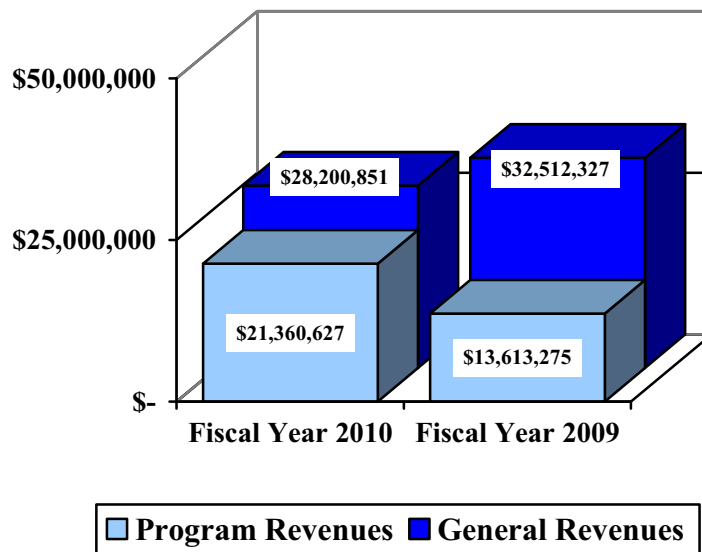
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009 (Restated)</u>	Net Cost of Services <u>2009 (Restated)</u>
Program Expenses:				
General government	\$ 12,724,498	\$ 6,931,094	\$ 11,198,654	\$ 6,432,827
Public safety	25,028,107	20,904,212	23,263,250	20,404,878
Public health and welfare	69,089	46,938	110,876	(13,159)
Transportation	2,196,791	(6,530,822)	8,313,893	4,148,648
Community environment	2,697,080	21,016	2,623,592	943,846
Leisure time activities	215,429	197,929	500,889	480,839
Interest and fiscal charges	<u>292,388</u>	<u>292,388</u>	<u>276,828</u>	<u>276,828</u>
Total	<u>\$ 43,223,382</u>	<u>\$ 21,862,755</u>	<u>\$ 46,287,982</u>	<u>\$ 32,674,707</u>

The dependence upon general revenues for governmental activities is apparent, with 65.24% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

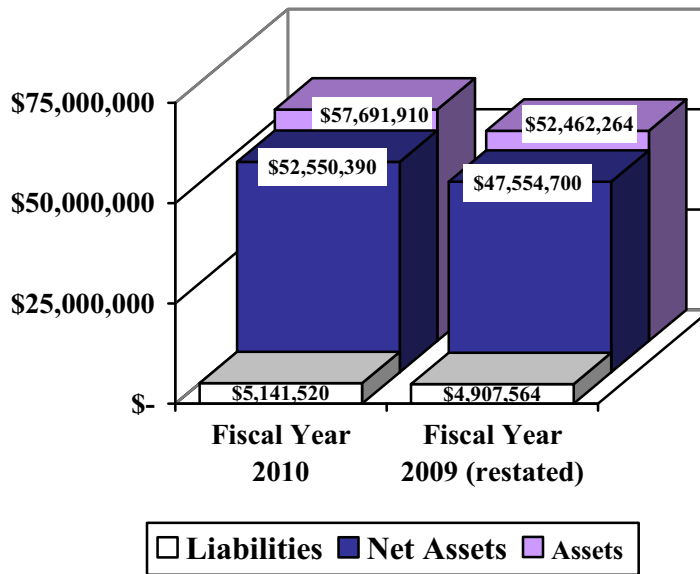


CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

Business-Type Activities

Business-type activities include the water, sewer, and airport enterprise funds. These programs had program revenues of \$17,233,406, general revenues of \$344,529 and expenses of \$13,345,535 for 2010. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the City's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 20-21) reported a combined fund balance of \$8,787,032 which is \$240,552 above last year's total of \$8,546,480.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2010 and December 31, 2009 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/10</u>	<u>Fund Balances</u> <u>12/31/09 (restated)</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 839,328	\$ (8,006)	\$ 847,334
Community development	1,695,827	1,747,798	(51,971)
Safety services	(1,510,049)	(1,047,214)	(462,835)
Grant fund	112,909	542,126	(429,217)
Other nonmajor governmental funds	<u>7,649,017</u>	<u>7,311,776</u>	<u>337,241</u>
Total	<u>\$ 8,787,032</u>	<u>\$ 8,546,480</u>	<u>\$ 240,552</u>

General Fund

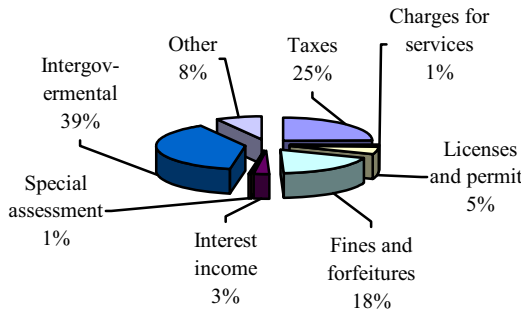
The City's general fund balance increased \$847,334 primarily due to an increase in revenues. The following table assists in illustrating the revenues of the general fund.

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,398,916	\$ 2,345,761	2.27 %
Charges for services	78,639	31,637	148.57 %
Licenses, permits and fees	516,509	624,126	(17.24) %
Fines and forfeitures	1,805,757	1,317,272	37.08 %
Investment income	271,134	321,491	(15.66) %
Special assessments	49,359	56,273	(12.29) %
Intergovernmental	3,762,864	3,861,875	(2.56) %
Other	<u>808,158</u>	<u>90,264</u>	<u>795.33 %</u>
Total	<u>\$ 9,691,336</u>	<u>\$ 8,648,699</u>	<u>12.06 %</u>

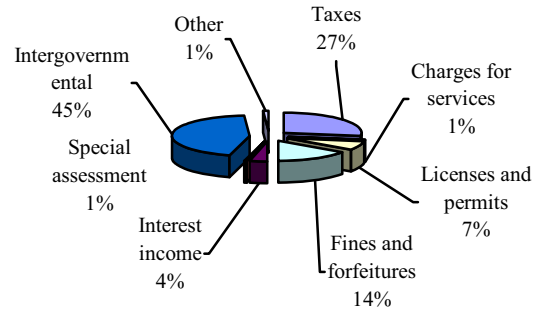
Tax revenue, which is a combination of property and income tax, represents 24.75% of all general fund revenue. Tax revenue increased by 2.27% from the prior year because of a modest increase in both property and income taxes. Charges for services dramatically increased 148.57% due to an additional processing fee charged by the clerk of courts. A decline in rent income led to the decrease in fee collections. The implementation of a utility collections late fee resulted in the increase to fine and forfeiture collections. Interest income continued to decline in 2010 as a result of lower interest rates. Lower special assessment receipts are from a decrease in delinquent assessment collections. Intergovernmental revenue, which represents 38.83% of all general fund revenue, dropped 2.56% because of a decline in estate and inheritance receipts. The largest increase in revenue came from an electrical aggregation service agreement voted on by the residents of Mansfield. This one-time payment in the amount of \$648,000 significantly increased other income for 2010.

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

Revenues – Fiscal Year 2010



Revenues – Fiscal Year 2009

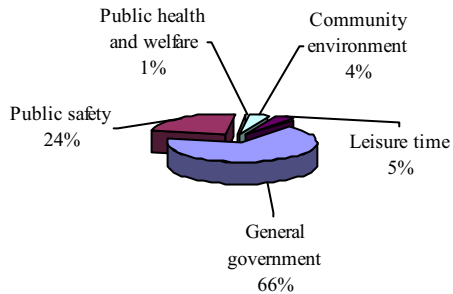


The following table assists in illustrating the expenditures of the general fund.

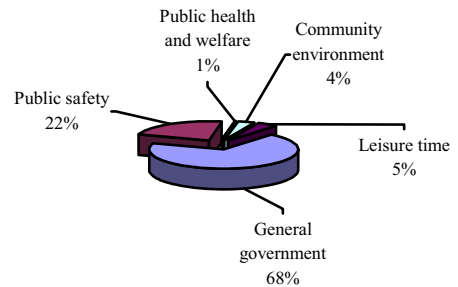
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 5,851,801	\$ 6,501,283	(9.99) %
Public safety	2,072,513	2,108,585	(1.71) %
Public health and welfare	9,450	29,159	(67.59) %
Community environment	383,716	339,994	12.86 %
Leisure time activities	415,071	418,129	(0.73) %
Total	<u>\$ 8,732,551</u>	<u>\$ 9,397,150</u>	<u>(7.07) %</u>

An increase in federal funding for the demolition of abandoned or unsafe properties led to an increase in community environment expenditures. All other expenditures declined due to city-wide staff reductions.

Expenditures - Fiscal Year 2010



Expenditures - Fiscal Year 2009



CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Community Development Fund

In 2010, the community development fund had revenues of \$2,594,993 and expenditures of \$2,396,774. The net decrease in fund balance of \$51,971 for the community development fund is attributable to the timing of receipts from the U.S. Department of Housing and Urban Development.

Safety Services Fund

The safety services fund had revenues of \$20,083,353 and expenditures of \$19,640,511 in 2010. The net decrease in fund balance for the safety services fund was \$462,835. The combination of a relatively small increase in income tax receipts and the City's responsibility to pay contractual obligations led to another decline in the safety services fund balance.

Grant Fund

In 2010, the grant fund had revenues of \$7,891,793 and expenditures of \$9,085,289. The net decrease in fund balance of \$429,217 is primarily due to the timing of receipts from the various federal awards and local matches.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government-wide financial statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. The water enterprise fund had operating revenues of \$8,041,727, which was more than operating expenses of \$6,032,025 by \$2,009,702. The sewer enterprise fund had operating revenues of \$7,301,003, which was more than operating expenses of \$6,453,597 by \$847,406.

Budgeting Highlights

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

Budgetary information is presented for the general fund, community development fund, safety services fund, and grant fund. For the general fund, actual revenues of \$9,633,994 exceeded final budgeted revenues by \$266,912 because of a conservative estimate. Actual expenditures came in \$360,561 lower than the final budgeted amounts because of cost cutting methods implemented by the City's department heads. Budgeted revenues and expenditures increased \$1,242,000 from the original to the final budget due to an increase in public safety needs.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2010, the City had \$97,841,410 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings (IOTB), machinery and equipment, infrastructure and construction in progress (CIP). Of this total, \$55,044,425 was reported in governmental activities and \$42,796,985 was reported in business-type activities. For additional information regarding capital assets, see Note 10. The following table shows fiscal

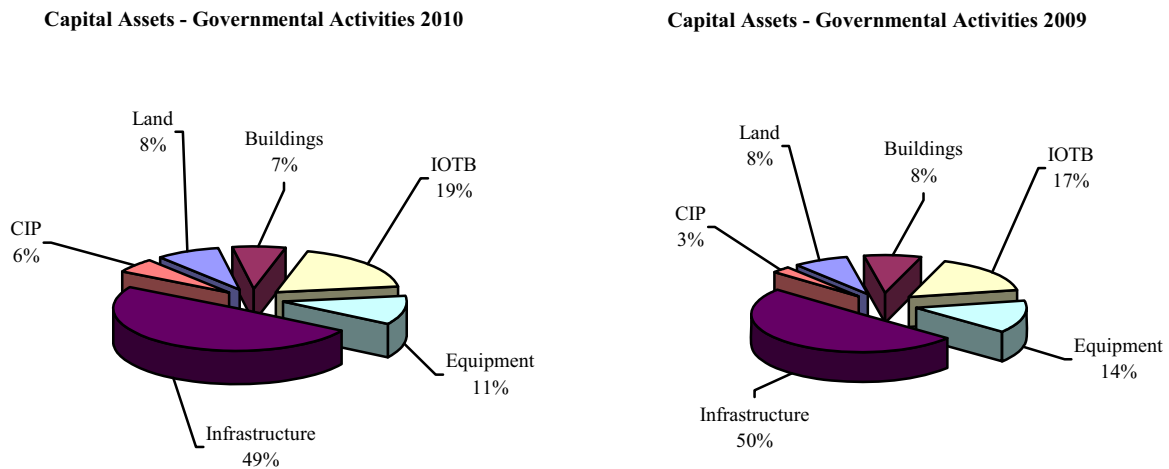
CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

2010 balances compared to 2009:

Capital Assets at December 31
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 4,560,996	\$ 4,186,109	\$ 2,093,705	\$ 2,093,705	\$ 6,654,701	\$ 6,279,814
Buildings	3,871,992	4,142,450	2,267,286	2,471,783	6,139,278	6,614,233
IOTB	10,272,907	8,574,143	8,985,406	9,064,087	19,258,313	17,638,230
Machinery & Equipment	6,052,367	7,055,638	1,942,072	1,427,004	7,994,439	8,482,642
Infrastructure	27,252,741	25,847,784	25,245,653	25,941,206	52,498,394	51,788,990
CIP	3,033,422	1,353,208	2,262,863	-	5,296,285	1,353,208
Totals	\$ 55,044,425	\$ 51,159,332	\$ 42,796,985	\$ 40,997,785	\$ 97,841,410	\$ 92,157,117

The following graphs show the breakdown of governmental activities capital assets by category for 2010 and 2009.



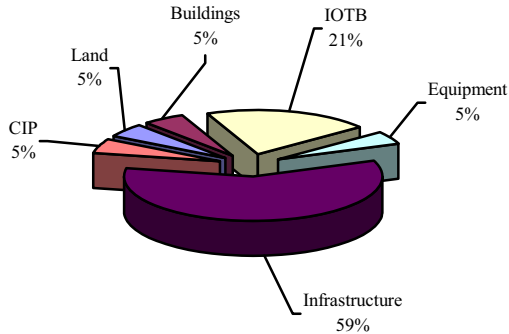
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 49% of the City's total governmental activities capital assets.

The following graphs show the breakdown of business-type activities capital assets by category for 2010 and 2009.

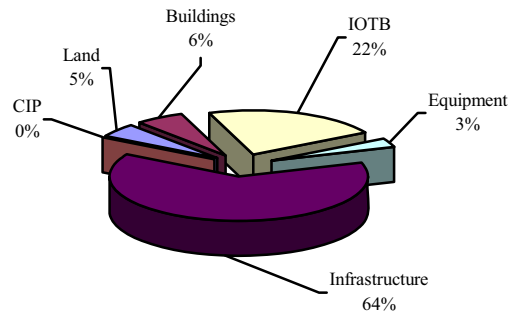
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Capital Assets - Business-Type Activities 2010



Capital Assets - Business-Type Activities 2009



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

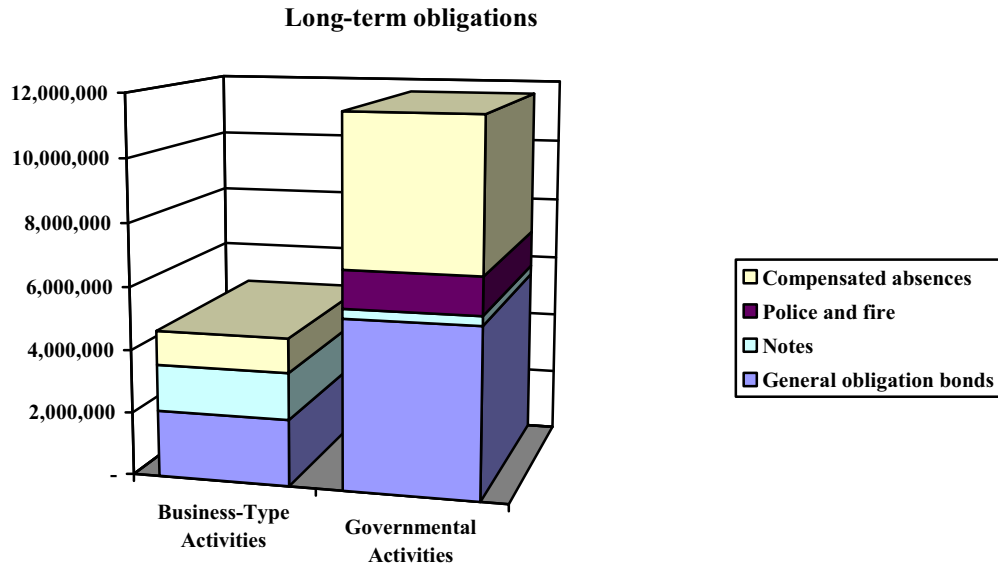
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 5,365,000	\$ 5,710,000
Notes payable	300,000	370,000
Police and fire pension liability	1,186,338	1,213,531
Capital lease obligation	-	100,000
Compensated absences	<u>4,728,411</u>	<u>5,284,801</u>
Total long-term obligations	<u>\$ 11,579,749</u>	<u>\$ 12,678,332</u>
	Business-type Activities	
	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 2,105,000	\$ 2,550,000
Compensated absences	1,074,276	1,089,978
Notes payable	<u>1,477,574</u>	<u>255,358</u>
Total long-term obligations	<u>\$ 4,656,850</u>	<u>\$ 3,895,336</u>

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

A comparison of the long-term obligations by category is depicted in the chart below. For additional information regarding long-term obligations, see Note 15.



Economic Factors and Next Year's Budgets and Rates

The annual unemployment rate for the City in 2010 was 11.8%, which decreased from an annual rate of 12.6% in 2009. This rate exceeds the state's average unemployment rate of 10.1% and the national average of 9.6%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2011 fiscal year. At the end of the 2010 fiscal year, the budgetary basis fund balance of the general fund was a \$1,488,195 deficit. This balance takes into consideration encumbrances for 2010 activity.

Contacting the City's Financial Management

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

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,771,374	\$ 5,747,649	\$ 12,519,023
Cash and cash equivalents with fiscal agents	-	57,267	57,267
Receivables (net of allowances for uncollectibles):			
Taxes	6,173,239	31,808	6,205,047
Accounts	580,360	2,795,444	3,375,804
Accrued interest	135,595	-	135,595
Special assessments	91,645	839	92,484
Loans	2,348,516	-	2,348,516
Internal balances	(1,931,683)	1,931,683	-
Due from other governments	12,210,037	969,056	13,179,093
Materials and supplies inventory	361,713	129,211	490,924
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	3,231,968	3,231,968
Capital assets:			
Land and construction in progress	7,594,418	4,356,568	11,950,986
Depreciable capital assets, net	47,450,007	38,440,417	85,890,424
Total capital assets, net	55,044,425	42,796,985	97,841,410
Total assets	81,785,221	57,691,910	139,477,131
Liabilities:			
Accounts payable	464,972	113,397	578,369
Contracts payable	164,946	798	165,744
Retainage payable	-	57,267	57,267
Accrued wages and benefits	466,047	108,867	574,914
Due to other governments	1,627,100	196,763	1,823,863
Unearned revenue	1,514,412	-	1,514,412
Accrued interest payable	36,128	7,578	43,706
Claims payable	680,861	-	680,861
Long-term liabilities:			
Due within one year	1,951,630	993,944	2,945,574
Due in more than one year	9,628,119	3,662,906	13,291,025
Total liabilities	16,534,215	5,141,520	21,675,735
Net assets:			
Invested in capital assets, net of related debt	49,379,425	39,214,411	88,593,836
Restricted for:			
Capital projects	3,713,872	-	3,713,872
Community development	4,271,879	-	4,271,879
Grants	3,474,359	-	3,474,359
Public safety	4,916,735	-	4,916,735
Replacement and improvement	-	3,231,968	3,231,968
Transportation projects	1,127,371	-	1,127,371
Other purposes	290,655	-	290,655
Unrestricted	(1,923,290)	10,104,011	8,180,721
Total net assets	\$ 65,251,006	\$ 52,550,390	\$ 117,801,396

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 12,724,498	\$ 4,218,337	\$ 1,575,067	\$ -
Public safety	25,028,107	1,816,016	2,307,879	-
Public health and welfare	69,089	9,792	12,359	-
Transportation	2,196,791	147,242	2,652,174	5,928,197
Community environment.	2,697,080	125,865	2,550,199	-
Leisure time activities	215,429	17,500	-	-
Interest and fiscal charges	292,388	-	-	-
Total governmental activities	<u>43,223,382</u>	<u>6,334,752</u>	<u>9,097,678</u>	<u>5,928,197</u>
Business-Type Activities:				
Water	6,100,219	8,041,727	-	336,107
Sewer	6,672,653	7,301,003	-	1,420,077
Nonmajor:				
Airport operating	572,663	69,590	-	64,902
Total business-type activities	<u>13,345,535</u>	<u>15,412,320</u>	<u>-</u>	<u>1,821,086</u>
Total	<u>\$ 56,568,917</u>	<u>\$ 21,747,072</u>	<u>\$ 9,097,678</u>	<u>\$ 7,749,283</u>

General Revenues:

Property taxes levied for:	
General purposes	
Special purposes	
Income taxes levied for:	
General purposes	
Special purposes	
Capital projects	
Airport	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Gain on sale of capital assets.	
Miscellaneous	
Total general revenues.	
Transfers	
Total general revenues and transfers	
Change in net assets.	
Net assets at beginning of year (restated)	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (6,931,094)	\$ -	\$ (6,931,094)
(20,904,212)	-	(20,904,212)
(46,938)	-	(46,938)
6,530,822	-	6,530,822
(21,016)	-	(21,016)
(197,929)	-	(197,929)
(292,388)	-	(292,388)
<u>(21,862,755)</u>	<u>-</u>	<u>(21,862,755)</u>
-	2,277,615	2,277,615
-	2,048,427	2,048,427
-	(438,171)	(438,171)
-	<u>3,887,871</u>	<u>3,887,871</u>
<u>(21,862,755)</u>	<u>3,887,871</u>	<u>(17,974,884)</u>
2,024,365	-	2,024,365
417,383	-	417,383
365,730	-	365,730
18,211,023	-	18,211,023
3,050,004	-	3,050,004
-	257,365	257,365
3,719,190	53,198	3,772,388
326,473	15,600	342,073
84,756	-	84,756
1,927	18,366	20,293
<u>28,200,851</u>	<u>344,529</u>	<u>28,545,380</u>
<u>(763,290)</u>	<u>763,290</u>	<u>-</u>
<u>27,437,561</u>	<u>1,107,819</u>	<u>28,545,380</u>
5,574,806	4,995,690	10,570,496
<u>59,676,200</u>	<u>47,554,700</u>	<u>107,230,900</u>
<u>\$ 65,251,006</u>	<u>\$ 52,550,390</u>	<u>\$ 117,801,396</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Community Development	Safety Services
Assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ 392,215	\$ 290,770
Receivables (net of allowance for uncollectibles):			
Taxes	2,168,756	-	3,475,186
Accounts	470,499	-	51,010
Accrued interest	53,659	70,019	-
Loans	-	1,226,243	-
Special assessments	91,645	-	-
Due from other governments	2,406,400	4,295,656	37,172
Loans to other funds	2,053,644	-	-
Materials and supplies inventory	42,336	747	40,013
Total assets	\$ 7,286,939	\$ 5,984,880	\$ 3,894,151
Liabilities:			
Accounts payable	\$ 83,913	\$ 105,650	\$ 24,006
Contracts payable	-	-	-
Accrued wages and benefits	84,389	8,051	315,671
Compensated absences	67,340	7,670	18,119
Loans from other funds	540,000	-	1,994,476
Due to other governments	211,987	19,680	1,127,799
Interfund payable	1,497,665	-	-
Deferred revenue	3,962,317	4,148,002	1,924,129
Total liabilities	6,447,611	4,289,053	5,404,200
Fund Balances:			
Reserved for materials and supplies inventory	42,336	747	40,013
Reserved for loans receivable	-	1,226,243	-
Reserved for loans to other funds	2,053,644	-	-
Reserved for debt service	-	-	-
Reserved for unclaimed monies	21,864	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund	(1,278,516)	-	-
Special revenue funds	-	468,837	(1,550,062)
Debt service fund	-	-	-
Capital projects funds	-	-	-
Total fund balances	839,328	1,695,827	(1,510,049)
Total liabilities and fund balances	\$ 7,286,939	\$ 5,984,880	\$ 3,894,151

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ 124	\$ 5,988,812	\$ 6,671,921
-	529,297	6,173,239
-	58,851	580,360
-	11,917	135,595
-	1,122,273	2,348,516
-	-	91,645
3,665,961	1,804,848	12,210,037
-	-	2,053,644
59,664	203,764	346,524
<u>\$ 3,725,749</u>	<u>\$ 9,719,762</u>	<u>\$ 30,611,481</u>
\$ 6,875	\$ 106,246	\$ 326,690
-	41,553	41,553
11,017	24,939	444,067
-	29,200	122,329
59,168	-	2,593,644
131,784	81,698	1,572,948
-	-	1,497,665
3,403,996	1,787,109	15,225,553
<u>3,612,840</u>	<u>2,070,745</u>	<u>21,824,449</u>
59,664	203,764	346,524
-	1,122,273	2,348,516
-	-	2,053,644
-	71,917	71,917
-	-	21,864
-	-	(1,278,516)
53,245	2,947,802	1,919,822
-	129,128	129,128
-	3,174,133	3,174,133
<u>112,909</u>	<u>7,649,017</u>	<u>8,787,032</u>
<u>\$ 3,725,749</u>	<u>\$ 9,719,762</u>	<u>\$ 30,611,481</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances \$ 8,787,032

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

Capital assets used in governmental activities (excluding internal service funds capital assets)
are not financial resources and therefore are not reported in the funds. 54,866,174

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

Property taxes	558,357	
Income taxes	1,801,215	
Special assessments	91,645	
Intergovernmental revenues	<u>11,259,924</u>	
Total		13,711,141

Internal service funds are used by management to charge the costs of the repair garage,
information technology, utility collections, health insurance, OML self-insurance, workers'
compensation and benefit fund to individual funds. The assets and liabilities of the internal
service funds are included in governmental activities on the statement of net assets. (827,448)

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

Accrued interest payable	(36,128)	
Notes payable	(300,000)	
Compensated absences	(4,398,427)	
Police and fire pension liability	(1,186,338)	
General obligation bonds	<u>(5,365,000)</u>	
Total		<u>(11,285,893)</u>

Net assets of governmental activities \$ 65,251,006

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 365,864	\$ -	\$ 17,968,504
Property and other taxes	2,033,052	-	412,435
Charges for services	78,639	-	1,384,980
Licenses, permits and fees	516,509	-	79,320
Fines and forfeitures	1,805,757	-	128,524
Intergovernmental	3,762,864	2,550,199	96,467
Special assessments	49,359	-	-
Investment income	271,134	44,794	-
Other	808,158	-	13,123
Total revenues	<u>9,691,336</u>	<u>2,594,993</u>	<u>20,083,353</u>
Expenditures:			
Current:			
General government	5,851,801	-	7,469
Public safety	2,072,513	-	19,633,042
Public health and welfare	9,450	-	-
Transportation	-	-	-
Community environment	383,716	2,394,845	-
Leisure time activities	415,071	-	-
Capital outlay	-	1,929	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,732,551</u>	<u>2,396,774</u>	<u>19,640,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>958,785</u>	<u>198,219</u>	<u>442,842</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	78,538	-	-
Transfers in	-	-	-
Transfers out	(189,254)	(250,000)	(899,238)
Total other financing sources (uses)	<u>(110,716)</u>	<u>(250,000)</u>	<u>(899,238)</u>
Net change in fund balances	848,069	(51,781)	(456,396)
Fund balances (deficit) at beginning of year (restated)	(8,006)	1,747,798	(1,047,214)
Increase (decrease) in reserve for inventory . .	(735)	(190)	(6,439)
Fund balances (deficit) at end of year	\$ <u>839,328</u>	\$ <u>1,695,827</u>	\$ <u>(1,510,049)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,261,084	\$ 21,595,452
-	2	2,445,489
124,577	425,996	2,014,192
-	1,220	597,049
-	896,494	2,830,775
7,757,424	4,621,785	18,788,739
-	-	49,359
-	10,545	326,473
9,792	12,302	843,375
<u>7,891,793</u>	<u>9,229,428</u>	<u>49,490,903</u>
460,066	2,296,293	8,615,629
3,344,245	283,468	25,333,268
66,901	-	76,351
-	2,300,961	2,300,961
-	-	2,778,561
4,873	-	419,944
5,209,204	2,974,155	8,185,288
-	415,000	415,000
-	307,533	307,533
<u>9,085,289</u>	<u>8,577,410</u>	<u>48,432,535</u>
<u>(1,193,496)</u>	<u>652,018</u>	<u>1,058,368</u>
-	6,218	84,756
749,339	835,305	1,584,644
-	(1,009,442)	(2,347,934)
<u>749,339</u>	<u>(167,919)</u>	<u>(678,534)</u>
(444,157)	484,099	379,834
542,126	7,311,776	8,546,480
14,940	(146,858)	(139,282)
<u>\$ 112,909</u>	<u>\$ 7,649,017</u>	<u>\$ 8,787,032</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balances - total governmental funds \$ 379,834

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$13,230,770) exceeded depreciation expense (\$6,861,535) in the current period. Both amounts are exclusive of internal service fund activity. 6,369,235

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins and donations) is to decrease net assets. (2,054,018)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed. (139,282)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (16,108)

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of bonds, leases and police and fire pension liability principal consumes the current financial resources of governmental funds. 542,193

In the statement of activities, interest is accrued on outstanding bonds, notes and the police and fire pension liability, whereas in governmental funds, an interest expenditure is reported when due. 15,145

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are exclusive of internal service funds activity. 556,390

Internal service funds are used by management to charge the costs of the repair garage, information technology, utility collections, health insurance, OML self-insurance, workers' compensation and the benefit fund to individual funds and are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (78,583)

Change in net assets of governmental activities \$ 5,574,806

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,296,208	\$ 2,296,208	\$ 2,409,169	\$ 112,961
Charges for services	5,000	5,000	3,435	(1,565)
Licenses, permits and fees	519,300	552,300	591,201	38,901
Fines and forfeitures	1,213,200	1,343,200	1,396,706	53,506
Intergovernmental	3,701,475	3,971,035	3,942,944	(28,091)
Special assessments	22,000	49,000	49,359	359
Investment income	211,750	241,706	293,052	51,346
Other	156,149	908,633	948,128	39,495
Total revenues	8,125,082	9,367,082	9,633,994	266,912
Expenditures:				
Current:				
Public safety	519,927	2,076,142	2,072,513	3,629
Public health and welfare	35,089	14,500	9,450	5,050
Community environment	435,739	428,661	377,388	51,273
Leisure time activities	107,592	465,985	458,637	7,348
General government	6,806,350	6,077,106	5,783,845	293,261
Total expenditures	7,904,697	9,062,394	8,701,833	360,561
Excess of revenues over expenditures	220,385	304,688	932,161	627,473
Other financing sources (uses):				
Loan to other funds	(2,053,644)	(2,053,644)	(2,053,644)	-
Payment on loan from other funds	(260,000)	(260,000)	(260,000)	-
Repayment on loan to other funds	2,199,191	2,199,191	2,199,191	-
Transfers out	(260,988)	(345,291)	(189,252)	156,039
Total other financing sources (uses)	(375,441)	(459,744)	(303,705)	156,039
Net change in fund balance	(155,056)	(155,056)	628,456	783,512
Fund balance (deficit) at beginning of year	(2,164,866)	(2,164,866)	(2,164,866)	-
Prior year encumbrances appropriated	48,215	48,215	48,215	-
Fund balance (deficit) at end of year	\$ (2,271,707)	\$ (2,271,707)	\$ (1,488,195)	\$ 783,512

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,713,988	\$ 2,359,140	\$ 2,304,618	\$ (54,522)
Investment income	75,000	75,000	54,432	(20,568)
Other	260,000	260,000	194,548	(65,452)
Total revenues.	4,048,988	2,694,140	2,553,598	(140,542)
Expenditures:				
Current:				
Community environment	4,118,537	2,763,689	2,231,861	531,828
Total expenditures	4,118,537	2,763,689	2,231,861	531,828
Excess (deficiency) of revenues over (under) expenditures	(69,549)	(69,549)	321,737	391,286
Other financing uses:				
Transfers out	(250,000)	(250,000)	(250,000)	-
Total other financing uses	(250,000)	(250,000)	(250,000)	-
Net change in fund balance	(319,549)	(319,549)	71,737	391,286
Fund balance at beginning of year	299,640	299,640	299,640	-
Prior year encumbrances appropriated	20,789	20,789	20,789	-
Fund balance at end of year.	\$ 880	\$ 880	\$ 392,166	\$ 391,286

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 16,443,356	\$ 18,672,371	\$ 18,658,007	\$ (14,364)
Licenses, permits and fees	97,000	104,515	96,500	(8,015)
Charges for services	1,180,000	1,380,000	1,375,761	(4,239)
Fines and forfeitures	120,000	120,000	123,999	3,999
Intergovernmental	45,500	45,500	44,567	(933)
Other	77,000	69,485	140,794	71,309
Total revenues	<u>17,962,856</u>	<u>20,391,871</u>	<u>20,439,628</u>	<u>47,757</u>
Expenditures:				
Current:				
Public safety	<u>15,059,508</u>	<u>17,388,954</u>	<u>19,816,234</u>	<u>(2,427,280)</u>
Total expenditures	<u>15,059,508</u>	<u>17,388,954</u>	<u>19,816,234</u>	<u>(2,427,280)</u>
Excess of revenues over expenditures	2,903,348	3,002,917	623,394	(2,379,523)
Other financing sources (uses):				
Loan from other funds	1,994,476	1,994,476	1,994,476	-
Repayment of loan from other funds	(1,764,198)	(1,764,198)	(1,764,198)	-
Transfers out	<u>(949,693)</u>	<u>(999,542)</u>	<u>(899,238)</u>	<u>100,304</u>
Total other financing sources (uses)	<u>(719,415)</u>	<u>(769,264)</u>	<u>(668,960)</u>	<u>100,304</u>
Net change in fund balance	2,183,933	2,233,653	(45,566)	(2,279,219)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>45,566</u>	<u>45,566</u>	<u>45,566</u>	-
Fund balance at end of year.	<u>\$ 2,229,499</u>	<u>\$ 2,279,219</u>	<u>\$ -</u>	<u>\$ (2,279,219)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 44,347	\$ 44,347	\$ 44,347	\$ -
Intergovernmental	9,764,722	11,328,812	7,638,731	(3,690,081)
Other	343	4,925	9,839	4,914
Total revenues	9,809,412	11,378,084	7,692,917	(3,685,167)
Expenditures:				
Current:				
Public safety	3,611,958	4,061,185	3,303,205	757,980
Public health and welfare.	69,392	77,538	69,882	7,656
General government	7,386,109	8,522,689	5,676,430	2,846,259
Total expenditures	11,067,459	12,661,412	9,049,517	3,611,895
Deficiency of revenues under expenditures	(1,258,047)	(1,283,328)	(1,356,600)	(73,272)
Other financing sources:				
Loan from other funds	59,168	59,168	59,168	-
Transfers in	714,678	751,140	749,339	(1,801)
Total other financing sources	773,846	810,308	808,507	(1,801)
Net change in fund balance	(484,201)	(473,020)	(548,093)	(75,073)
Fund balance at beginning of year	503,539	503,539	503,539	-
Prior year encumbrances appropriated	44,554	44,554	44,554	-
Fund balance at end of year	\$ 63,892	\$ 75,073	\$ -	\$ (75,073)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010

	Business-Type Activities -Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 3,866,298	\$ 1,878,220	\$ 3,131	\$ 5,747,649	\$ 99,453
Cash and cash equivalents with fiscal agent	-	57,267	-	57,267	-
Receivables (net of allowance for uncollectibles)					
Accounts	1,643,196	1,137,574	14,674	2,795,444	-
Special assessments	-	839	-	839	-
Taxes	-	-	31,808	31,808	-
Due from other governments	2,808	966,248	-	969,056	-
Interfund receivable	-	1,497,665	-	1,497,665	-
Loans to other funds	-	540,000	-	540,000	-
Materials and supplies inventory	77,101	26,341	25,769	129,211	15,189
Restricted Assets:					
Equity in pooled cash and cash equivalents	-	3,231,968	-	3,231,968	-
Total current assets	<u>5,589,403</u>	<u>9,336,122</u>	<u>75,382</u>	<u>15,000,907</u>	<u>114,642</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	393,853	2,469,086	1,493,629	4,356,568	-
Depreciable capital assets, net	<u>10,536,411</u>	<u>26,688,829</u>	<u>1,215,177</u>	<u>38,440,417</u>	<u>178,251</u>
Total capital assets, net	<u>10,930,264</u>	<u>29,157,915</u>	<u>2,708,806</u>	<u>42,796,985</u>	<u>178,251</u>
Total assets	<u>16,519,667</u>	<u>38,494,037</u>	<u>2,784,188</u>	<u>57,797,892</u>	<u>292,893</u>
Liabilities:					
Current liabilities:					
Accounts payable	64,757	44,658	3,982	113,397	138,282
Contracts payable	-	798	-	798	123,393
Retainage payable	-	57,267	-	57,267	-
Accrued wages and benefits	52,419	51,883	4,565	108,867	21,980
Due to other governments	90,217	98,705	7,841	196,763	54,152
Claims payable	-	-	-	-	680,861
Current portion of notes payable	9,691	-	-	9,691	-
Current portion of bonds	420,000	35,000	-	455,000	-
Accrued interest payable	3,092	4,486	-	7,578	-
Total current liabilities	<u>640,176</u>	<u>292,797</u>	<u>16,388</u>	<u>949,361</u>	<u>1,018,668</u>
Long-term liabilities					
General obligation bonds	640,000	1,010,000	-	1,650,000	-
Notes payable	600,131	867,752	-	1,467,883	-
Compensated absences	<u>519,407</u>	<u>486,223</u>	<u>68,646</u>	<u>1,074,276</u>	<u>207,655</u>
Total long-term liabilities	<u>1,759,538</u>	<u>2,363,975</u>	<u>68,646</u>	<u>4,192,159</u>	<u>207,655</u>
Total liabilities	<u>2,399,714</u>	<u>2,656,772</u>	<u>85,034</u>	<u>5,141,520</u>	<u>1,226,323</u>
Net assets:					
Invested in capital assets, net of related debt	9,260,442	27,245,163	2,708,806	39,214,411	178,251
Restricted for replacement and improvement	-	3,231,968	-	3,231,968	-
Unrestricted (deficit)	<u>4,859,511</u>	<u>5,360,134</u>	<u>(9,652)</u>	<u>10,209,993</u>	<u>(1,111,681)</u>
Total net assets (deficit)	<u>\$ 14,119,953</u>	<u>\$ 35,837,265</u>	<u>\$ 2,699,154</u>	<u>52,656,372</u>	<u>\$ (933,430)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(105,982)	
Net assets of business-type activities				<u>\$ 52,550,390</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 8,041,727	\$ 7,301,003	\$ 69,590	\$ 15,412,320	\$ 13,420,641
Total operating revenues	<u>8,041,727</u>	<u>7,301,003</u>	<u>69,590</u>	<u>15,412,320</u>	<u>13,420,641</u>
Operating expenses:					
Personal services	1,726,640	1,788,852	192,503	3,707,995	1,083,567
Fringe benefits	-	-	657	657	892
Contractual services	2,558,759	2,254,417	151,720	4,964,896	5,072,138
Materials and supplies	604,935	292,755	46,274	943,964	972,256
Depreciation	672,187	1,585,868	131,587	2,389,642	382,050
Utilities	469,461	476,920	49,822	996,203	3,096
Claims expense	-	-	-	-	5,706,181
Other	43	54,785	100	54,928	5,499
Total operating expenses	<u>6,032,025</u>	<u>6,453,597</u>	<u>572,663</u>	<u>13,058,285</u>	<u>13,225,679</u>
Operating income (loss)	<u>2,009,702</u>	<u>847,406</u>	<u>(503,073)</u>	<u>2,354,035</u>	<u>194,962</u>
Nonoperating revenues (expenses):					
Other nonoperating revenue	2,068	-	7,034	9,102	1,927
Other nonoperating expenses	(13,329)	(60,302)	-	(73,631)	-
Loss on disposal of assets	(1,937)	-	-	(1,937)	-
Interest Income	-	15,600	-	15,600	-
Municipal income tax	-	-	257,365	257,365	-
Tap and license fees	9,264	-	-	9,264	-
Intergovernmental	-	-	53,198	53,198	-
Interest expense and fiscal charges	(52,928)	-	-	(52,928)	-
Total nonoperating revenues (expenses)	<u>(56,862)</u>	<u>(44,702)</u>	<u>317,597</u>	<u>216,033</u>	<u>1,927</u>
Income (loss) before transfers in and capital contributions	1,952,840	802,704	(185,476)	2,570,068	196,889
Transfers in	527,882	235,408	-	763,290	-
Capital contributions	336,107	1,420,077	64,902	1,821,086	(275,472)
Changes in net assets	2,816,829	2,458,189	(120,574)	5,154,444	(78,583)
Net assets (deficit) at beginning of year (restated)	<u>11,303,124</u>	<u>33,379,076</u>	<u>2,819,728</u>		<u>(854,847)</u>
Net assets (deficit) at end of year	<u>\$ 14,119,953</u>	<u>\$ 35,837,265</u>	<u>\$ 2,699,154</u>		<u>\$ (933,430)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(158,754)	
Changes in net assets of business-type activities				<u>\$ 4,995,690</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 7,872,860	\$ 7,066,488	\$ 73,406	\$ 15,012,754	\$ 13,420,641
Cash received from other operating revenues.	11,332	-	7,034	18,366	1,927
Cash payments to employees.	(1,810,161)	(1,763,880)	(180,073)	(3,754,114)	(1,083,373)
Cash payments to suppliers	(3,705,300)	(3,463,071)	(239,203)	(7,407,574)	(6,314,584)
Cash payments for claims expense.	-	-	-	-	(5,608,860)
Cash payments for other operating expenses.	(16,809)	(52,613)	(7,829)	(77,251)	(8,790)
Net cash provided by (used in) operating activities	<u>2,351,922</u>	<u>1,786,924</u>	<u>(346,665)</u>	<u>3,792,181</u>	<u>406,961</u>
Cash flows from noncapital financing activities:					
Receipts on loans to other funds	-	260,000	-	260,000	-
Repayment of loans to other funds	-	702,296	-	702,296	-
Repayment of loans from other funds	-	-	(3,223)	(3,223)	-
Intergovernmental	-	-	53,198	53,198	-
Transfers in	527,882	235,408	-	763,290	-
Municipal income tax	-	-	309,038	309,038	-
Net cash provided by noncapital financing activities	<u>527,882</u>	<u>1,197,704</u>	<u>359,013</u>	<u>2,084,599</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(33,958)	(2,262,908)	(15,560)	(2,312,426)	(410,931)
Proceeds from notes	373,845	867,752	-	1,241,597	-
Principal paid on general obligation debt	(410,000)	(35,000)	-	(445,000)	-
Interest paid on general obligation debt.	(51,450)	(54,212)	-	(105,662)	-
Principal paid on notes	(19,381)	-	-	(19,381)	-
Interest paid on notes.	(2,674)	(6,207)	-	(8,881)	-
Net cash used in capital and related financing activities	<u>(143,618)</u>	<u>(1,490,575)</u>	<u>(15,560)</u>	<u>(1,649,753)</u>	<u>(410,931)</u>
Cash flows from investing activities:					
Cash received from interfund loan interest	-	15,600	-	15,600	-
Net increase (decrease) in cash and cash equivalents	2,736,186	1,509,653	(3,212)	4,242,627	(3,970)
Cash and cash equivalents at beginning of year (restated)	<u>1,130,112</u>	<u>3,657,802</u>	<u>6,343</u>	<u>4,794,257</u>	<u>103,423</u>
Cash and cash equivalents at end of year.	<u>\$ 3,866,298</u>	<u>\$ 5,167,455</u>	<u>\$ 3,131</u>	<u>\$ 9,036,884</u>	<u>\$ 99,453</u>

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash used for operating activities:					
Operating income (loss)	\$ 2,009,702	\$ 847,406	\$ (503,073)	\$ 2,354,035	\$ 194,962
Adjustments:					
Depreciation	672,187	1,585,868	131,587	2,389,642	382,050
Other nonoperating expenses	(13,329)	-	-	(13,329)	-
Other nonoperating revenues	2,068	-	7,034	9,102	1,927
Tap and license fees	9,264	-	-	9,264	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(168,851)	336,042	(3,676)	163,515	-
Decrease in special assessments	-	9,902	-	9,902	-
Decrease in inventory of supplies	41,857	737	7,145	49,739	5,048
(Increase) in due from other governments	(16)	(580,459)	-	(580,475)	-
Increase (decrease) in accounts payable	(101,273)	(137,634)	1,468	(237,439)	(369,707)
Increase (decrease) in contracts payable	(14,802)	(309,384)	-	(324,186)	103,064
Increase in accrued wages and benefits	2,945	9,541	1,047	13,533	1,546
Increase (decrease) in due to other governments	(25,977)	(9,863)	420	(35,420)	(10,819)
Increase (decrease) in compensated absences payable	(61,853)	34,768	11,383	(15,702)	1,569
Increase in claims payable	-	-	-	-	97,321
Net cash provided by (used in) operating activities . . .	<u>\$ 2,351,922</u>	<u>\$ 1,786,924</u>	<u>\$ (346,665)</u>	<u>\$ 3,792,181</u>	<u>\$ 406,961</u>

During the year, land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$1,821,086.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 DECEMBER 31, 2010

		<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$	822,934
Cash and cash equivalents with fiscal agent		447,171
Receivables:		
Taxes		9,999
Accounts		4,507
		<u> </u>
Total assets.	\$	<u>1,284,611</u>
 Liabilities:		
Due to other governments	\$	358,180
Accounts payable		190,762
Due to individuals		216,718
Undistributed monies		518,951
		<u> </u>
Total liabilities	\$	<u>1,284,611</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE CITY

The City of Mansfield (the "City") was incorporated as a city in 1857 under the laws of the State of Ohio. In 1982 the voters of Mansfield adopted a charter, which was amended in 1988, 1992, 1996, 2000, 2004, 2008, and again in 2009 to govern the operations of the City. The charter provides for an elected mayor, council (6 wards, 2 at-large and a president), finance director, and law director. In addition, 2 judges and a clerk of the municipal court are elected. Council members serve 4 year, staggered terms; the president of council, the mayor, finance director, clerk of courts, and law director serve 4 year terms, and judicial officials serve 6 year terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

C. Fund Accounting

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

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

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

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

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

The other enterprise fund of the City is used to account for the operations of the City's airport facility.

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

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

D. Measurement Focus and Basis of Accounting

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

E. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 7).

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance), and reimbursements due from federally funded projects for which corresponding expenditures have been made.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Process

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

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources which states the projected revenue of each fund. Prior to December 31, the City

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the Certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts from the original and final amended Certificates of Estimated Resources issued in 2010.

Appropriations - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by Council by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year only by action of Council as new information becomes available, but fund appropriations may not exceed estimated resources. Supplemental appropriation measures were legally enacted during 2010.

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

Only Council may alter amounts allocated to various departments and objects during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the original and final amounts appropriated for 2010.

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

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

G. Cash and Cash Equivalents

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

During 2010, investments were limited to STAR Ohio, U.S. Treasury securities, repurchase agreements, federal agency securities and certificates of deposit.

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

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

Under existing Ohio Statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2010 amounted to \$271,134 which was assigned from other City funds.

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

An analysis of the City's investment accounts at year-end is provided in Note 5.

H. Inventories of Materials and Supplies

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

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

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

I. Restricted Assets

The City, in accordance with bond indentures, federal regulations, and state statutes, has restricted assets within enterprise funds for replacement and improvement of its capital assets. Monies which represent debt proceeds are also restricted for use in constructing enterprise fund assets. As of December 31, 2010, the total restricted cash in the enterprise funds was \$3,231,968. It is in the Sewer fund and is a result of the City receiving construction grant monies for the Wastewater Treatment Plant. A separate account was established to receive and disburse these monies for replacement and improvement purchases of major equipment at the Wastewater Treatment Plant. The funds can never be used to offset deficits or shortfalls in the sewer user charge system. Per the consulting engineer's estimate, the City has sufficient funds in the Reserved for Replacement and Improvement account to meet current needs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

J. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2011 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred. There were no material prepaid assets to report at December 31, 2010.

K. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$500. The City's governmental activities infrastructure consists of streets, bridges, and traffic signals. The City's business-type activities infrastructure consists of water lines, sanitary sewer lines, and storm sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities. During fiscal 2010, no interest capitalization occurred.

L. Depreciation

As used in this section, the term depreciation (and related forms of the term) includes amortization of intangible assets. All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

M. Compensated Absences

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

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability includes the employees who are currently eligible to receive termination benefits and the employees who are at least 40 years old with at least 20 years of service and will reach full retirement eligibility in the future.

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Interfund Balances

On the fund financial statements, long-term interfund loans are classified as "loans to/from other funds" on the governmental balance sheet and proprietary statement of net assets. On the governmental

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

fund financial statements, loans to other funds are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

P. Interfund Activity

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

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

Q. Fund Balance Reserves

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

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

R. Estimates

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

S. Contributions of Capital

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

T. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

through the enabling legislation, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities. The City's net assets restricted for other purposes include public safety and capital improvement projects limited by federal grant requirements and contractual obligations. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 3 – ACCOUNTABILITY

Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2010:

	<u>Deficit Balance</u>
Governmental funds:	
Major:	
Safety-Services	\$ 1,510,049
Internal service funds:	
Garage Operating	85,452
Information Technology	2,935
Utility Collections	149,884
Health Insurance	681,966
OML Self Insurance	112,396

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

	General	Community Development	Safety Services	Grant Fund
GAAP Basis	\$848,069	(\$51,781)	(\$456,396)	(\$444,157)
Adjustments:				
Revenue accruals	2,063,311	(41,395)	2,350,751	(139,708)
Expenditure accruals	(2,282,924)	164,913	(1,939,921)	35,772
Budget Basis	<u>\$628,456</u>	<u>\$71,737</u>	<u>(\$45,566)</u>	<u>(\$548,093)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

1. The City is permitted to invest in any security specifically authorized by the Ohio Revised Code including, but not limited to the following: the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Company, Government National Mortgage Association, and Student Loan Marketing Association.
2. Investments may only be made through specified dealers and institutions.
3. Investments in United States Treasury securities and those instruments completely guaranteed by the United States Treasury as to payment of principal and interest may be made in any dollar amount.
4. Investments in Repurchase Agreements and in Certificates of Deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total investment portfolio at the time of purchase in any one institution.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

5. Investments may be made in the State Treasurer’s investment pool (STAR Ohio).
6. No security will be purchased that has a remaining term to final maturity of more than five years.
7. Investments in eligible securities may be made in either coupon or discount instruments.
8. Investment portfolio liquidity is defined as the ability to sell a security on short notice near the par value of the security. To help retain desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids. Additionally, total portfolio liquidity shall be assured by keeping an adequate amount of short term (usually 30 days or less) investments in the portfolio to accommodate unexpected cash needs of the City.

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

A. Cash on Hand

At year-end, the City had \$335,900 in undeposited cash on hand which is included on the financial statements of the City as part of “Equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits, including certificate of deposits, was \$16,603,691. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2010, \$6,102,495 of the City’s bank balance of \$16,852,881 was exposed to custodial risk as discussed below, while \$10,750,386 was covered by Federal Deposit Insurance Corporation.

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

C. Investments

As of December 31, 2010, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities of Six Months or Less
REPO	\$ 58,556	\$ 58,556
STAR OHIO	80,216	80,216
Total	\$ 138,772	\$ 138,772

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

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

Credit Risk: The City’s investments were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. STAR Ohio carries a rating of AAAM by Standard and Poor’s. The City’s investment policy does not address credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City’s investment policy does not address custodial credit risk.

Concentration of Credit Risk: The City’s investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
REPO	\$ 58,556	42.20%
STAR OHIO	<u>80,216</u>	<u>57.80%</u>
Total	<u>\$ 138,772</u>	<u>100.00%</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Assets as of December 31, 2010.

<u>Cash and Investments per note</u>	
Carrying amount of deposits	\$ 16,603,691
Investments	138,772
Cash on hand	<u>335,900</u>
Total	<u>\$ 17,078,363</u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$ 6,771,374
Business-type activities	9,036,884
Agency funds	<u>1,270,105</u>
Total	<u>\$ 17,078,363</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund payable / receivable

As of December 31, 2010 the General Fund had overdrawn its share of the City's pooled cash by \$1,497,665. The overdraft was reflected as an interfund payable rather than a credit balance in the cash account (negative cash). The equivalent amount of these liabilities was reported as an interfund receivable in the Sewer fund.

B. Interfund transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>				<u>Total</u>
	<u>General</u>	<u>Community development</u>	<u>Safety services</u>	<u>Other governmental funds</u>	
Grant fund	\$ 189,254	\$ -	\$ 560,085	\$ -	\$ 749,339
Other governmental funds	-	250,000	339,153	246,152	835,305
Water fund	-	-	-	527,882	527,882
Sewer fund	-	-	-	235,408	235,408
Total	<u>\$ 189,254</u>	<u>\$ 250,000</u>	<u>\$ 899,238</u>	<u>\$ 1,009,442</u>	<u>\$ 2,347,934</u>

Transfers are used (1) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (2) to move matching monies to finance the City's share of grant expenses, and (3) to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

On October 19, 2010, Council passed legislation to close the City's Fixed Asset Acquisition fund as the need for this capital projects fund diminished. Council also authorized the remaining cash balance of \$763,290 be returned to the Water and Sewer funds. As a result, \$527,882 was transferred to the Water fund and \$235,408 was transferred to the Sewer fund.

C. Interfund loans

Loans to / from other funds consisted of the following at December 31, 2010, as reported in the fund financial statements:

<u>Loans from other funds</u>	<u>Loans to other funds</u>		
	<u>General</u>	<u>Sewer</u>	<u>Total</u>
General fund	\$ -	\$ 540,000	\$ 540,000
Safety services fund	1,994,476	-	1,994,476
Grant fund	59,168	-	59,168
Total	<u>\$ 2,053,644</u>	<u>\$ 540,000</u>	<u>\$ 2,593,644</u>

In 2002, the City declared it necessary to issue internal bonds between the General fund and the Sewer fund for the purpose of providing temporary funds to the City's General fund. \$1,300,000 of internal bonds was issued to pay police officer and firefighter employer contributions to the Ohio Police and

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - INTERFUND TRANSACTIONS – (Continued)

Fire Pension Fund. \$1,200,000 of internal bonds was issued to provide funds to pay the cost of the City's self-insurance program for health care. These internal bonds were sold at par value to the Sewer fund of the City using the restricted sewer replacement and improvement cash. They are due to mature in a period of at least five (5) years or a maximum of twenty (20) years bearing an interest rate of 1.95%. The City will appropriate annually from available income taxes the amount necessary to pay the debt on the internal bonds. The bonds will mature and be payable on December 1, 2022. Interest on the bonds shall be payable on June 1 and December 1 of each year. At December 31, 2010, the balance of this loan is \$540,000.

In order to cover annual operating expenses, the General Fund issued loans to the Safety Services Fund in the amount of \$1,994,476, and to the Grant Fund in the amount of \$59,168. These loans will be repaid in 2011.

NOTE 7 - TAXES

A. Property Tax

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property taxes received in 2010 are levied after October 1, 2009 on the assessed value listed as of January 1, 2009, the lien date. Assessed values are established by State laws at 35% of appraised market value. All property is required to be revalued every six years. 2010 real property taxes are collected in and intended to finance 2011. Public utility property taxes are assessed on tangible personal property at 100% of true (market) value and on land and improvements at 88% of true value. Public utilities property taxes received in 2010 became a lien December 31, 2008, were levied after October 1, 2009, and were collected in 2010 with real property taxes. The assessed value upon which the 2010 taxes were collected was \$601,577,670. The full tax rate for all City operations for the fiscal year ended December 31, 2010 was \$3.60 per \$1,000 of assessed valuation.

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits the collections to the City. Property taxes receivables represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2010 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

The City levies an income tax of 1.75% on substantially all earned income arising from employment, residency or business activities inside the City. The first 1.00% of income tax is a permanent levy. An additional .25% of the income tax for street resurfacing became effective July 1, 1985, and was renewed in November 1988, in May of 1993, in May of 1997, in May 2001, in May 2005, and again in May of 2009. It is scheduled to expire June 30, 2013. Effective April 1, 1988, an additional .50% was levied for

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 – TAXES – (Continued)

police and fire activities and was renewed in November of 1991, in May of 1995, in May of 1999, in May of 2003 and again in May 2007. It is scheduled to expire December 31, 2011.

As of December 31, 2010, the City had income taxes receivable of \$3,885,443 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$311,522 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, safety services fund, industrial development fund, street resurfacing fund and airport fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2010, consisted of taxes, accounts (billings for user charged services), special assessments, accrued interest, loans, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “Due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2010, as well as intended to finance fiscal 2010 operations.

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

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
Taxes	\$ 6,173,239	Taxes	\$ 31,808
Accounts	580,360	Accounts	2,795,444
Special assessments	91,645	Special assessments	839
Accrued interest	135,595	Due from other governments	969,056
Loans	2,348,516	Total	<u><u>\$ 3,797,147</u></u>
Due from other governments	<u>12,210,037</u>		
Total	<u><u>\$ 21,539,392</u></u>		

Receivables have been disaggregated on the face of the basic financial statements. Intergovernmental receivables have been further disaggregated in Note 20. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable will be collected annually for a varying number of years. Allowances for uncollectible accounts represent estimates of uncollectible receivables in the accounts classification. An allowance for uncollectible accounts in the amount of \$762,422 and \$32,017 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR’S FUND BALANCE AND NET ASSETS

A. Change in Accounting Principles

The City adopted GASB Statements No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, for the year ended December 31, 2010. Implementation of these provisions had no material effect on the City’s financial statements.

The City adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for the year ended December 31, 2010. The City reported an additional \$542,525 to construction in progress as a result of this provision.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR’S FUND BALANCE AND NET ASSETS – (Continued)

B. Restatement of Prior Year’s Fund Balance and Net Assets

During 2010, it was determined the expenses related to the Ohio Water Development Authority (OWDA) project for the water and sewer line extensions at the new Reid Industrial Park should have been included in the business-type activities/water and sewer enterprise funds rather than the governmental activities/Miller Park governmental fund. The restatement amounts are as follows:

	Other Governmental	Water	Sewer	Governmental	Business-type
	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Activities</u>	<u>Activities</u>
Fund Balance/Net Assets					
at December 31, 2009	\$ 6,048,133	\$ 11,782,531	\$ 34,163,312	\$ 58,412,557	\$ 48,818,343
Restatement Amount	<u>1,263,643</u>	<u>(479,407)</u>	<u>(784,236)</u>	<u>1,263,643</u>	<u>(1,263,643)</u>
Adjusted Fund Balance/Net					
Assets at January 1, 2010	<u>\$ 7,311,776</u>	<u>\$ 11,303,124</u>	<u>\$ 33,379,076</u>	<u>\$ 59,676,200</u>	<u>\$ 47,554,700</u>

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance 01/01/10	<u>Additions</u>	<u>Reductions</u>	Balance 12/31/10
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,186,109	\$ 374,887	\$ -	\$ 4,560,996
Construction in progress	<u>1,353,208</u>	<u>5,332,416</u>	<u>(3,652,202)</u>	<u>3,033,422</u>
Total capital assets, not being depreciated	<u>5,539,317</u>	<u>5,707,303</u>	<u>(3,652,202)</u>	<u>7,594,418</u>
<i>Capital assets, being depreciated:</i>				
Buildings	15,938,019	-	-	15,938,019
Improvements other than buildings	10,273,595	2,676,036	(672,037)	12,277,594
Machinery and equipment	23,857,958	5,880,773	(9,875,418)	19,863,313
Infrastructure	<u>118,646,197</u>	<u>2,570,786</u>	<u>(271,035)</u>	<u>120,945,948</u>
Total capital assets, being depreciated	<u>168,715,769</u>	<u>11,127,595</u>	<u>(10,818,490)</u>	<u>169,024,874</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(11,795,569)	(270,458)	-	(12,066,027)
Improvements other than buildings	(1,699,452)	(305,235)	-	(2,004,687)
Machinery and equipment	(16,802,320)	(5,502,063)	8,493,437	(13,810,946)
Infrastructure	<u>(92,798,413)</u>	<u>(1,165,829)</u>	<u>271,035</u>	<u>(93,693,207)</u>
Total accumulated depreciation	<u>(123,095,754)</u>	<u>(7,243,585)</u>	<u>8,764,472</u>	<u>(121,574,867)</u>
Total capital assets, being depreciated, net	<u>45,620,015</u>	<u>3,884,010</u>	<u>(2,054,018)</u>	<u>47,450,007</u>
Governmental activities capital assets, net	<u>\$ 51,159,332</u>	<u>\$ 9,591,313</u>	<u>\$ (5,706,220)</u>	<u>\$ 55,044,425</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - CAPITAL ASSETS - (Continued)

	Balance 01/01/10	Additions	Reductions	Balance 12/31/10
<u>Business-Type Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,093,705	\$ -	\$ -	\$ 2,093,705
Construction in progress	-	2,262,863	-	2,262,863
Total capital assets, not being depreciated	<u>2,093,705</u>	<u>2,262,863</u>	<u>-</u>	<u>4,356,568</u>
<i>Capital assets, being depreciated:</i>				
Buildings	13,379,012	-	-	13,379,012
Improvements other than buildings	30,895,303	672,037	-	31,567,340
Machinery and equipment	8,670,042	4,676,621	(108,831)	13,237,832
Infrastructure	62,851,044	513,489	-	63,364,533
Total capital assets, being depreciated	<u>115,795,401</u>	<u>5,862,147</u>	<u>(108,831)</u>	<u>121,548,717</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,907,229)	(204,497)	-	(11,111,726)
Improvements other than buildings	(21,831,216)	(750,718)	-	(22,581,934)
Machinery and equipment	(7,243,038)	(4,158,595)	105,873	(11,295,760)
Infrastructure	(36,909,838)	(1,209,042)	-	(38,118,880)
Total accumulated depreciation	<u>(76,891,321)</u>	<u>(6,322,852)</u>	<u>105,873</u>	<u>(83,108,300)</u>
Total capital assets, being depreciated, net	<u>38,904,080</u>	<u>(460,705)</u>	<u>(2,958)</u>	<u>38,440,417</u>
Business-type activities capital assets, net	<u>\$ 40,997,785</u>	<u>\$ 1,802,158</u>	<u>\$ (2,958)</u>	<u>\$ 42,796,985</u>

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

Governmental activities:

General government	\$ 2,260,116
Public safety	903,237
Public health and welfare	136
Transportation	3,592,222
Community environment	30,311
Leisure time activities	75,513

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets 382,050

Total depreciation expense - governmental activities \$ 7,243,585

Business -type activities:

Water	\$ 2,195,473
Sewer	3,553,519
Other enterprise fund	<u>573,860</u>

Total depreciation expense - business-type activities \$ 6,322,852

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. For sworn police and fire personnel, vacation leave is accrued on January 1 of every year regardless of employee’s anniversary date. Vacation time valued at \$132,304 will accrue on January 1, 2011 and is not reflected in the financial statements. Under the current contract with the sworn police officers, vacation balances unused at December 31 can be carried over until May 31, upon request. This amount is reflected in the basic financial statements. Any unused prior year vacation balance at May 31 is lost. For all other City employees, vacation leave is accrued on their anniversary date and the vacation earned must be used in the next year. Any unused vacation is eliminated from the employee’s vacation balance. Upon separation from the City, the employee (or their estate) is paid for their accumulated unused vacation leave balance.

B. Accumulated Unpaid Sick Leave

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

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

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

In February 2009, the City entered into a \$100,000 capitalized lease for an equipped SWAT vehicle. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease was capitalized in the City’s governmental activities capital assets at the present value of the future minimum lease payments at lease inception. In January 2010 the City paid the remaining lease payments of \$100,000 plus an additional interest payment of \$4,160.

NOTE 13 - OPERATING LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City’s basic financial statements. Total costs for such leases were \$108,736 for the year ended December 31, 2010. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms as of December 31, 2010:

<u>Year Ended December 31</u>	<u>Amount</u>
2011	\$ 52,220
2012	49,629
2013	<u>35,201</u>
Total minimum payments required	<u>\$ 137,050</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 – POLLUTION REMEDIATION ACTIVITIES

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield in May of 2003. Environmental remediation began during the fourth quarter of 2010 and is projected to be completed by year end 2011. The projected cost of the remediation is \$5,000,000 and is covered by an insurance claim with ACE Insurance.

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

Environmental assessments were completed for the NextStep project in September 2008. The project includes the former Globe Steel and Tappan properties. Grant applications will be submitted for funds to conduct the identified environmental remediation of the properties with cleanup to begin in 2011. The total cost of this project has not been determined.

NOTE 15 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During 2010, the following changes occurred in the City’s long-term obligations:

<i>Governmental Activities:</i>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/10</u>	<u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds</u>							
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	\$ 3,090,000	\$ -	\$ (260,000)	\$ 2,830,000	\$ 270,000
Series 2009 Various Purpose Bonds	4.00 - 6.00%	2029	<u>2,620,000</u>	<u>-</u>	<u>(85,000)</u>	<u>2,535,000</u>	<u>85,000</u>
Total general obligation bonds			<u>5,710,000</u>	<u>-</u>	<u>(345,000)</u>	<u>5,365,000</u>	<u>355,000</u>
<u>Other Long-Term Obligations</u>							
Notes payable	0.64 - 2.78%	2011-2015	370,000	-	(70,000)	300,000	70,000
Capital lease obligation			100,000	-	(100,000)	-	-
Police and Fire Pension Liability	4.30%	2035	1,213,531	-	(27,193)	1,186,338	28,361
Compensated absences			<u>5,284,801</u>	<u>870,768</u>	<u>(1,427,158)</u>	<u>4,728,411</u>	<u>1,498,269</u>
Total other long-term obligations			<u>6,968,332</u>	<u>870,768</u>	<u>(1,624,351)</u>	<u>6,214,749</u>	<u>1,596,630</u>
Total governmental activities long-term obligations			<u>\$ 12,678,332</u>	<u>\$ 870,768</u>	<u>\$ (1,969,351)</u>	<u>\$ 11,579,749</u>	<u>\$ 1,951,630</u>

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

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

The Various Purpose Bonds issued in 2009 in the amount of \$2,620,000 were to pay the costs of issuance and to pay and retire outstanding notes issued in anticipation of bonds for the following purposes: constructing, furnishing and equipping the new fire station and improving the City’s courtroom security system. These bonds are being repaid from the safety services and court costs funds.

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2010 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 28,361	\$ 50,121	\$ 78,482
2012	29,579	48,903	78,482
2013	30,849	47,633	78,482
2014	32,174	46,308	78,482
2015	33,556	44,926	78,482
2016 - 2020	190,680	86,560	277,240
2021 - 2025	235,301	157,108	392,409
2026 - 2030	290,364	102,044	392,408
2031 - 2035	<u>315,474</u>	<u>34,168</u>	<u>349,642</u>
Total	<u>\$ 1,186,338</u>	<u>\$ 617,771</u>	<u>\$ 1,804,109</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 70,000	\$ 3,733	\$ 73,733
2012	70,000	3,240	73,240
2013	70,000	2,638	72,638
2014	70,000	1,700	71,700
2015	<u>20,000</u>	<u>440</u>	<u>20,440</u>
Total	<u>\$ 300,000</u>	<u>\$ 11,751</u>	<u>\$ 311,751</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

Year Ended <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 355,000	\$ 264,504	\$ 619,504
2012	375,000	250,035	625,035
2013	270,000	234,463	504,463
2014	285,000	223,125	508,125
2015	295,000	210,870	505,870
2016 - 2020	1,735,000	837,646	2,572,646
2021 - 2025	1,295,000	384,197	1,679,197
2026 - 2029	755,000	106,700	861,700
Total	<u>\$ 5,365,000</u>	<u>\$ 2,511,540</u>	<u>\$ 7,876,540</u>

At December 31, 2010, the City’s legal voted and unvoted debt margin was \$58,001,700 and \$27,922,817, respectively.

B. Business-Type activities long-term obligations

The following changes occurred in the City’s business-type activities long-term obligations during 2010:

	Interest	Maturity	Balance			Balance	Due in
	<u>Rate</u>	<u>Date</u>	<u>1/1/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/10</u>	<u>One Year</u>
<i>Business-Type Activities:</i>							
<u>General Obligation Bonds:</u>							
Series 2008 Waterworks Refunding	3.50%	2013	\$ 1,470,000	\$ -	\$ (410,000)	\$ 1,060,000	\$ 420,000
Series 2009 Various Purpose Bonds	4.00 - 6.00%	2029	<u>1,080,000</u>	<u>-</u>	<u>(35,000)</u>	<u>1,045,000</u>	<u>35,000</u>
Total general obligation bonds			<u>2,550,000</u>	<u>-</u>	<u>(445,000)</u>	<u>2,105,000</u>	<u>455,000</u>
<u>Other long-term obligations:</u>							
Notes payable	0.00% - 1.00%	2017	255,358	1,241,597	(19,381)	1,477,574	9,691
Compensated absences			<u>1,089,978</u>	<u>513,552</u>	<u>(529,254)</u>	<u>1,074,276</u>	<u>529,253</u>
Total other long-term obligations			<u>1,345,336</u>	<u>1,755,149</u>	<u>(548,635)</u>	<u>2,551,850</u>	<u>538,944</u>
Total business-type activities long-term obligations			<u>\$ 3,895,336</u>	<u>\$ 1,755,149</u>	<u>\$ (993,635)</u>	<u>\$ 4,656,850</u>	<u>\$ 993,944</u>

The 2008 Waterworks Bonds were issued in the amount of \$2,230,000 to pay the cost of issuance and refund the outstanding bonds issued in 1992 and 1993 for the following purposes: installation of instrumentation facilities, construction of an elevated water storage reservoir and other improvements at the water treatment plant. These bonds are being repaid from the City’s water fund.

The 2009 Various Purpose Bonds were issued in the amount of \$1,080,000 to pay and retire outstanding notes issued in anticipation of bonds for the purpose of improving the City’s wastewater treatment plant. These bonds are being repaid from the City’s sewer fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - LONG-TERM OBLIGATIONS – (Continued)

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

In 2010, the City issued \$1,241,597 in Ohio Water Development Authority Notes for water and sewer line extensions at the new Reid Industrial Park. The City is expecting an additional \$534,598 in note proceeds for this project. Repayments of these notes are interest only until January 1, 2016. These notes will be repaid from the water and sewer funds. A complete amortization schedule will not be available until all note proceeds have been disbursed.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2010 are as follows:

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2011	\$ 455,000	\$ 90,931	\$ 545,931
2012	450,000	74,831	524,831
2013	265,000	58,906	323,906
2014	40,000	49,432	89,432
2015	40,000	47,831	87,831
2016 - 2020	235,000	212,032	447,032
2021 - 2025	310,000	141,400	451,400
2026 - 2029	<u>310,000</u>	<u>44,000</u>	<u>354,000</u>
Total	<u>\$ 2,105,000</u>	<u>\$ 719,363</u>	<u>\$ 2,824,363</u>

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2011	\$ 9,691	\$ -	\$ 9,691
2012	19,381	-	19,381
2013	19,381	-	19,381
2014	19,381	-	19,381
2015	19,381	-	19,381
2016 - 2020	68,762	-	68,762
2021 - 2025	50,000	-	50,000
2026 - 2028	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total	<u>\$ 235,977</u>	<u>\$ -</u>	<u>\$ 235,977</u>

NOTE 16 - RISK MANAGEMENT

The City is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the "Pool"). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty self-insurance for its member organizations throughout the State of Ohio. The Pool's general objectives are to formulate, develop, and administer a program of self-insurance, to obtain lower costs for coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 16 - RISK MANAGEMENT - (Continued)

well as current members, are subject to a supplemental assessment or a refund, at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessments or refunds.

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

Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to build the Pool's retained earning account to fund the activities of the Pool. During 2009 and 2010, the City made contributions in the amounts of \$435,752 and \$390,594, and surplus contributions to the Pool in the amounts of \$48,417 and \$43,399, respectively.

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

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

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

The aviation liability is purchased from a commercial insurance company.

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

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

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

Medical and Dental insurance is provided through a self-insured program. An internal service fund was established to account for and finance this program. This plan provides medical coverage with a \$200 single deductible, \$400 family deductible, and a dental plan that pays 100% preventive maintenance costs for employees only. A third party administrator, E.S. Beveridge & Associates, Inc., reviews all claims which are paid by the City. The City pays into the self-insurance internal service fund an amount equal to \$511 single coverage and \$1,243 family coverage per employee per month. A portion of the amount paid into the self-insurance internal service fund is paid by the employees through payroll deduction. The amount depends on the employee's type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - RISK MANAGEMENT - (Continued)

The liability for unpaid claims costs of \$680,861 reported in the internal service fund at December 31, 2010 is based on the requirements of GASB Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. Estimates for unpaid claims are based on available information.

Changes in the self-insurance fund's claims liability amount for 2009 and 2010 were as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ 583,540	\$ 5,706,181	\$ (5,608,860)	\$ 680,861
2009	\$ 1,004,251	\$ 5,981,763	\$ (6,402,474)	\$ 583,540

NOTE 17 - DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System

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

OPERS administers three separate pension plans as described below:

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 17 - DEFINED BENEFIT PENSION PLANS – (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. Members in the state and local divisions may participate in all three plans. The 2010 member contribution rates were 10.00% for members in state and local classifications. The 2010 employer contribution rates were 14.00% of covered payroll.

The City's contributions to OPERS for the years ending December 31, 2010, 2009 and 2008 were \$1,770,305, \$1,863,328, and \$2,139,557, respectively. The full amount has been contributed for 2008 and 2009, and 92.55% has been contributed for 2010 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

Contributions by the City to the OP&F for police officers for the year ended December 31, 2010, 2009, and 2008 were \$950,627, \$1,001,762, and \$1,051,960, respectively, and for firefighters the contributions were \$1,443,540, \$1,449,014, and \$1,493,992, respectively. The full amount has been contributed for 2008 and 2009. For police officers and firefighters, 72.03% and 70.82%, respectively, have been contributed for 2010 with the remainder being reported as a liability in the respective funds.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police officers and firefighters in 1967. As of December 31, 2010, the unfunded liability of the City was \$1,186,338 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as a component of governmental activities long-term obligations.

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS

In addition to the pension benefits described previously, both OPERS and OP&F provide post-retirement health care coverage commonly referred to as OPEB. The health care coverage provided is considered an

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

OPEB under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension* (GASB 45). For both systems, the Ohio Revised Code provides the authority for public employers to fund post-retirement health care through their contributions.

A. Ohio Public Employees Retirement System

1. Plan Description

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

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

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

2. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010, and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

3. Contributions

The City's total contributions to OPERS for the years ended December 31, 2010, 2009, and 2008 were \$1,770,305, \$1,863,328, and \$2,139,557 respectively, of which \$642,257, \$931,664, and \$1,069,779 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2009, and 92.55% has been contributed for 2010.

4. Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

1. Plan Description

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

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

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

2. Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 18 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

3. Contributions

The City of Mansfield's contributions to the OP&F for police officers for the years ended December 31, 2010, 2009, and 2008 were \$950,627, \$1,001,762, and \$1,051,960 respectively, of which \$328,917, \$346,610, and \$363,978 was allocated to the healthcare plan. Total contributions by the City to the OP&F for firefighters for the year ended December 31, 2010, 2009, and 2008 were \$1,443,540, \$1,449,014, and \$1,493,992 respectively, of which \$405,635, \$407,173, and \$419,812 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2009. For police officers and firefighters, 72.03% and 70.82%, respectively, have been contributed for 2010.

NOTE 19 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES

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

Water fund:	
County water samples	\$ 2,808
Total Water fund	\$ 2,808

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Sewer fund:	
City of Ontario sewer agreement	\$ 181,634
Richland County sewer agreement	<u>784,614</u>
Total Sewer fund	<u>\$ 966,248</u>
General fund:	
Court apportionment	\$ 25,000
Estate and inheritance tax	581,431
Federal reimbursements	750
Homestead/Rollback	115,000
Local government funds	1,401,227
Public defenders reimbursement	35,447
Richland County share of judges salaries	193,838
State liquor permit fees	52,060
Trailer tax	<u>1,647</u>
Total General fund	<u>\$ 2,406,400</u>
Safety Services fund:	
Homestead/Rollback	\$ 22,500
Police fees	14,342
Trailer tax	<u>330</u>
Total Safety Services fund	<u>\$ 37,172</u>
Community Development fund:	
CDBG and HOME grants	<u>\$ 4,295,656</u>
Total Community Development fund	<u>\$ 4,295,656</u>
Other governmental funds:	
Federal reimbursements	\$ 4,918
Gasoline tax	664,541
Indigent drivers treatment	8,326
Motor vehicle registration	211,618
Nutrition grant	86,423
Ohio Department of Development grants	301,662
Permissive sales tax	406,852
Regional Community Advancement contracts	59,840
Richland County share of judges salaries	<u>60,668</u>
Total other governmental funds	<u>\$ 1,804,848</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

Grant fund:	
Airport improvement grant	\$ 102,144
Airport west industrial park grant	1,073
Bulletproof vest grant	8,398
Byrne grants	210,966
Community corrections grant	49,124
COPS hiring recovery grant	830,083
COPS officer retention grant	334,659
Coverdell forensic grant	29,018
Crime victims grant	38,421
DNA Backlog grants	421,027
Drug prevention grant	9,411
Family violence grant	47,920
High visability grant	23,850
Homeland security grant	25,380
JAG grant	13,902
Landfill grading/drainage grant	80,877
Law enforcement training grant	1,680
Litter control grant	10,359
Metrich grant	103,121
Metrich grant match from various agencies	66,115
Metrich retention grant	85,021
PAL recovery grant	23,887
Reid industrial park grant	1,016,933
Safe neighborhoods grant	10,000
Safe routes to school grant	41,688
Sewer inflow/infiltration grant	25,231
Sex offender tracking grant	34,153
Streetscape grant	<u>21,520</u>
Total Grant fund	<u>\$ 3,665,961</u>

NOTE 21 – BUDGETARY NONCOMPLIANCE

At December 31, 2010, contrary to Ohio Revised Code Section 5705.10(H), the City had deficit cash balances in its General fund of \$1,488,195.

At December 31, 2010, contrary to Ohio Revised Code Section 5705.41(B), the City had actual expenditures exceed appropriations in the Safety services fund by \$2,427,280.

At December 31, 2010, contrary to Ohio Revised Code Section 5705.39, original and final appropriations exceeded estimated resources in the General and Local Law Enforcement Block Grant funds by \$2,271,707 and \$38,142, respectively.

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 22 – FISCAL EMERGENCY

On August 19, 2010, the Auditor of State declared the City of Mansfield to be in a state of fiscal emergency in accordance with section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a financial planning and supervision commission. The commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the mayor, president of city council, and three individuals appointed by the Governor who are residents of the City and meet certain criteria.

In accordance with Section 118.06 of the Ohio Revised Code, the City is required to submit to the Commission a financial recovery plan for the City which outlines the measures to be taken to eliminate the fiscal emergency conditions. The City adopted its initial financial recovery plan in February 2011. This plan was subsequently updated in April 2011.

The more significant steps taken by the City to alleviate the fiscal emergency conditions include staff reductions, voluntary and involuntary furlough days, union contract concessions and the installation of a net based software system. Future plans include the implementation of a street light fee, license plate fee and storm water runoff fee. The City also hopes to stabilize safety forces personnel by passing an additional one quarter of one percent income tax levy.

As of December 31, 2010, the City has not determined when the situation will be resolved.

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

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

Street Construction Maintenance and Repair:

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

State Highway:

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

Regional Community Advancement:

To account for grants and other miscellaneous contracts used in the operation of the City's Regional Community Advancement building on Bowman Street. Individual programs are controlled by separate program numbers.

Drug Law Enforcement:

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

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

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

Industrial Development:

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

Indigent Drivers Alcohol Treatment:

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

Court Computerization:

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

Local Law Enforcement Block Grant:

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

Probation Services:

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

Court Costs:

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

Nonmajor Debt Service Fund

Debt Service:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

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

Street Resurfacing:

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

Issue II Improvement:

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

Section 108 Improvement:

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

Fixed Asset Acquisition:

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

Miller Park Project:

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

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,893,194	\$ 201,045	\$ 2,894,573	\$ 5,988,812
Receivables (net of allowances of uncollectibles):				
Taxes	18,584	-	510,713	529,297
Accounts	51,927	-	6,924	58,851
Accrued interest	11,917	-	-	11,917
Loans	1,122,273	-	-	1,122,273
Due from other governments	1,503,186	-	301,662	1,804,848
Materials and supplies inventory	203,764	-	-	203,764
Total assets	<u>\$ 5,804,845</u>	<u>\$ 201,045</u>	<u>\$ 3,713,872</u>	<u>\$ 9,719,762</u>
Liabilities:				
Accounts payable	\$ 106,246	\$ -	\$ -	\$ 106,246
Contracts payable	41,553	-	-	41,553
Accrued wages and benefits	24,939	-	-	24,939
Compensated absences	29,200	-	-	29,200
Due to other governments	81,698	-	-	81,698
Deferred revenue	1,247,370	-	539,739	1,787,109
Total liabilities	<u>1,531,006</u>	<u>-</u>	<u>539,739</u>	<u>2,070,745</u>
Fund Balances:				
Reserved for materials and supplies inventory	203,764	-	-	203,764
Reserved for loans	1,122,273	-	-	1,122,273
Reserved for debt service	-	71,917	-	71,917
Unreserved, undesignated, reported in:				
Special revenue funds	2,947,802	-	-	2,947,802
Debt service fund	-	129,128	-	129,128
Capital projects funds	-	-	3,174,133	3,174,133
Total fund balances	<u>4,273,839</u>	<u>201,045</u>	<u>3,174,133</u>	<u>7,649,017</u>
Total liabilities and fund balances	<u>\$ 5,804,845</u>	<u>\$ 201,045</u>	<u>\$ 3,713,872</u>	<u>\$ 9,719,762</u>

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway</u>	<u>Regional Community Advancement</u>	<u>Drug Law Enforcement</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 358,018	\$ 15,689	\$ 85,781	\$ 30,352
Receivables (net of allowances of uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	810,446	65,713	146,263	-
Materials and supplies inventory	181,845	-	-	-
Total assets.	<u>\$ 1,350,309</u>	<u>\$ 81,402</u>	<u>\$ 232,044</u>	<u>\$ 30,352</u>
Liabilities:				
Accounts payable.	\$ 98,243	\$ -	\$ 5,891	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	10,819	-	11,118	-
Compensated absences	27,960	-	1,240	-
Due to other governments	29,591	-	34,569	-
Deferred revenue	662,239	53,696	101,984	-
Total liabilities.	<u>828,852</u>	<u>53,696</u>	<u>154,802</u>	<u>-</u>
Fund Balances:				
Reserved for materials and supplies inventory	181,845	-	-	-
Reserved for loans	-	-	-	-
Unreserved, undesignated	339,612	27,706	77,242	30,352
Total fund balances	<u>521,457</u>	<u>27,706</u>	<u>77,242</u>	<u>30,352</u>
Total liabilities and fund balances	<u>\$ 1,350,309</u>	<u>\$ 81,402</u>	<u>\$ 232,044</u>	<u>\$ 30,352</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ 74,554	\$ 1,129,702	\$ 250,184	\$ 96,613	\$ 277,814	\$ 56,587
-	-	18,584	-	-	-
-	-	252	1,074	4,499	-
-	-	11,917	-	-	-
-	-	1,122,273	-	-	-
4,918	406,852	-	8,326	-	-
-	-	-	-	15,964	-
<u>\$ 79,472</u>	<u>\$ 1,536,554</u>	<u>\$ 1,403,210</u>	<u>\$ 106,013</u>	<u>\$ 298,277</u>	<u>\$ 56,587</u>
\$ 1,320	\$ -	\$ 452	\$ -	\$ -	\$ -
-	-	41,553	-	-	-
-	-	1,340	-	892	-
-	-	-	-	-	-
235	-	10,550	-	1,981	-
-	351,007	9,450	8,326	-	-
<u>1,555</u>	<u>351,007</u>	<u>63,345</u>	<u>8,326</u>	<u>2,873</u>	<u>-</u>
-	-	-	-	15,964	-
-	-	1,122,273	-	-	-
<u>77,917</u>	<u>1,185,547</u>	<u>217,592</u>	<u>97,687</u>	<u>279,440</u>	<u>56,587</u>
<u>77,917</u>	<u>1,185,547</u>	<u>1,339,865</u>	<u>97,687</u>	<u>295,404</u>	<u>56,587</u>
<u>\$ 79,472</u>	<u>\$ 1,536,554</u>	<u>\$ 1,403,210</u>	<u>\$ 106,013</u>	<u>\$ 298,277</u>	<u>\$ 56,587</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 57,242	\$ 460,658	\$ 2,893,194
Receivables (net of allowances of uncollectibles):			
Taxes	-	-	18,584
Accounts	5,905	40,197	51,927
Accrued interest.	-	-	11,917
Loans	-	-	1,122,273
Due from other governments	-	60,668	1,503,186
Materials and supplies inventory	5,761	194	203,764
Total assets.	<u>\$ 68,908</u>	<u>\$ 561,717</u>	<u>\$ 5,804,845</u>
Liabilities:			
Accounts payable.	\$ -	\$ 340	\$ 106,246
Contracts payable	-	-	41,553
Accrued wages and benefits	-	770	24,939
Compensated absences	-	-	29,200
Due to other governments	-	4,772	81,698
Deferred revenue	-	60,668	1,247,370
Total liabilities.	<u>-</u>	<u>66,550</u>	<u>1,531,006</u>
Fund Balances:			
Reserved for materials and supplies inventory	5,761	194	203,764
Reserved for loans	-	-	1,122,273
Unreserved, undesignated	63,147	494,973	2,947,802
Total fund balances	<u>68,908</u>	<u>495,167</u>	<u>4,273,839</u>
Total liabilities and fund balances	<u>\$ 68,908</u>	<u>\$ 561,717</u>	<u>\$ 5,804,845</u>

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CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2010

	<u>Street Resurfacing</u>	<u>Miller Park Project</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,315,481	\$ 579,092	\$ 2,894,573
Receivables (net of allowances of uncollectibles):			
Taxes	510,713	-	510,713
Accounts	6,924	-	6,924
Due from other governments	-	301,662	301,662
Total assets	<u>\$ 2,833,118</u>	<u>\$ 880,754</u>	<u>\$ 3,713,872</u>
Liabilities:			
Deferred revenue	<u>\$ 259,705</u>	<u>\$ 280,034</u>	<u>\$ 539,739</u>
Total liabilities	<u>259,705</u>	<u>280,034</u>	<u>539,739</u>
Fund Balances:			
Unreserved, undesignated	<u>2,573,413</u>	<u>600,720</u>	<u>3,174,133</u>
Total fund balances	<u>2,573,413</u>	<u>600,720</u>	<u>3,174,133</u>
Total liabilities and fund balances	<u>\$ 2,833,118</u>	<u>\$ 880,754</u>	<u>\$ 3,713,872</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 216,084	\$ -	\$ 3,045,000	\$ 3,261,084
Property and other taxes	-	2	-	2
Charges for services	425,996	-	-	425,996
Licenses, permits and fees	1,220	-	-	1,220
Fines and forfeitures	896,494	-	-	896,494
Intergovernmental	3,675,809	-	945,976	4,621,785
Investment income	10,545	-	-	10,545
Other	10,312	1,990	-	12,302
Total revenues	<u>5,236,460</u>	<u>1,992</u>	<u>3,990,976</u>	<u>9,229,428</u>
Expenditures:				
Current:				
General government	2,296,293	-	-	2,296,293
Public safety	283,468	-	-	283,468
Transportation	2,300,961	-	-	2,300,961
Capital outlay	-	-	2,974,155	2,974,155
Debt service:				
Principal retirement	-	415,000	-	415,000
Interest and fiscal charges	-	307,533	-	307,533
Total expenditures	<u>4,880,722</u>	<u>722,533</u>	<u>2,974,155</u>	<u>8,577,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>355,738</u>	<u>(720,541)</u>	<u>1,016,821</u>	<u>652,018</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	6,218	-	-	6,218
Transfers in	-	835,305	-	835,305
Transfers out	(117,630)	-	(891,812)	(1,009,442)
Total other financing sources (uses)	<u>(111,412)</u>	<u>835,305</u>	<u>(891,812)</u>	<u>(167,919)</u>
Net change in fund balances	244,326	114,764	125,009	484,099
Fund balances at beginning of year (restated)	4,176,371	86,281	3,049,124	7,311,776
Increase (decrease) in reserve for inventory	<u>(146,858)</u>	<u>-</u>	<u>-</u>	<u>(146,858)</u>
Fund balances at end of year	<u>\$ 4,273,839</u>	<u>\$ 201,045</u>	<u>\$ 3,174,133</u>	<u>\$ 7,649,017</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway</u>	<u>Regional Community Advancement</u>	<u>Drug Law Enforcement</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	137,666	-	112,200	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	3,004
Intergovernmental	1,827,532	148,098	965,369	-
Investment income	-	-	-	-
Other	9,576	-	736	-
Total revenues	<u>1,974,774</u>	<u>148,098</u>	<u>1,078,305</u>	<u>3,004</u>
Expenditures:				
Current:				
General government	-	-	1,133,504	-
Public safety	-	-	-	5,172
Transportation	1,891,464	171,285	-	-
Total expenditures	<u>1,891,464</u>	<u>171,285</u>	<u>1,133,504</u>	<u>5,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,310</u>	<u>(23,187)</u>	<u>(55,199)</u>	<u>(2,168)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers out	(84,415)	-	-	-
Total other financing sources (uses):	<u>(84,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,105)	(23,187)	(55,199)	(2,168)
Fund balances at beginning of year	683,361	50,893	132,441	32,520
Increase (decrease) in reserve for inventory	<u>(160,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 521,457</u>	<u>\$ 27,706</u>	<u>\$ 77,242</u>	<u>\$ 30,352</u>

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
\$ -	\$ -	\$ 216,084	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
48,034	-	-	34,452	69,635	-
4,918	676,544	-	24,488	-	28,860
-	-	10,545	-	-	-
-	-	-	-	-	-
<u>52,952</u>	<u>676,544</u>	<u>226,629</u>	<u>58,940</u>	<u>69,635</u>	<u>28,860</u>
-	-	214,554	-	223,070	-
152,425	-	-	14,036	-	111,835
-	238,212	-	-	-	-
<u>152,425</u>	<u>238,212</u>	<u>214,554</u>	<u>14,036</u>	<u>223,070</u>	<u>111,835</u>
<u>(99,473)</u>	<u>438,332</u>	<u>12,075</u>	<u>44,904</u>	<u>(153,435)</u>	<u>(82,975)</u>
-	-	6,218	-	-	-
-	-	-	-	-	-
-	-	6,218	-	-	-
<u>(99,473)</u>	<u>438,332</u>	<u>18,293</u>	<u>44,904</u>	<u>(153,435)</u>	<u>(82,975)</u>
177,390	747,215	1,321,572	52,783	438,314	139,562
-	-	-	-	10,525	-
<u>\$ 77,917</u>	<u>\$ 1,185,547</u>	<u>\$ 1,339,865</u>	<u>\$ 97,687</u>	<u>\$ 295,404</u>	<u>\$ 56,587</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 216,084
Charges for services	176,130	-	425,996
Licenses, permits and fees	529	691	1,220
Fines and forfeitures	-	741,369	896,494
Intergovernmental	-	-	3,675,809
Investment income	-	-	10,545
Other	-	-	10,312
Total revenues	<u>176,659</u>	<u>742,060</u>	<u>5,236,460</u>
Expenditures:			
Current:			
General government	180,436	544,729	2,296,293
Public safety	-	-	283,468
Transportation	-	-	2,300,961
Total expenditures	<u>180,436</u>	<u>544,729</u>	<u>4,880,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,777)</u>	<u>197,331</u>	<u>355,738</u>
Other financing sources:			
Proceeds from sale of capital assets	-	-	6,218
Transfers out	-	(33,215)	(117,630)
Total other financing sources (uses):	<u>-</u>	<u>(33,215)</u>	<u>(111,412)</u>
Net change in fund balances	(3,777)	164,116	244,326
Fund balances at beginning of year	69,463	330,857	4,176,371
Increase (decrease) in reserve for inventory	3,222	194	(146,858)
Fund balances at end of year	<u>\$ 68,908</u>	<u>\$ 495,167</u>	<u>\$ 4,273,839</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Section 108 Improvement</u>	<u>Fixed Asset Acquisition</u>
Revenues:				
Municipal income taxes	\$ 3,045,000	\$ -	\$ -	\$ -
Intergovernmental	-	900,816	-	-
Total revenues	<u>3,045,000</u>	<u>900,816</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	1,714,134	900,816	82,892	-
Total expenditures	<u>1,714,134</u>	<u>900,816</u>	<u>82,892</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,330,866	-	(82,892)	-
Other financing uses:				
Transfers out	-	-	(128,522)	(763,290)
Total other financing uses:	<u>-</u>	<u>-</u>	<u>(128,522)</u>	<u>(763,290)</u>
Net change in fund balances	1,330,866	-	(211,414)	(763,290)
Fund balances at beginning of year (restated) .	<u>1,242,547</u>	<u>-</u>	<u>211,414</u>	<u>763,290</u>
Fund balances at end of year	<u>\$ 2,573,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Miller Park Project</u>	<u>Total</u>
\$ -	\$ 3,045,000
45,160	945,976
<u>45,160</u>	<u>3,990,976</u>
276,313	2,974,155
<u>276,313</u>	<u>2,974,155</u>
(231,153)	1,016,821
<u>-</u>	<u>(891,812)</u>
-	(891,812)
(231,153)	125,009
<u>831,873</u>	<u>3,049,124</u>
<u>\$ 600,720</u>	<u>\$ 3,174,133</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,296,208	\$ 2,296,208	\$ 2,409,169	\$ 112,961
Charges for services	5,000	5,000	3,435	(1,565)
Licenses, permits and fees.	519,300	552,300	591,201	38,901
Fines and forfeitures.	1,213,200	1,343,200	1,396,706	53,506
Intergovernmental	3,701,475	3,971,035	3,942,944	(28,091)
Special assessments	22,000	49,000	49,359	359
Investment income	211,750	241,706	293,052	51,346
Other	156,149	908,633	948,128	39,495
Total revenues	8,125,082	9,367,082	9,633,994	266,912
Expenditures:				
Current:				
Public safety				
Safety town				
Personal services.	10,212	10,212	7,111	3,101
Materials and supplies	2,173	2,173	1,645	528
Street lighting				
Contractual services	482,542	659,882	659,882	-
Housing of prisoners				
Contractual services	25,000	1,403,875	1,403,875	-
Total public safety	519,927	2,076,142	2,072,513	3,629
Public health and welfare				
Human relations				
Other.	21,089	500	500	-
Humane society				
Other.	5,000	5,000	-	5,000
Indigent burial				
Other.	9,000	9,000	8,950	50
Total public health and welfare.	35,089	14,500	9,450	5,050
Leisure time activities				
Parks				
Personal services	-	210,399	210,399	-
Materials and supplies	817	92,739	92,739	-
Contractual services	46,284	84,396	84,396	-
Adopt-a-park				
Other.	5,158	5,158	771	4,387
Recreation				
Personal services.	49,178	67,138	67,138	-
Materials and supplies	1,790	1,790	534	1,256
Contractual services	4,365	4,365	2,660	1,705
Total leisure time activities.	107,592	465,985	458,637	7,348

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community environment				
Codes and permits				
Personal services	\$ 268,000	\$ 260,922	\$ 258,765	\$ 2,157
Materials and supplies	7,686	7,686	7,280	406
Contractual services	84,568	84,568	82,771	1,797
Other	1,451	1,451	331	1,120
Regional planning				
Other	24,100	24,100	24,100	-
Chamber district				
Other	4,141	4,141	4,141	-
Sub-division fees				
Other	45,793	45,793	-	45,793
Total community environment	435,739	428,661	377,388	51,273
General government				
Council				
Personal services	170,770	170,770	166,784	3,986
Materials and supplies	634	734	655	79
Contractual services	15,498	15,498	15,488	10
Other	2,600	2,500	1,550	950
Human resource director				
Personal services	147,785	136,618	131,993	4,625
Materials and supplies	3,000	2,200	1,414	786
Contractual services	87,825	86,662	85,589	1,073
Other	7,480	10,280	3,991	6,289
Mayor				
Personal services	131,984	131,984	129,464	2,520
Materials and supplies	3,000	3,000	1,074	1,926
Contractual services	25,842	25,842	25,803	39
Other	11,500	11,260	6,378	4,882
Finance director				
Personal services	607,954	569,045	564,471	4,574
Materials and supplies	11,730	11,730	7,382	4,348
Contractual services	321,028	325,085	269,251	55,834
Other	1,000	1,000	305	695
Law director				
Personal services	461,719	441,265	417,839	23,426
Materials and supplies	13,000	13,000	8,600	4,400
Contractual services	88,997	88,997	81,795	7,202
Other	24,514	23,880	10,133	13,747
Municipal court				
Personal services	628,234	594,895	591,415	3,480
Materials and supplies	9,042	8,925	8,868	57
Contractual services	555,874	504,515	500,741	3,774
Other	3,400	2,479	1,102	1,377
Clerk of court				
Personal services	975,985	830,525	819,524	11,001
Materials and supplies	41,000	51,300	49,863	1,437
Contractual services	122,067	129,024	128,767	257
Other	4,000	4,000	3,047	953

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil service commission				
Personal services	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Contractual services	50,855	-	-	-
Safety/service director				
Personal services	167,784	101,784	100,810	974
Materials and supplies	1,200	2,700	1,178	1,522
Contractual services	22,651	19,609	18,657	952
Other	5,000	1,500	-	1,500
Engineering				
Personal services	415,212	348,058	347,633	425
Materials and supplies	1,000	4,000	2,988	1,012
Contractual services	90,400	85,123	83,366	1,757
Other	5,828	240	240	-
City building and public lands				
Personal services	203,388	181,858	152,922	28,936
Materials and supplies	46,110	37,151	37,151	-
Contractual services	706,479	547,228	537,511	9,717
Income tax administration				
Personal services	303,025	303,025	302,048	977
Materials and supplies	55,100	32,581	24,714	7,867
Capital outlay	1,000	1,000	-	1,000
Contractual services	71,149	71,949	68,186	3,763
Other	450	450	450	-
Miscellaneous				
Fringe benefits	56,100	29,042	29,042	-
Festivals	25,000	11,638	11,187	451
Other	2,000	2,000	1,890	110
Unclaimed money				
Other	73,615	73,615	6,838	66,777
Special assessments				
Other	6,042	6,042	4,248	1,794
Total general government	6,806,350	6,077,106	5,783,845	293,261

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	\$ 7,904,697	\$ 9,062,394	\$ 8,701,833	\$ 360,561
Excess of revenues over expenditures	220,385	304,688	932,161	627,473
Other financing sources (uses):				
Loan to other funds	(2,053,644)	(2,053,644)	(2,053,644)	-
Payment on loan from other funds	(260,000)	(260,000)	(260,000)	-
Repayment of loan to other funds	2,199,191	2,199,191	2,199,191	-
Transfers out	(260,988)	(345,291)	(189,252)	156,039
Total other financing sources (uses)	(375,441)	(459,744)	(303,705)	156,039
Net change in fund balance	(155,056)	(155,056)	628,456	783,512
Fund balance (deficit) at beginning of year	(2,164,866)	(2,164,866)	(2,164,866)	-
Prior year encumbrances appropriated	48,215	48,215	48,215	-
Fund balance (deficit) at end of year.	<u>\$ (2,271,707)</u>	<u>\$ (2,271,707)</u>	<u>\$ (1,488,195)</u>	<u>\$ 783,512</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 3,713,988	\$ 2,359,140	\$ 2,304,618	\$ (54,522)
Investment income	75,000	75,000	54,432	(20,568)
Other	260,000	260,000	194,548	(65,452)
	<u>4,048,988</u>	<u>2,694,140</u>	<u>2,553,598</u>	<u>(140,542)</u>
Expenditures:				
Current:				
Community environment				
Personal services	351,883	329,772	279,772	50,000
Materials and supplies	82,231	20,231	9,960	10,271
Contractual services	3,678,145	2,407,099	1,936,298	470,801
Other	6,278	6,587	5,831	756
	<u>4,118,537</u>	<u>2,763,689</u>	<u>2,231,861</u>	<u>531,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,549)</u>	<u>(69,549)</u>	<u>321,737</u>	<u>391,286</u>
Other financing uses:				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(319,549)	(319,549)	71,737	391,286
Fund balance at beginning of year	299,640	299,640	299,640	-
Prior year encumbrances appropriated	<u>20,789</u>	<u>20,789</u>	<u>20,789</u>	<u>-</u>
Fund balance at end of year	<u>\$ 880</u>	<u>\$ 880</u>	<u>\$ 392,166</u>	<u>\$ 391,286</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 16,443,356	\$ 18,672,371	\$ 18,658,007	\$ (14,364)
Charges for services	1,180,000	1,380,000	1,375,761	(4,239)
Licenses, permits and fees.	97,000	104,515	96,500	(8,015)
Fines and forfeitures.	120,000	120,000	123,999	3,999
Intergovernmental	45,500	45,500	44,567	(933)
Other	77,000	69,485	140,794	71,309
	<hr/>	<hr/>	<hr/>	
Total revenues	17,962,856	20,391,871	20,439,628	47,757
Expenditures:				
Current:				
Public safety				
Personal services.	6,474,983	9,444,472	11,907,690	(2,463,218)
Fringe benefits.	3,016,397	2,880,150	2,867,332	12,818
Materials and supplies	442,557	204,997	197,475	7,522
Contractual services	4,828,946	4,783,853	4,772,018	11,835
Capital outlay	223,925	42,117	42,117	-
Other.	72,700	33,365	29,602	3,763
	<hr/>	<hr/>	<hr/>	
Total expenditures	15,059,508	17,388,954	19,816,234	(2,427,280)
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	2,903,348	3,002,917	623,394	(2,379,523)
Other financing sources (uses):				
Loans from other funds	1,994,476	1,994,476	1,994,476	-
Repayment of loan from other funds	(1,764,198)	(1,764,198)	(1,764,198)	-
Transfers out	(949,693)	(999,542)	(899,238)	100,304
	<hr/>	<hr/>	<hr/>	
Total other financing sources (uses)	(719,415)	(769,264)	(668,960)	100,304
Net change in fund balance	2,183,933	2,233,653	(45,566)	(2,279,219)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	45,566	45,566	45,566	-
	<hr/>	<hr/>	<hr/>	
Fund balance at end of year.	<u>\$ 2,229,499</u>	<u>\$ 2,279,219</u>	<u>\$ -</u>	<u>\$ (2,279,219)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 9,764,722	\$ 11,328,812	\$ 7,638,731	\$ (3,690,081)
Charges for services	44,347	44,347	44,347	-
Other	343	4,925	9,839	4,914
	<u>9,809,412</u>	<u>11,378,084</u>	<u>7,692,917</u>	<u>(3,685,167)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	1,686,250	1,673,246	1,397,529	275,717
Fringe benefits	268,533	272,042	253,007	19,035
Materials and supplies	146,488	93,669	62,855	30,814
Contractual services	991,511	1,125,857	868,034	257,823
Capital outlay	263,989	651,161	541,578	109,583
Other.	255,187	245,210	180,202	65,008
Total public safety	<u>3,611,958</u>	<u>4,061,185</u>	<u>3,303,205</u>	<u>757,980</u>
Public health and welfare				
Personal services.	44,873	47,623	45,131	2,492
Materials and supplies	3,700	8,296	3,932	4,364
Other.	-	800	-	800
Contractual services	20,819	20,819	20,819	-
Total public health and welfare.	<u>69,392</u>	<u>77,538</u>	<u>69,882</u>	<u>7,656</u>
General government				
Personal services.	199,867	243,585	243,584	1
Materials and supplies	9,600	7,782	4,907	2,875
Contractual services	7,176,642	8,271,322	5,427,939	2,843,383
Total general government	<u>7,386,109</u>	<u>8,522,689</u>	<u>5,676,430</u>	<u>2,846,259</u>
Total expenditures	<u>11,067,459</u>	<u>12,661,412</u>	<u>9,049,517</u>	<u>3,611,895</u>
Deficiency of revenues under expenditures	<u>(1,258,047)</u>	<u>(1,283,328)</u>	<u>(1,356,600)</u>	<u>(73,272)</u>
Other financing sources:				
Loans from other funds	59,168	59,168	59,168	-
Transfers in	714,678	751,140	749,339	(1,801)
Total other financing sources	<u>773,846</u>	<u>810,308</u>	<u>808,507</u>	<u>(1,801)</u>
Net change in fund balance	(484,201)	(473,020)	(548,093)	(75,073)
Fund balance at beginning of year	503,539	503,539	503,539	-
Prior year encumbrances appropriated	44,554	44,554	44,554	-
Fund balance at end of year.	<u>\$ 63,892</u>	<u>\$ 75,073</u>	<u>\$ -</u>	<u>\$ (75,073)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 1,734,375	\$ 1,734,375	\$ 1,825,717	\$ 91,342
Charges for services	168,556	168,556	137,666	(30,890)
Other	6,000	6,000	39,832	33,832
Total revenues	1,908,931	1,908,931	2,003,215	94,284
Expenditures:				
Current:				
Transportation				
Personal services.	525,737	525,737	525,737	-
Fringe benefits.	6,252	6,252	5,110	1,142
Materials and supplies	575,469	565,469	527,672	37,797
Contractual services	1,003,368	989,946	832,322	157,624
Total expenditures	2,110,826	2,087,404	1,890,841	196,563
Excess (deficiency) of revenues over (under) expenditures	(201,895)	(178,473)	112,374	290,847
Other financing uses:				
Transfers out	(106,022)	(129,444)	(84,415)	45,029
Total other financing uses	(106,022)	(129,444)	(84,415)	45,029
Net change in fund balance	(307,917)	(307,917)	27,959	335,876
Fund balance at beginning of year	236,389	236,389	236,389	-
Prior year encumbrances appropriated	93,669	93,669	93,669	-
Fund balance at end of year	\$ 22,141	\$ 22,141	\$ 358,017	\$ 335,876

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 140,625	\$ 140,625	\$ 148,030	\$ 7,405
Total revenues	140,625	140,625	148,030	7,405
Expenditures:				
Current:				
Transportation				
Personal services	100,000	179,038	170,754	8,284
Materials and supplies	81,460	2,422	2,422	-
Total expenditures	181,460	181,460	173,176	8,284
Net change in fund balance	(40,835)	(40,835)	(25,146)	15,689
Fund balance at beginning of year	38,943	38,943	38,943	-
Prior year encumbrances appropriated	1,892	1,892	1,892	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,689</u>	<u>\$ 15,689</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REGIONAL COMMUNITY ADVANCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 397,827	\$ 678,428	\$ 638,346	\$ (40,082)
Charges for services	324,442	354,342	427,479	73,137
Other	5,094	5,094	28,446	23,352
	<u>727,363</u>	<u>1,037,864</u>	<u>1,094,271</u>	<u>56,407</u>
Expenditures:				
Current:				
General government				
Personal services.	425,508	646,045	602,674	43,371
Fringe benefits.	10,000	2,827	1,225	1,602
Materials and supplies	71,271	45,882	39,321	6,561
Contractual services	409,470	523,355	482,736	40,619
Other.	6,387	15,028	4,364	10,664
	<u>922,636</u>	<u>1,233,137</u>	<u>1,130,320</u>	<u>102,817</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(195,273)</u>	<u>(195,273)</u>	<u>(36,049)</u>	<u>159,224</u>
Other financing sources:				
Transfers in	<u>73,443</u>	<u>73,443</u>	<u>-</u>	<u>(73,443)</u>
Total other financing sources	<u>73,443</u>	<u>73,443</u>	<u>-</u>	<u>(73,443)</u>
Net change in fund balance	(121,830)	(121,830)	(36,049)	85,781
Fund balance at beginning of year	120,029	120,029	120,029	-
Prior year encumbrances appropriated	<u>1,801</u>	<u>1,801</u>	<u>1,801</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,781</u>	<u>\$ 85,781</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 3,004	\$ (1,996)
Total revenues	5,000	5,000	3,004	(1,996)
Expenditures:				
Current:				
Public safety				
Other	37,520	37,520	5,172	32,348
Total expenditures	37,520	37,520	5,172	32,348
Net change in fund balance	(32,520)	(32,520)	(2,168)	30,352
Fund balance at beginning of year	<u>32,520</u>	<u>32,520</u>	<u>32,520</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,352</u>	<u>\$ 30,352</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 96,000	\$ 96,000	\$ 48,034	\$ (47,966)
Investment income	50	50	-	(50)
Other	50	50	-	(50)
Total revenues	96,100	96,100	48,034	(48,066)
Expenditures:				
Current:				
Public safety				
Contractual services	104,160	104,160	104,160	-
Other	90,870	90,870	50,347	40,523
Total expenditures	195,030	195,030	154,507	40,523
Net change in fund balance	(98,930)	(98,930)	(106,473)	(7,543)
Fund balance at beginning of year	180,727	180,727	180,727	-
Prior year encumbrances appropriated	300	300	300	-
Fund balance at end of year	\$ 82,097	\$ 82,097	\$ 74,554	\$ (7,543)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 650,000	\$ 650,000	\$ 696,179	\$ 46,179
Total revenues	650,000	650,000	696,179	46,179
Expenditures:				
Current:				
Transportation				
Contractual services	1,339,344	1,339,344	270,415	1,068,929
Total expenditures	1,339,344	1,339,344	270,415	1,068,929
Net change in fund balance	(689,344)	(689,344)	425,764	1,115,108
Fund balance at beginning of year	606,323	606,323	606,323	-
Prior year encumbrances appropriated	97,615	97,615	97,615	-
Fund balance at end of year	<u>\$ 14,594</u>	<u>\$ 14,594</u>	<u>\$ 1,129,702</u>	<u>\$ 1,115,108</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDUSTRIAL DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 223,528	\$ 204,898	\$ 204,898	\$ -
Investment income	14,166	14,166	12,384	(1,782)
Other	74,544	74,544	46,995	(27,549)
	<u>312,238</u>	<u>293,608</u>	<u>264,277</u>	<u>(29,331)</u>
Expenditures:				
Current:				
General government				
Personal services	72,378	72,378	68,623	3,755
Materials and supplies	30,000	11,370	5,565	5,805
Contractual services	400,731	400,731	132,576	268,155
	<u>503,109</u>	<u>484,479</u>	<u>206,764</u>	<u>277,715</u>
Total expenditures				
Net change in fund balance	(190,871)	(190,871)	57,513	248,384
Fund balance at beginning of year	<u>190,871</u>	<u>190,871</u>	<u>190,871</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,384</u>	<u>\$ 248,384</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 24,488	\$ 24,488	\$ 24,488	\$ -
Fines and forfeitures.	20,512	20,512	34,231	13,719
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>58,719</u>	<u>13,719</u>
Expenditures:				
Current:				
Public safety				
Other.	96,929	96,929	14,035	82,894
Total expenditures	<u>96,929</u>	<u>96,929</u>	<u>14,035</u>	<u>82,894</u>
Net change in fund balance	(51,929)	(51,929)	44,684	96,613
Fund balance at beginning of year	<u>51,929</u>	<u>51,929</u>	<u>51,929</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,613</u>	<u>\$ 96,613</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 56,000	\$ 56,000	\$ 69,942	\$ 13,942
Total revenues	56,000	56,000	69,942	13,942
Expenditures:				
Current:				
General government				
Personal services	52,444	54,528	54,528	-
Materials and supplies	278,995	277,152	104,432	172,720
Contractual services	154,977	155,036	63,884	91,152
Total expenditures	486,416	486,716	222,844	263,872
Net change in fund balance	(430,416)	(430,716)	(152,902)	277,814
Fund balance at beginning of year	426,792	426,792	426,792	-
Prior year encumbrances appropriated	3,924	3,924	3,924	-
Fund balance at end of year	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 277,814</u>	<u>\$ 277,814</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 28,860	\$ 28,860	\$ 28,860	\$ -
Total revenues	28,860	28,860	28,860	-
Expenditures:				
Current:				
Public safety				
Personal services	151,184	151,184	84,597	66,587
Capital outlay	44,380	44,380	31,238	13,142
Other.	15,000	15,000	-	15,000
Total expenditures	210,564	210,564	115,835	94,729
Net change in fund balance	(181,704)	(181,704)	(86,975)	94,729
Fund balance at beginning of year	139,562	139,562	139,562	-
Prior year encumbrances appropriated	4,000	4,000	4,000	-
Fund balance at end of year.	<u>\$ (38,142)</u>	<u>\$ (38,142)</u>	<u>\$ 56,587</u>	<u>\$ 94,729</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Licenses, permits and fees	\$ 160,425	\$ 160,425	\$ 179,017	\$ 18,592
Total revenues	160,425	160,425	179,017	18,592
Expenditures:				
Current:				
General government				
Personal services	151,870	151,870	115,029	36,841
Contractual services	37,200	44,722	43,422	1,300
Materials and supplies	35,934	28,412	27,903	509
Total expenditures	225,004	225,004	186,354	38,650
Net change in fund balance	(64,579)	(64,579)	(7,337)	57,242
Fund balance at beginning of year	60,577	60,577	60,577	-
Prior year encumbrances appropriated	4,002	4,002	4,002	-
Fund balance at end of year	\$ -	\$ -	\$ 57,242	\$ 57,242

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COSTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 655,000	\$ 655,000	\$ 741,369	\$ 86,369
Total revenues	655,000	655,000	741,369	86,369
Expenditures:				
Current:				
General government				
Personal services	318,927	320,306	302,142	18,164
Contractual services	345,452	333,457	181,397	152,060
Materials and supplies	263,649	261,787	60,526	201,261
Total expenditures	928,028	915,550	544,065	371,485
Excess (deficiency) of revenues over (under) expenditures	(273,028)	(260,550)	197,304	457,854
Other financing uses:				
Transfers out	(23,541)	(36,019)	(33,215)	2,804
Total other financing uses	(23,541)	(36,019)	(33,215)	2,804
Net change in fund balance	(296,569)	(296,569)	164,089	460,658
Fund balance at beginning of year	294,338	294,338	294,338	-
Prior year encumbrances appropriated	2,231	2,231	2,231	-
Fund balance at end of year	\$ -	\$ -	\$ 460,658	\$ 460,658

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ 2	\$ 2
Other	-	-	1,990	1,990
Total revenues	-	-	1,992	1,992
Expenditures:				
Debt service				
Principal retirement	415,000	415,000	415,000	-
Interest and fiscal charges	307,536	307,536	307,533	3
Total expenditures	722,536	722,536	722,533	3
Deficiency of revenues under expenditures . . .	(722,536)	(722,536)	(720,541)	1,995
Other financing sources:				
Transfers in	694,810	694,810	835,305	140,495
Total other financing sources	694,810	694,810	835,305	140,495
Net change in fund balance	(27,726)	(27,726)	114,764	142,490
Fund balance at beginning of year	<u>86,281</u>	<u>86,281</u>	<u>86,281</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,555</u>	<u>\$ 58,555</u>	<u>\$ 201,045</u>	<u>\$ 142,490</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes	\$ 2,928,571	\$ 3,090,097	\$ 3,090,100	\$ 3
Total revenues	2,928,571	3,090,097	3,090,100	3
Expenditures:				
Capital outlay	3,877,102	3,752,915	1,811,125	1,941,790
Total expenditures	3,877,102	3,752,915	1,811,125	1,941,790
Net change in fund balance	(948,531)	(662,818)	1,278,975	1,941,793
Fund balance at beginning of year	757,032	757,032	757,032	-
Prior year encumbrances appropriated	230,022	230,022	230,022	-
Fund balance at end of year	<u>\$ 38,523</u>	<u>\$ 324,236</u>	<u>\$ 2,266,029</u>	<u>\$ 1,941,793</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ISSUE II IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,874,012	\$ 1,074,015	\$ 900,816	\$ (173,199)
Total revenues	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>(173,199)</u>
Expenditures:				
Capital outlay	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>173,199</u>
Total expenditures	<u>1,874,012</u>	<u>1,074,015</u>	<u>900,816</u>	<u>173,199</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SECTION 108 IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	192,318	98,867	98,867	-
Total expenditures	192,318	98,867	98,867	-
Deficiency of revenues under expenditures . . .	(192,318)	(98,867)	(98,867)	-
Other financing uses:				
Transfers out	-	(128,522)	(128,522)	-
Total other financing uses	-	(128,522)	(128,522)	-
Net change in fund balance	(192,318)	(227,389)	(227,389)	-
Fund balance at beginning of year	201,098	201,098	201,098	-
Prior year encumbrances appropriated	26,291	26,291	26,291	-
Fund balance at end of year.	<u>\$ 35,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIXED ASSET ACQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Other financing uses:				
Transfers out	<u>(763,290)</u>	<u>(763,290)</u>	<u>(763,290)</u>	<u>-</u>
Total other financing uses	<u>(763,290)</u>	<u>(763,290)</u>	<u>(763,290)</u>	<u>-</u>
Net change in fund balance	(763,290)	(763,290)	(763,290)	-
Fund balance at beginning of year	<u>763,290</u>	<u>763,290</u>	<u>763,290</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLER PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 303,565	\$ 303,565	\$ 23,532	\$ (280,033)
Total revenues	<u>303,565</u>	<u>303,565</u>	<u>23,532</u>	<u>(280,033)</u>
Expenditures:				
Capital outlay	<u>400,197</u>	<u>400,197</u>	<u>282,508</u>	<u>117,689</u>
Total expenditures	<u>400,197</u>	<u>400,197</u>	<u>282,508</u>	<u>117,689</u>
Deficiency of revenues under expenditures	<u>(96,632)</u>	<u>(96,632)</u>	<u>(258,976)</u>	<u>(162,344)</u>
Other financing uses:				
Repayment of loan from other funds	<u>(431,770)</u>	<u>(431,770)</u>	<u>(431,770)</u>	<u>-</u>
Total other financing uses	<u>(431,770)</u>	<u>(431,770)</u>	<u>(431,770)</u>	<u>-</u>
Net change in fund balance	(528,402)	(528,402)	(690,746)	(162,344)
Fund balance at beginning of year (restated) . .	<u>1,263,643</u>	<u>1,263,643</u>	<u>1,241,597</u>	<u>(22,046)</u>
Fund balance at end of year.	<u>\$ 735,241</u>	<u>\$ 735,241</u>	<u>\$ 550,851</u>	<u>\$ (184,390)</u>

CITY OF MANSFIELD, OHIO

STATEMENT - NONMAJOR ENTERPRISE FUND

FUND DESCRIPTION

Nonmajor Enterprise Fund

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

Airport Operating:

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

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Airport Operating</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,131
Receivables (net of allowances of uncollectibles):	
Taxes	31,808
Accounts	14,674
Materials and supplies inventory.	<u>25,769</u>
Total current assets	<u>75,382</u>
Noncurrent assets:	
Capital assets:	
Land and construction in progress	1,493,629
Depreciable capital assets, net	<u>1,215,177</u>
Total capital assets	<u>2,708,806</u>
Total assets	<u>2,784,188</u>
Liabilities:	
Current liabilities:	
Accounts payable.	3,982
Accrued wages and benefits	4,565
Due to other governments	<u>7,841</u>
Total current liabilities	<u>16,388</u>
Long-term liabilities:	
Compensated absences	<u>68,646</u>
Total long-term liabilities.	<u>68,646</u>
Total liabilities.	<u>85,034</u>
Net assets:	
Invested in capital assets, net of related debt	2,708,806
Unrestricted	<u>(9,652)</u>
Total net assets	<u>\$ 2,699,154</u>

CITY OF MANSFIELD, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Airport Operating
Operating revenues:	
Charges for services	\$ 69,590
Total operating revenues	69,590
Operating expenses:	
Personal services	192,503
Fringe benefits	657
Contractual services.	151,720
Materials and supplies	46,274
Depreciation	131,587
Utilities	49,822
Other	100
Total operating expenses	572,663
Operating loss	(503,073)
Nonoperating revenues:	
Other nonoperating revenues	7,034
Intergovernmental	53,198
Municipal income tax	257,365
Total nonoperating revenues	317,597
Deficiency of operating revenues and nonoperating revenues under expenditures before capital contributions	(185,476)
Capital contributions	64,902
Changes in net assets	(120,574)
Net assets at beginning of year	2,819,728
Net assets at end of year	\$ 2,699,154

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Airport Operating
Cash flows from operating activities:	
Cash received from customers	\$ 73,406
Cash received from other operating revenues	7,034
Cash payments to employees	(180,073)
Cash payments to suppliers	(239,203)
Cash payments for other operating expenses	(7,829)
	(346,665)
 Cash flows from noncapital financing activities:	
Intergovernmental	53,198
Repayment of loans from other funds	(3,223)
Municipal income tax	309,038
	359,013
 Cash flows from capital and related financing activities:	
Acquisition of capital assets	(15,560)
	(15,560)
Net cash used in capital and related financing activities	(15,560)
Net decrease in cash and cash equivalents	(3,212)
 Cash and cash equivalents at beginning of year	6,343
Cash and cash equivalents at end of year	\$ 3,131
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (503,073)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	131,587
Other non-operating revenues	7,034
Changes in assets and liabilities:	
(Increase) in accounts receivable	(3,676)
Decrease in inventory of supplies	7,145
Increase in accounts payable	1,468
Increase in accrued wages and benefits	1,047
Increase in due to other governments	420
Increase in compensated absences payable	11,383
	11,383
Net cash used in operating activities	\$ (346,665)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 6,243,781	\$ 7,943,781	\$ 7,725,652	\$ (218,129)
Tap and license fees	152,000	152,000	130,744	(21,256)
Other	26,700	26,700	34,361	7,661
Total revenues.	<u>6,422,481</u>	<u>8,122,481</u>	<u>7,890,757</u>	<u>(231,724)</u>
Expenses:				
Personal services.	2,166,987	2,153,987	1,798,089	355,898
Fringe benefits.	23,700	18,175	3,480	14,695
Materials and supplies	787,853	787,430	631,804	155,626
Contractual services	3,496,445	3,655,595	3,089,486	566,109
Utilities	756,422	731,422	546,944	184,478
Capital outlay	-	60,000	-	60,000
Other	11,708	17,233	9,167	8,066
Debt service				
Principal retirement	410,000	410,000	410,000	-
Interest and fiscal charges	51,450	51,450	51,450	-
Total expenses	<u>7,704,565</u>	<u>7,885,292</u>	<u>6,540,420</u>	<u>1,344,872</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,282,084)</u>	<u>237,189</u>	<u>1,350,337</u>	<u>1,113,148</u>
Other financing sources (uses):				
Note proceeds	373,845	373,845	373,845	-
Transfers in	-	-	527,883	527,883
Transfers out	(350,407)	(310,068)	-	310,068
Total other financing sources (uses)	<u>23,438</u>	<u>63,777</u>	<u>901,728</u>	<u>837,951</u>
Net change in fund equity	<u>(1,258,646)</u>	<u>300,966</u>	<u>2,252,065</u>	<u>1,951,099</u>
Fund equity at beginning of year (restated)	1,441,109	1,441,109	1,441,109	-
Prior year encumbrances appropriated	161,077	161,077	161,077	-
Fund equity at end of year.	<u>\$ 343,540</u>	<u>\$ 1,903,152</u>	<u>\$ 3,854,251</u>	<u>\$ 1,951,099</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 5,953,443	\$ 5,953,443	\$ 6,123,948	\$ 170,505
Intergovernmental	1,350,000	1,350,000	940,946	(409,054)
Tap and license fees	1,500	1,500	105	(1,395)
Investment earnings	15,600	15,600	15,600	-
Other	2,000	2,000	1,502	(498)
	<u>7,322,543</u>	<u>7,322,543</u>	<u>7,082,101</u>	<u>(240,442)</u>
Expenses:				
Personal services	1,782,779	1,882,779	1,763,893	118,886
Fringe benefits.	22,500	11,861	8,248	3,613
Materials and supplies	372,846	366,846	263,048	103,798
Contractual services	7,870,888	7,776,888	4,969,142	2,807,746
Utilities	811,899	797,609	487,436	310,173
Capital Outlay	6,195	196,195	6,365	189,830
Other	58,488	69,127	55,362	13,765
Debt service				
Principal retirement	35,000	35,000	35,000	-
Interest and fiscal charges	54,212	54,212	54,212	-
	<u>11,014,807</u>	<u>11,190,517</u>	<u>7,642,706</u>	<u>3,547,811</u>
Total expenses				
Deficiency of revenues under expenses	<u>(3,692,264)</u>	<u>(3,867,974)</u>	<u>(560,605)</u>	<u>3,307,369</u>
Other financing sources (uses):				
Transfers in	235,409	235,409	235,408	(1)
Transfers out	(269,925)	(281,546)	-	281,546
Note proceeds	867,752	867,752	867,752	-
Payment on loan to other funds	260,000	260,000	260,000	-
	<u>1,093,236</u>	<u>1,081,615</u>	<u>1,363,160</u>	<u>281,545</u>
Total other financing sources (uses)				
Net change in fund equity	(2,599,028)	(2,786,359)	802,555	3,588,914
Fund equity at beginning of year (restated)	3,841,682	3,841,682	3,841,682	-
Prior year encumbrances appropriated	1,799,601	1,799,601	1,799,601	-
	<u>3,841,682</u>	<u>3,841,682</u>	<u>3,841,682</u>	<u>-</u>
Fund equity at end of year.	\$ 3,042,255	\$ 2,854,924	\$ 6,443,838	\$ 3,588,914

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other local taxes	\$ 337,307	\$ 312,082	\$ 305,958	\$ (6,124)
Charges for services	51,900	51,900	56,809	4,909
Intergovernmental	92,000	92,000	69,796	(22,204)
Other	149	149	4,883	4,734
	<u>481,356</u>	<u>456,131</u>	<u>437,446</u>	<u>(18,685)</u>
Expenses:				
Personal services	178,071	181,521	180,073	1,448
Fringe benefits	3,703	237	237	-
Materials and supplies	37,000	36,000	26,681	9,319
Contractual services	187,642	169,852	165,227	4,625
Utilities	72,167	49,748	48,302	1,446
Capital outlay	-	16,000	14,553	1,447
Other	500	500	100	400
	<u>479,083</u>	<u>453,858</u>	<u>435,173</u>	<u>18,685</u>
Excess of revenues over expenses	2,273	2,273	2,273	-
Other financing uses:				
Repayment of loans from other funds	<u>(3,223)</u>	<u>(3,223)</u>	<u>(3,223)</u>	<u>-</u>
Net change in fund equity	(950)	(950)	(950)	-
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>950</u>	<u>950</u>	<u>950</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

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

Garage Operating:

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

Information Technology:

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

Utility Collections:

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

Health Insurance:

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

OML Self Insurance:

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

Workers' Compensation:

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

Benefit Fund:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2010

	Garage Operating	Information Technology	Utility Collections
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 250
Materials and supplies inventory	5,619	6,136	3,434
Total current assets.	5,619	6,136	3,684
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	22,337	94,691	61,223
Total capital assets	22,337	94,691	61,223
Total assets	27,956	100,827	64,907
Liabilities:			
Current liabilities:			
Accounts payable.	20,856	2,407	1,518
Contracts payable.	-	37,187	86,206
Accrued wages and benefits	6,312	2,849	12,819
Due to other governments	13,066	7,816	33,270
Claims payable.	-	-	-
Total current liabilities.	40,234	50,259	133,813
Long-term liabilities:			
Compensated absences	73,174	53,503	80,978
Total long-term liabilities.	73,174	53,503	80,978
Total liabilities	113,408	103,762	214,791
Net assets:			
Invested in capital assets, net of related debt.	22,337	94,691	61,223
Unrestricted (deficit).	(107,789)	(97,626)	(211,107)
Total net assets (deficit).	\$ (85,452)	\$ (2,935)	\$ (149,884)

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ -	\$ -	\$ 99,203	\$ 99,453
-	-	-	15,189
-	-	99,203	114,642
-	-	-	178,251
-	-	-	178,251
-	-	99,203	292,893
1,105	112,396	-	138,282
-	-	-	123,393
-	-	-	21,980
-	-	-	54,152
680,861	-	-	680,861
681,966	112,396	-	1,018,668
-	-	-	207,655
-	-	-	207,655
681,966	112,396	-	1,226,323
-	-	-	178,251
(681,966)	(112,396)	99,203	(1,111,681)
<u>\$ (681,966)</u>	<u>\$ (112,396)</u>	<u>\$ 99,203</u>	<u>\$ (933,430)</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,209,641	\$ 643,997	\$ 1,678,791
Total operating revenues	<u>1,209,641</u>	<u>643,997</u>	<u>1,678,791</u>
Operating expenses:			
Personal services	260,917	180,137	642,513
Fringe benefits	-	-	892
Contractual services	136,262	400,710	733,464
Materials and supplies	679,991	56,637	235,628
Depreciation	170,857	33,493	177,700
Utilities	337	-	2,759
Claims expense	-	-	-
Other	-	5,499	-
Total operating expenses	<u>1,248,364</u>	<u>676,476</u>	<u>1,792,956</u>
Operating income (loss)	<u>(38,723)</u>	<u>(32,479)</u>	<u>(114,165)</u>
Nonoperating revenues:			
Other nonoperating revenue	<u>187</u>	<u>60</u>	<u>1,680</u>
Total nonoperating revenues	<u>187</u>	<u>60</u>	<u>1,680</u>
Income (loss) before capital contributions	(38,536)	(32,419)	(112,485)
Capital contributions	<u>(277,549)</u>	<u>26,970</u>	<u>16,931</u>
Changes in net assets	(316,085)	(5,449)	(95,554)
Net assets (deficit) at beginning of year	<u>230,633</u>	<u>2,514</u>	<u>(54,330)</u>
Net assets (deficit) at end of year	<u>\$ (85,452)</u>	<u>\$ (2,935)</u>	<u>\$ (149,884)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Benefit Fund	Total
\$ 6,035,620	\$ 460,962	\$ 831,005	\$ 2,560,625	\$ 13,420,641
6,035,620	460,962	831,005	2,560,625	13,420,641
-	-	-	-	1,083,567
-	-	-	-	892
430,740	54,585	755,752	2,560,625	5,072,138
-	-	-	-	972,256
-	-	-	-	382,050
-	-	-	-	3,096
5,679,212	26,969	-	-	5,706,181
-	-	-	-	5,499
6,109,952	81,554	755,752	2,560,625	13,225,679
(74,332)	379,408	75,253	-	194,962
-	-	-	-	1,927
-	-	-	-	1,927
(74,332)	379,408	75,253	-	196,889
-	(41,824)	-	-	(275,472)
(74,332)	337,584	75,253	-	(78,583)
(607,634)	(449,980)	23,950	-	(854,847)
\$ (681,966)	\$ (112,396)	\$ 99,203	\$ -	\$ (933,430)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Garage Operating</u>	<u>Information Technology</u>	<u>Utility Collections</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,209,641	\$ 643,997	\$ 1,678,791
Cash received from other operating revenues	187	60	1,680
Cash payments to employees	(260,201)	(185,110)	(638,062)
Cash payments for suppliers	(826,909)	(422,122)	(883,877)
Cash payments for claims expense	-	-	-
Cash payments for other operating expenses	-	-	(8,790)
Net cash provided by (used in) operating activities	<u>122,718</u>	<u>36,825</u>	<u>149,742</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(163,720)</u>	<u>(39,236)</u>	<u>(166,151)</u>
Net cash used in capital and related financing activities	<u>(163,720)</u>	<u>(39,236)</u>	<u>(166,151)</u>
Net increase (decrease) in cash and cash equivalents	(41,002)	(2,411)	(16,409)
Cash and cash equivalents at beginning of year	<u>41,002</u>	<u>2,411</u>	<u>16,659</u>
Cash and cash equivalents at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 250</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (38,723)	\$ (32,479)	\$ (114,165)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	170,857	33,493	177,700
Other nonoperating revenues	187	60	1,680
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(1,577)	2,441	4,184
Increase (decrease) in accounts payable	11,587	1,096	(2,416)
Increase (decrease) in contracts payable	(20,329)	37,187	86,206
Increase in accrued wages and benefits	922	322	302
(Decrease) in due to other governments	(2,786)	(135)	(7,898)
Increase (decrease) in compensated absences payable	2,580	(5,160)	4,149
Increase in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u><u>\$ 122,718</u></u>	<u><u>\$ 36,825</u></u>	<u><u>\$ 149,742</u></u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Benefit Fund</u>	<u>Total</u>
\$ 6,035,620	\$ 460,962	\$ 831,005	\$ 2,560,625	\$ 13,420,641
-	-	-	-	1,927
-	-	-	-	(1,083,373)
(473,130)	(392,169)	(755,752)	(2,560,625)	(6,314,584)
(5,581,891)	(26,969)	-	-	(5,608,860)
-	-	-	-	(8,790)
<u>(19,401)</u>	<u>41,824</u>	<u>75,253</u>	<u>-</u>	<u>406,961</u>
-	(41,824)	-	-	(410,931)
-	(41,824)	-	-	(410,931)
(19,401)	-	75,253	-	(3,970)
19,401	-	23,950	-	103,423
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,203</u>	<u>\$ -</u>	<u>\$ 99,453</u>
\$ (74,332)	\$ 379,408	\$ 75,253	\$ -	\$ 194,962
-	-	-	-	382,050
-	-	-	-	1,927
-	-	-	-	5,048
(42,390)	(337,584)	-	-	(369,707)
-	-	-	-	103,064
-	-	-	-	1,546
-	-	-	-	(10,819)
-	-	-	-	1,569
<u>97,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,321</u>
<u>\$ (19,401)</u>	<u>\$ 41,824</u>	<u>\$ 75,253</u>	<u>\$ -</u>	<u>\$ 406,961</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GARAGE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,365,500	\$ 1,365,500	\$ 1,209,641	\$ (155,859)
Other	-	-	4,100	4,100
Total revenues.	<u>1,365,500</u>	<u>1,365,500</u>	<u>1,213,741</u>	<u>(151,759)</u>
Expenses:				
Personal services.	322,763	321,263	260,201	61,062
Fringe benefits	3,600	1,955	-	1,955
Materials and supplies	753,776	753,776	691,305	62,471
Capital outlay	15,000	16,500	16,352	148
Contractual services	311,360	313,005	286,882	26,123
Total expenses	<u>1,406,499</u>	<u>1,406,499</u>	<u>1,254,740</u>	<u>151,759</u>
Net change in fund equity	(40,999)	(40,999)	(40,999)	-
Fund equity at beginning of year	2,622	2,622	2,622	-
Prior year encumbrances appropriated	38,377	38,377	38,377	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INFORMATION TECHNOLOGY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 767,033	\$ 767,033	\$ 643,997	\$ (123,036)
Other	-	-	60	60
Total revenues.	<u>767,033</u>	<u>767,033</u>	<u>644,057</u>	<u>(122,976)</u>
Expenses:				
Personal services.	200,871	200,871	185,110	15,761
Materials and supplies	23,608	23,608	17,634	5,974
Contractual services	488,676	481,926	383,462	98,464
Capital outlay	50,090	56,840	54,764	2,076
Other	6,200	6,200	5,499	701
Total expenses	<u>769,445</u>	<u>769,445</u>	<u>646,469</u>	<u>122,976</u>
Net change in fund equity	(2,412)	(2,412)	(2,412)	-
Fund equity at beginning of year	392	392	392	-
Prior year encumbrances appropriated	<u>2,020</u>	<u>2,020</u>	<u>2,020</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UTILITY COLLECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,041,008	\$ 2,041,008	\$ 1,678,791	\$ (362,217)
Other	3,800	3,800	1,680	(2,120)
Total revenues.	<u>2,044,808</u>	<u>2,044,808</u>	<u>1,680,471</u>	<u>(364,337)</u>
Expenses:				
Personal services.	667,745	667,745	638,062	29,683
Fringe benefits	13,500	13,500	8,790	4,710
Materials and supplies	178,720	178,720	148,337	30,383
Contractual services	1,160,588	1,160,588	877,789	282,799
Capital outlay	35,000	35,000	21,185	13,815
Utilities	5,640	5,640	2,693	2,947
Total expenses	<u>2,061,193</u>	<u>2,061,193</u>	<u>1,696,856</u>	<u>364,337</u>
Net change in fund equity	(16,385)	(16,385)	(16,385)	-
Fund equity at beginning of year	661	661	661	-
Prior year encumbrances appropriated	15,724	15,724	15,724	-
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 6,870,798	\$ 7,315,647	\$ 7,314,478	\$ (1,169)
Total revenues.	<u>6,870,798</u>	<u>7,315,647</u>	<u>7,314,478</u>	<u>(1,169)</u>
Expenses:				
Contractual services	465,578	473,130	473,130	-
Claims expense	<u>6,424,621</u>	<u>6,860,749</u>	<u>6,860,749</u>	<u>-</u>
Total expenses	<u>6,890,199</u>	<u>7,333,879</u>	<u>7,333,879</u>	<u>-</u>
Net change in fund equity	(19,401)	(18,232)	(19,401)	(1,169)
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>19,401</u>	<u>19,401</u>	<u>19,401</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ (1,169)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OML SELF INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 500,000	\$ 500,000	\$ 460,962	\$ (39,038)
Other	200,000	1,000,000	818,358	(181,642)
Total revenues.	<u>700,000</u>	<u>1,500,000</u>	<u>1,279,320</u>	<u>(220,680)</u>
Expenses:				
Contractual services	650,000	1,450,000	1,252,351	197,649
Claims expense	50,000	50,000	26,969	23,031
Total expenses	<u>700,000</u>	<u>1,500,000</u>	<u>1,279,320</u>	<u>220,680</u>
Net change in fund equity	-	-	-	-
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS' COMPENSATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 846,900	\$ 853,240	\$ 831,006	\$ (22,234)
Other	-	-	31,490	31,490
Total revenues.	<u>846,900</u>	<u>853,240</u>	<u>862,496</u>	<u>9,256</u>
Expenses:				
Contractual services	<u>812,243</u>	<u>812,243</u>	<u>787,242</u>	<u>25,001</u>
Total expenses	<u>812,243</u>	<u>812,243</u>	<u>787,242</u>	<u>25,001</u>
Net change in fund equity	34,657	40,997	75,254	34,257
Fund equity at beginning of year	<u>23,949</u>	<u>23,949</u>	<u>23,949</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 58,606</u>	<u>\$ 64,946</u>	<u>\$ 99,203</u>	<u>\$ 34,257</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BENEFIT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<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	\$ 2,718,160	\$ 2,754,658	\$ 2,560,625	\$ (194,033)
Total revenues	<u>2,718,160</u>	<u>2,754,658</u>	<u>2,560,625</u>	<u>(194,033)</u>
Expenses:				
Contractual services	<u>2,718,160</u>	<u>2,751,331</u>	<u>2,560,625</u>	<u>190,706</u>
Total expenses	<u>2,718,160</u>	<u>2,751,331</u>	<u>2,560,625</u>	<u>190,706</u>
Net change in fund equity	-	3,327	-	(3,327)
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ 3,327</u>	<u>\$ -</u>	<u>\$ (3,327)</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.

Board of Standards Assessments Fund

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

Utility Deposits Fund

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>
OSP Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,022	\$ 70,718	\$ 69,840	\$ 4,900
Receivables (net of allowances of uncollectibles):				
Accounts	<u>5,114</u>	<u>70,111</u>	<u>70,718</u>	<u>4,507</u>
Total assets	<u>\$ 9,136</u>	<u>\$ 140,829</u>	<u>\$ 140,558</u>	<u>\$ 9,407</u>
Liabilities:				
Due to individuals	<u>\$ 9,136</u>	<u>\$ 70,111</u>	<u>\$ 69,840</u>	<u>\$ 9,407</u>
Total liabilities.	<u>\$ 9,136</u>	<u>\$ 70,111</u>	<u>\$ 69,840</u>	<u>\$ 9,407</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Total assets	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Liabilities:				
Due to individuals	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Total liabilities.	<u>\$ 18,368</u>	<u>\$ 4,080</u>	<u>\$ 1,760</u>	<u>\$ 20,688</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Total assets	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Liabilities:				
Due to individuals	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Total liabilities.	<u>\$ 62,865</u>	<u>\$ 43,654</u>	<u>\$ 51,129</u>	<u>\$ 55,390</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	<u>\$ 874,558</u>	<u>\$ 24,876,521</u>	<u>\$ 25,303,908</u>	<u>\$ 447,171</u>
Total assets	<u>\$ 874,558</u>	<u>\$ 24,876,521</u>	<u>\$ 25,303,908</u>	<u>\$ 447,171</u>
Liabilities:				
Accounts payable	\$ 55,760	\$ 10,184,551	\$ 10,191,852	\$ 48,459
Due to other governments	416,164	6,082,496	6,221,831	276,829
Due to individuals	<u>402,634</u>	<u>8,609,474</u>	<u>8,890,225</u>	<u>121,883</u>
Total liabilities.	<u>\$ 874,558</u>	<u>\$ 24,876,521</u>	<u>\$ 25,303,908</u>	<u>\$ 447,171</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance</u> <u>01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/10</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 852,944	\$ 5,663,457	\$ 5,774,913	\$ 741,488
Total assets	<u>\$ 852,944</u>	<u>\$ 5,663,457</u>	<u>\$ 5,774,913</u>	<u>\$ 741,488</u>
Liabilities:				
Due to other governments	\$ 81,536	\$ 1,168,839	\$ 1,169,492	\$ 80,883
Accounts payable	133,155	2,317,553	2,310,992	139,716
Due to individuals	3,139	49,461	50,662	1,938
Undistributed monies	635,114	2,127,604	2,243,767	518,951
Total liabilities.	<u>\$ 852,944</u>	<u>\$ 5,663,457</u>	<u>\$ 5,774,913</u>	<u>\$ 741,488</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 12,493	\$ 201,778	\$ 214,271	\$ -
Receivables (net of allowances of uncollectibles):				
Taxes	9,669	202,108	201,778	9,999
Total assets	<u>\$ 22,162</u>	<u>\$ 403,886</u>	<u>\$ 416,049</u>	<u>\$ 9,999</u>
Liabilities:				
Accounts payable	\$ 2,753	\$ 34,878	\$ 35,044	\$ 2,587
Due to individuals	19,409	167,230	179,227	7,412
Total liabilities.	<u>\$ 22,162</u>	<u>\$ 202,108</u>	<u>\$ 214,271</u>	<u>\$ 9,999</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 485	\$ 1,707	\$ 1,724	\$ 468
Total assets	<u>\$ 485</u>	<u>\$ 1,707</u>	<u>\$ 1,724</u>	<u>\$ 468</u>
Liabilities:				
Due to other governments	\$ 485	\$ 1,707	\$ 1,724	\$ 468
Total liabilities.	<u>\$ 485</u>	<u>\$ 1,707</u>	<u>\$ 1,724</u>	<u>\$ 468</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 850	\$ -	\$ 850	\$ -
Total assets	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>
Liabilities:				
Due to individuals	\$ 850	\$ -	\$ 850	\$ -
Total liabilities.	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 952,027	\$ 5,985,394	\$ 6,114,487	\$ 822,934
Cash and cash equivalents with fiscal agents	874,558	24,876,521	25,303,908	447,171
Receivables (net of allowances of uncollectibles):				
Taxes	9,669	202,108	201,778	9,999
Accounts	5,114	70,111	70,718	4,507
Total assets	<u>\$ 1,841,368</u>	<u>\$ 31,134,134</u>	<u>\$ 31,690,891</u>	<u>\$ 1,284,611</u>
Liabilities:				
Due to other governments	\$ 498,185	\$ 7,253,042	\$ 7,393,047	\$ 358,180
Accounts payable	191,668	12,536,982	12,537,888	190,762
Due to individuals	516,401	8,944,010	9,243,693	216,718
Undistributed monies	635,114	2,127,604	2,243,767	518,951
Total liabilities.	<u>\$ 1,841,368</u>	<u>\$ 30,861,638</u>	<u>\$ 31,418,395</u>	<u>\$ 1,284,611</u>

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	148
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	156
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	165
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	167

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

CITY OF MANSFIELD, OHIO

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

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 49,379,425	\$ 45,218,744	\$ 48,572,308	\$ 46,575,580
Restricted	17,794,871	8,528,084	7,647,351	12,085,390
Unrestricted	(1,923,290)	5,929,372	3,618,921	1,118,449
<i>Total Governmental Activities Net Assets</i>	<u>65,251,006</u>	<u>59,676,200</u>	<u>59,838,580</u>	<u>59,779,419</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	39,214,411	38,192,427	37,203,838	37,016,539
Restricted	3,231,968	2,998,376	4,040,936	3,979,276
Unrestricted	10,104,011	6,363,897	8,637,779	8,911,886
<i>Total Business-Type Activities Net Assets</i>	<u>52,550,390</u>	<u>47,554,700</u>	<u>49,882,553</u>	<u>49,907,701</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	88,593,836	83,411,171	85,776,146	83,592,119
Restricted	21,026,839	11,526,460	11,688,287	16,064,666
Unrestricted	8,180,721	12,293,269	12,256,700	10,030,335
<i>Total Primary Government Net Assets</i>	<u>\$ 117,801,396</u>	<u>\$ 107,230,900</u>	<u>\$ 109,721,133</u>	<u>\$ 109,687,120</u>

	2006	2005	2004	2003
\$	45,098,513	\$ 46,367,183	\$ 47,833,128	\$ 48,523,672
	15,824,043	15,521,272	15,950,708	26,640,679
	1,740,055	(413,024)	(1,266,633)	(11,680,081)
	<u>62,662,611</u>	<u>61,475,431</u>	<u>62,517,203</u>	<u>63,484,270</u>
	37,078,689	37,370,730	36,878,972	39,814,666
	3,979,276	3,979,276	4,070,672	1,457,668
	12,340,798	10,362,772	8,135,785	7,912,220
	<u>53,398,763</u>	<u>51,712,778</u>	<u>49,085,429</u>	<u>49,184,554</u>
	82,177,202	83,737,913	84,712,100	88,338,338
	19,803,319	19,500,548	20,021,380	28,098,347
	14,080,853	9,949,748	6,869,152	(3,767,861)
\$	<u>116,061,374</u>	<u>113,188,209</u>	<u>111,602,632</u>	<u>112,668,824</u>

CITY OF MANSFIELD, OHIO

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

	2010	2009	2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 4,218,337	\$ 3,354,171	\$ 2,743,160	\$ 3,581,833
Public safety	1,816,016	1,696,761	1,635,098	1,614,005
Public health and welfare	9,792	99,625	-	-
Transportation	147,242	130,933	900,705	166,360
Community environment	125,865	79,013	188,869	187,974
Leisure time activities	17,500	20,050	35,048	39,236
Operating Grants and Contributions	9,097,678	6,807,761	11,077,411	7,737,309
Capital Grants and Contributions	5,928,197	1,424,961	1,674,288	1,390,445
<i>Total Governmental Activities Program Revenues</i>	<u>21,360,627</u>	<u>13,613,275</u>	<u>18,254,579</u>	<u>14,717,162</u>
Business-Type Activities:				
Charges for Services:				
Water	8,041,727	7,088,115	8,000,336	8,065,907
Sewer	7,301,003	7,816,211	8,001,563	8,186,664
Airport	69,590	63,969	66,965	81,693
Parking Garage	-	-	-	-
Capital Grants and Contributions	1,821,086	1,916,402	1,511,417	728,928
<i>Total Business-Type Activities Program Revenues</i>	<u>17,233,406</u>	<u>16,884,697</u>	<u>17,580,281</u>	<u>17,063,192</u>
<i>Total Primary Government Program Revenues</i>	<u>38,594,033</u>	<u>30,497,972</u>	<u>35,834,860</u>	<u>31,780,354</u>
Expenses				
Governmental Activities:				
General government	12,724,498	12,462,297	14,474,385	11,985,745
Public safety	25,028,107	23,263,250	23,624,982	24,205,050
Public health and welfare	69,089	110,876	128,164	158,475
Transportation	2,196,791	8,313,893	9,917,676	10,089,697
Community environment	2,697,080	2,623,592	1,669,302	1,782,621
Leisure time activities	215,429	500,889	879,341	917,913
Interest and fiscal charges	292,388	276,828	288,073	296,853
<i>Total Governmental Activities Expenses</i>	<u>43,223,382</u>	<u>47,551,625</u>	<u>50,981,923</u>	<u>49,436,354</u>
Business-Type Activities:				
Water	6,100,219	7,759,063	7,604,723	9,025,320
Sewer	6,672,653	9,898,811	9,821,326	11,075,835
Airport	572,663	683,312	646,544	1,196,799
Parking Garage	-	-	251,712	165
<i>Total Business-Type Activities Expenses</i>	<u>13,345,535</u>	<u>18,341,186</u>	<u>18,324,305</u>	<u>21,298,119</u>
<i>Total Primary Government Expenses</i>	<u>\$ 56,568,917</u>	<u>\$ 65,892,811</u>	<u>\$ 69,306,228</u>	<u>\$ 70,734,473</u>

	2006	2005	2004	2003
\$	3,452,357	\$ 3,490,786	\$ 3,608,646	\$ 2,195,188
	1,602,051	1,653,534	928,130	625,619
	400	380	8,446	9,727
	168,545	295,065	209,200	463,892
	150,663	258,271	176,753	209,867
	182,104	315,728	20,626	21,764
	7,041,641	9,841,045	6,849,290	7,547,321
	1,060,076	70,414	309,775	132,240
	<u>13,657,837</u>	<u>15,925,223</u>	<u>12,110,866</u>	<u>11,205,618</u>
	8,000,960	8,343,947	8,050,000	7,517,166
	8,481,960	8,395,183	8,159,344	6,791,857
	84,969	88,611	143,038	154,987
	33,696	187,696	32,132	44,211
	1,096,738	1,148,728	629,261	533,827
	<u>17,698,323</u>	<u>18,164,165</u>	<u>17,013,775</u>	<u>15,042,048</u>
	<u>31,356,160</u>	<u>34,089,388</u>	<u>29,124,641</u>	<u>26,247,666</u>
	9,960,681	12,154,838	10,496,931	8,258,059
	22,958,245	23,850,064	21,355,233	20,653,049
	141,884	137,328	156,000	260,946
	10,396,560	10,078,954	8,390,900	8,496,196
	1,972,480	1,491,159	2,065,065	2,262,008
	1,103,561	488,317	449,412	505,060
	253,102	253,405	355,645	689,642
	<u>46,786,513</u>	<u>48,454,065</u>	<u>43,269,186</u>	<u>41,124,960</u>
	8,144,636	7,412,809	7,638,373	7,198,264
	7,695,342	8,158,651	8,211,524	7,240,115
	774,342	784,276	736,546	733,102
	12,481	230,928	22,301	28,976
	<u>16,626,801</u>	<u>16,586,664</u>	<u>16,608,744</u>	<u>15,200,457</u>
\$	<u>63,413,314</u>	<u>\$ 65,040,729</u>	<u>\$ 59,877,930</u>	<u>\$ 56,325,417</u>

(continued)

CITY OF MANSFIELD, OHIO

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

	2010	2009	2008	2007
Net (Expense)/Revenue				
Governmental Activities	\$ (21,862,755)	\$ (33,938,350)	\$ (32,727,344)	\$ (34,719,192)
Business-Type Activities	3,887,871	(1,456,489)	(744,024)	(4,234,927)
<i>Total Primary Government Net Expense</i>	<u>\$ (17,974,884)</u>	<u>\$ (35,394,839)</u>	<u>\$ (33,471,368)</u>	<u>\$ (38,954,119)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 2,024,365	\$ 1,921,449	\$ 2,119,802	\$ 2,026,704
Debt service	-	-	-	-
Special purposes	417,383	382,588	422,629	403,991
Income taxes levied for:				
General purposes	365,730	339,453	309,108	833,459
Special purposes	18,211,023	18,035,032	20,226,017	18,832,225
Capital projects	3,050,004	3,089,291	4,706,268	4,258,507
Grants and entitlements not restricted to specific programs	3,719,190	8,094,480	3,972,491	4,072,562
Investment earnings	326,473	413,969	932,920	1,259,757
Gain on sale of capital assets	84,756	167,581	-	-
Miscellaneous	1,927	68,484	97,270	7,204
Transfers	(763,290)	-	-	-
Special item - donation of land	-	-	-	-
<i>Total Governmental Activities</i>	<u>27,437,561</u>	<u>32,512,327</u>	<u>32,786,505</u>	<u>31,694,409</u>
Business-Type Activities:				
Income taxes levied for:				
Airport	257,365	263,384	604,380	413,685
Grants and entitlements not restricted to specific programs	53,198	73,888	73,888	194,738
Investment earnings	15,600	20,670	25,545	2,658
Miscellaneous	18,366	34,337	15,063	59,950
Transfers	763,290	-	-	-
<i>Total Business-Type Activities</i>	<u>1,107,819</u>	<u>392,279</u>	<u>718,876</u>	<u>671,031</u>
<i>Total Primary Government</i>	<u>28,545,380</u>	<u>32,904,606</u>	<u>33,505,381</u>	<u>32,365,440</u>
Change in Net Assets				
Governmental Activities	5,574,806	(1,426,023)	59,161	(3,024,783)
Business-Type Activities	4,995,690	(1,064,210)	(25,148)	(3,563,896)
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 10,570,496</u>	<u>\$ (2,490,233)</u>	<u>\$ 34,013</u>	<u>\$ (6,588,679)</u>

	2006	2005	2004	2003
\$	(33,128,676)	\$ (32,528,842)	\$ (31,158,320)	\$ (29,919,342)
	1,071,522	1,577,501	405,031	(158,409)
\$	(32,057,154)	\$ (30,951,341)	\$ (30,753,289)	\$ (30,077,751)
\$	2,301,741	\$ 2,520,948	\$ 1,895,024	\$ 1,956,016
	-	1,062	2,522	8,037
	471,426	784,511	368,905	394,563
	642,031	714,984	797,061	295,182
	20,554,764	19,109,121	18,116,003	19,085,840
	2,336,710	3,893,063	3,062,798	3,297,494
	6,409,483	2,646,945	5,169,330	5,520,410
	1,548,036	1,029,572	411,338	629,575
	-	-	89,416	18,581
	51,665	174,500	231,320	134,162
	-	-	-	337,209
	-	-	-	(180,484)
	34,315,856	30,874,706	30,143,717	31,496,585
	421,564	439,395	256,830	271,518
	86,433	486,715	-	-
	7,305	-	44,265	48,750
	99,161	123,738	32,238	19,182
	-	-	-	(337,209)
	614,463	1,049,848	333,333	2,241
	34,930,319	31,924,554	30,477,050	31,498,826
	1,187,180	(1,654,136)	(1,014,603)	1,577,243
	1,685,985	2,627,349	738,364	(156,168)
\$	2,873,165	\$ 973,213	\$ (276,239)	\$ 1,421,075

CITY OF MANSFIELD, OHIO

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

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 2,117,844	\$ 2,306,556	\$ 439,910	\$ 1,116,618	\$ 359,737
Unreserved	(1,278,516)	(2,314,562)	984,869	509,765	2,014,261
<i>Total General Fund</i>	<u>839,328</u>	<u>(8,006)</u>	<u>1,424,779</u>	<u>1,626,383</u>	<u>2,373,998</u>
All Other Governmental Funds					
Reserved	2,724,621	3,430,572	5,372,506	7,821,162	5,886,752
Unreserved, reported in:					
Special revenue funds	1,919,822	2,281,100	1,418,680	1,495,324	3,480,884
Debt service fund	129,128	14,364	-	-	-
Capital project funds	3,174,133	2,828,450	(1,650,762)	(650,979)	1,335,060
<i>Total All Other Governmental Funds</i>	<u>7,947,704</u>	<u>8,554,486</u>	<u>5,140,424</u>	<u>8,665,507</u>	<u>10,702,696</u>
<i>Total Governmental Funds</i>	<u>\$ 8,787,032</u>	<u>\$ 8,546,480</u>	<u>\$ 6,565,203</u>	<u>\$ 10,291,890</u>	<u>\$ 13,076,694</u>

2005	2004	2003	2002	2001
\$ 506,487 (210,543)	\$ 727,717 (1,213,843)	\$ 756,972 479,177	\$ 153,728 73,735	\$ 395,765 934,823
295,944	(486,126)	1,236,149	227,463	1,330,588
6,479,670	6,010,557	7,135,246	8,179,023	10,564,282
3,664,556	2,564,398	1,723,601	2,484,448	378,489
-	-	-	-	-
1,698,691	2,056,068	12,997,592	11,213,435	9,834,395
11,842,917	10,631,023	21,856,439	21,876,906	20,777,166
\$ 12,138,861	\$ 10,144,897	\$ 23,092,588	\$ 22,104,369	\$ 22,107,754

CITY OF MANSFIELD, OHIO

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

	2010	2009	2008	2007	2006
Revenues:					
Municipal income taxes	\$ 21,595,452	\$ 21,515,827	\$ 24,241,438	\$ 24,369,037	\$ 23,449,356
Property and other taxes	2,445,489	2,386,719	2,542,983	2,545,865	2,707,079
Charges for services	2,014,192	1,699,492	2,501,935	1,747,742	1,456,616
Licenses, permits and fees	597,049	754,461	1,009,895	898,192	809,274
Fines and forfeitures	2,830,775	2,317,850	1,819,253	1,724,413	1,682,073
Intergovernmental	18,788,739	12,094,597	17,757,450	14,866,082	12,612,732
Special assessments	49,359	56,273	41,680	26,093	24,533
Investment income	326,473	413,969	932,920	1,259,757	1,441,036
Other	843,375	552,476	132,868	227,968	1,585,563
<i>Total revenues</i>	<u>49,490,903</u>	<u>41,791,664</u>	<u>50,980,422</u>	<u>47,665,149</u>	<u>45,768,262</u>
Expenditures:					
Current:					
General government	8,615,629	9,262,486	10,838,867	10,254,320	9,970,709
Public safety	25,333,268	24,600,304	24,477,914	24,230,031	23,679,137
Public health and welfare	76,351	109,486	129,965	154,251	140,291
Transportation	2,300,961	2,528,206	3,895,775	4,454,990	3,580,149
Community environment	2,778,561	2,573,024	1,654,607	1,787,617	1,953,994
Leisure time activities	419,944	460,698	766,628	1,231,940	1,061,524
Capital outlay	8,185,288	3,965,385	12,556,339	8,054,070	3,957,967
Debt service:					
Principal retirement	415,000	320,000	310,000	305,000	300,430
Interest and fiscal charges	307,533	292,983	327,285	242,972	255,687
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>48,432,535</u>	<u>44,112,572</u>	<u>54,957,380</u>	<u>50,715,191</u>	<u>44,899,888</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,058,368</u>	<u>(2,320,908)</u>	<u>(3,976,958)</u>	<u>(3,050,042)</u>	<u>868,374</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	84,756	167,581	155,939	110,990	42,471
Proceeds from sale of note premium	-	-	-	-	-
Proceeds of bonds	-	2,620,000	-	-	-
Proceeds from sale of bond premium	-	64,448	-	-	-
Proceeds from capital lease transaction	-	100,000	-	-	-
Transfers in	1,584,644	1,660,461	766,165	1,833,962	849,352
Transfers out	(2,347,934)	(1,660,461)	(686,305)	(1,833,962)	(849,352)
<i>Total other financing sources (uses)</i>	<u>(678,534)</u>	<u>2,952,029</u>	<u>235,799</u>	<u>110,990</u>	<u>42,471</u>
<i>Net change in fund balances</i>	<u>\$ 379,834</u>	<u>\$ 631,121</u>	<u>\$ (3,741,159)</u>	<u>\$ (2,939,052)</u>	<u>\$ 910,845</u>
Debt Service as a Percentage of Noncapital Expenditures	2.0%	1.6%	1.6%	1.4%	1.4%

	2005	2004	2003	2002	2001
\$	23,254,583	\$ 22,444,242	\$ 22,322,290	\$ 22,319,628	\$ 21,273,925
	3,044,029	2,376,280	2,337,097	2,228,152	3,324,866
	2,055,269	1,239,855	499,903	454,980	668,471
	954,917	1,805,151	975,739	887,891	688,265
	1,716,546	1,792,353	1,851,684	2,189,288	2,096,628
	14,082,197	11,687,464	12,195,703	12,346,111	12,896,925
	148,266	25,415	46,263	53,288	66,133
	1,029,572	411,338	629,575	905,511	1,354,661
	1,135,627	314,086	288,727	434,977	294,253
	<u>47,421,006</u>	<u>42,096,184</u>	<u>41,146,981</u>	<u>41,819,826</u>	<u>42,664,127</u>
	10,250,858	9,576,262	9,458,715	11,241,914	10,663,504
	22,892,003	21,695,859	20,501,227	20,870,709	18,992,474
	132,170	159,014	166,115	131,019	130,533
	3,681,798	2,753,622	2,620,323	4,450,234	5,672,129
	1,442,988	2,105,021	2,223,299	2,326,942	2,130,239
	474,764	390,776	527,494	835,660	1,012,543
	5,621,233	4,691,108	3,771,501	5,289,272	4,998,346
	765,000	11,035,000	10,910,000	12,875,000	9,995,000
	256,095	504,235	727,275	551,689	621,897
	-	-	-	135,530	-
	<u>45,516,909</u>	<u>52,910,897</u>	<u>50,905,949</u>	<u>58,707,969</u>	<u>54,216,665</u>
	1,904,097	(10,814,713)	(9,758,968)	(16,888,143)	(11,552,538)
	114,467	89,416	112,981	118,144	116,123
	1,303	-	10,260,000	10,000,000	12,250,000
	-	-	-	7,068,855	-
	-	-	-	-	-
	-	93,572	-	-	-
	1,501,262	790,958	3,395,104	6,122,852	1,748,097
	<u>(1,501,262)</u>	<u>(790,958)</u>	<u>(3,057,895)</u>	<u>(6,260,956)</u>	<u>(1,511,740)</u>
	115,770	182,988	10,710,190	17,048,895	12,602,480
\$	<u>2,019,867</u>	<u>\$ (10,631,725)</u>	<u>951,222</u>	<u>\$ 160,752</u>	<u>\$ 1,049,942</u>

2.7%

24.1%

25.7%

25.1%

21.6%

CITY OF MANSFIELD, OHIO

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

Year	Real Property		Personal Property (1) (5)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
2010	\$ 601,577,670	\$ 1,718,793,343	\$ -	\$ -
2009	612,474,640	1,749,927,543	-	-
2008 (3)	611,164,890	1,746,185,400	43,950,179	703,202,864
2007	613,362,160	1,752,463,229	58,600,238	468,801,904
2006	612,365,730	1,749,616,371	110,363,727	588,363,727
2005 (4)	615,981,970	1,759,948,486	145,405,712	605,857,133
2004	553,471,750	1,581,347,857	145,331,157	631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update year

(4) Reappraisal year

(5) Personal property taxes were phased out.

Source: Richland County Auditor

Public Utility (2)		Totals			Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Direct Tax Rate	Estimated Actual	
\$ 14,328,390	\$ 40,938,257	\$ 615,906,060	3.60%	\$ 1,759,731,600	35.00%
13,795,680	39,416,229	626,270,320	3.60%	1,789,343,772	35.00%
13,509,070	38,597,343	668,624,139	3.60%	2,487,985,607	26.87%
13,435,490	38,387,114	685,397,888	3.60%	2,259,652,247	30.33%
19,584,030	55,954,371	742,313,487	3.60%	2,393,934,469	31.01%
22,294,140	63,697,543	783,681,822	3.60%	2,429,503,162	32.26%
22,170,430	63,344,086	720,973,337	3.60%	2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	3.60%	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	3.60%	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	5.10%	2,065,659,868	32.44%

CITY OF MANSFIELD, OHIO

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

Collection Year	Operating (3)	Police and Fire Pension	Debt Retirement (2)	City of Mansfield	Richland County	Mansfield City School District	Total
2010	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 12.40	\$ 68.65	\$ 84.65
2009	3.00	0.60	-	3.60	12.40	68.65	84.65
2008	3.00	0.60	-	3.60	11.40	69.25	84.25
2007	3.00	0.60	-	3.60	11.40	60.55	75.55
2006	3.00	0.60	-	3.60	11.40	60.75	75.75
2005	3.00	0.60	-	3.60	11.40	66.05	81.05
2004	3.00	0.60	-	3.60	11.40	66.05	81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25

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

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

(3) Includes Mansfield Township portion.

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
PRINCIPAL TAXPAYERS
(EXCLUDING PUBLIC UTILITY)
DECEMBER 31, 2010 AND DECEMBER 31, 2001

Name of Taxpayer	December 31, 2010	
	Assessed Valuation	Percentage of Total Assessed Valuation
Newman Technology	\$ 5,354,610	0.89%
Walmart	2,938,000	0.49%
SSI Mansfield	2,818,420	0.47%
Jay Industries	2,086,650	0.35%
Armco, Inc.	2,055,330	0.34%
Willard Rental Properties	1,832,750	0.30%
City of Mansfield	1,813,830	0.30%
Wedgewood Estates	1,583,030	0.26%
Johnny Appleseed	1,575,000	0.26%
Graham Chevrolet	1,574,850	0.26%
Totals	<u>\$ 23,632,470</u>	<u>3.92%</u>

Name of Taxpayer	December 31, 2001	
	Assessed Valuation	Percentage of Total Assessed Valuation
AK Steel Corporation	\$ 7,223,340	1.42%
Mansfield Square	3,432,820	0.68%
Newman Technology	3,050,620	0.60%
Gorman Rupp Company	2,671,250	0.53%
Jay Plastics	2,201,570	0.43%
Therm-O-Disc	1,583,300	0.31%
Skilken, Morris B.	1,415,800	0.28%
Mansfield Motel	1,270,340	0.25%
Richland Bank	1,158,970	0.23%
Lumbermans	875,570	0.17%
Totals	<u>\$ 24,883,580</u>	<u>4.90%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

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

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>
2010	\$ 2,608,552	\$ 1,955,101	74.9%	\$ 653,451	\$ 2,608,552	100.0%
2009	2,181,153	1,856,901	85.1%	324,252	2,181,153	100.0%
2008	2,186,409	2,172,251	99.4%	14,159	2,186,410	100.0%
2007	2,203,918	1,960,848	89.0%	243,070	2,203,918	100.0%
2006	2,208,475	2,060,648	93.3%	147,827	2,208,475	100.0%
2005	2,005,354	1,715,128	85.5%	290,225	2,005,353	100.0%
2004	2,004,286	2,002,840	99.9%	266,966	2,269,806	113.2%
2003	1,900,247	1,715,056	90.3%	262,544	1,977,600	104.1%
2002 (2)	1,868,997	1,636,801	87.6%	243,604	1,880,405	100.6%
2001	2,671,096	2,634,667	98.6%	316,140	2,950,807	110.5%

Source: Richland County Auditor

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

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

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

CITY OF MANSFIELD, OHIO

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes From Withholding</u>	<u>Percentage of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes From Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes From Individuals</u>
2010	1.75%	\$ 23,162,331	\$ 18,375,043	79.3%	\$ 3,296,900	14.2%	\$ 1,490,388	6.5%
2009	1.75%	22,962,928	18,533,033	80.7%	2,914,595	12.7%	1,515,300	6.6%
2008	1.75%	25,100,403	19,618,191	78.2%	3,886,377	15.5%	1,595,835	6.3%
2007	1.75%	25,952,247	20,333,797	78.4%	4,030,366	15.5%	1,588,084	6.1%
2006	1.75%	24,586,419	19,853,408	80.7%	3,214,402	13.1%	1,518,609	6.2%
2005	1.75%	24,229,207	19,233,753	79.4%	3,460,874	14.3%	1,534,580	6.3%
2004	1.75%	22,855,984	18,651,034	81.6%	2,773,583	12.1%	1,431,367	6.3%
2003	1.75%	23,289,856	19,165,146	82.3%	2,634,031	11.3%	1,490,679	6.4%
2002	1.75%	23,232,422	18,614,963	80.1%	3,106,239	13.4%	1,511,220	6.5%
2001	1.75%	22,679,374	18,585,927	82.0%	2,522,251	11.1%	1,571,196	6.9%

% Represents percent of total tax collected

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

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

CITY OF MANSFIELD, OHIO

**TOP TEN INCOME TAX WITHHOLDING ACCOUNTS
LAST SIX YEARS**

Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections	Tax Year	Company Rank	Amount Paid	Percent of Total Withholding Collections
2010	1	\$ 1,434,242	7.81%	2009	1	\$ 1,460,849	7.97%
2010	2	1,032,882	5.62%	2009	2	1,065,900	5.82%
2010	3	725,392	3.95%	2009	3	736,239	4.02%
2010	4	543,692	2.96%	2009	4	568,663	3.10%
2010	5	517,690	2.82%	2009	5	496,749	2.71%
2010	6	476,933	2.60%	2009	6	493,879	2.70%
2010	7	460,848	2.51%	2009	7	423,830	2.31%
2010	8	444,903	2.42%	2009	8	394,803	2.16%
2010	9	428,300	2.33%	2009	9	358,432	1.96%
2010	10	321,869	1.75%	2009	10	282,799	1.54%
	Total	\$ 6,386,751	34.77%		Total	\$ 6,282,143	34.29%
2008	1	\$ 1,502,047	7.60%	2007	1	\$ 1,496,224	7.56%
2008	2	1,131,253	5.72%	2007	2	1,063,689	5.38%
2008	3	755,505	3.82%	2007	3	734,413	3.71%
2008	4	696,592	3.52%	2007	4	726,067	3.67%
2008	5	544,279	2.75%	2007	5	596,997	3.02%
2008	6	499,176	2.52%	2007	6	532,024	2.69%
2008	7	483,435	2.44%	2007	7	487,347	2.46%
2008	8	458,232	2.32%	2007	8	477,848	2.42%
2008	9	455,986	2.31%	2007	9	472,978	2.39%
2008	10	419,777	2.12%	2007	10	453,490	2.29%
	Total	\$ 6,946,282	35.13%		Total	\$ 7,041,077	35.60%
2006	1	\$ 1,451,196	7.40%	2005	1	\$ 1,359,130	7.05%
2006	2	1,014,812	5.17%	2005	2	1,041,497	5.40%
2006	3	719,457	3.67%	2005	3	706,608	3.66%
2006	4	695,250	3.54%	2005	4	675,728	3.50%
2006	5	663,162	3.38%	2005	5	672,385	3.49%
2006	6	539,103	2.75%	2005	6	525,838	2.73%
2006	7	491,989	2.51%	2005	7	510,825	2.65%
2006	8	488,376	2.49%	2005	8	501,816	2.60%
2006	9	471,966	2.41%	2005	9	468,936	2.43%
2006	10	438,761	2.24%	2005	10	419,234	2.17%
	Total	\$ 6,974,072	35.56%		Total	\$ 6,881,997	35.68%

% Represents percent of total withholding tax collected

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

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CITY OF MANSFIELD, OHIO

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

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases
2010	\$ 5,365,000	\$ -	\$ 300,000	\$ -
2009	5,710,000	-	370,000	100,000
2008	3,340,000	-	440,000	20,473
2007	3,580,000	-	510,000	39,982
2006	3,815,000	-	580,000	58,582
2005	4,040,000	-	655,430	76,309
2004	4,735,000	3,139	730,862	93,572
2003	5,440,000	3,268	11,066,293	-
2002	4,565,000	3,758	10,881,724	38,711
2001	-	37,148	13,207,155	82,988

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

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

Business-type Activities					
General Obligation Bonds		Notes	Total Debt	Percentage of Personal Income	Per Capita
\$	2,105,000	\$ 1,477,574	\$ 9,247,574	1.11%	\$ 193
	2,550,000	255,358	8,985,358	0.98%	174
	1,865,000	2,259,739	7,925,212	0.87%	154
	2,165,000	2,154,120	8,449,102	0.92%	164
	2,490,000	2,163,501	9,107,083	1.00%	176
	2,805,000	2,732,881	10,547,830	1.15%	204
	3,100,000	2,742,263	11,643,045	1.27%	226
	3,380,000	2,711,644	22,786,561	2.49%	442
	5,135,000	159,953	20,976,155	2.29%	407
	5,920,000	209,547	19,615,649	2.14%	380

CITY OF MANSFIELD, OHIO

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

Year	Population (1)	Assessed Value (3)	Gross General Obligation Bonded Debt (2,4)	Less Debt Service Fund Balance (4)	Less Debt Payable from Enterprise Revenues
2010	47,821	\$ 615,906	\$ 7,470	\$ 201	\$ 2,105
2009	51,600	626,270	8,260	86	2,550
2008	51,600	668,624	5,205	72	1,865
2007	51,600	685,398	5,745	62	2,165
2006	51,600	742,313	6,305	178	2,490
2005	51,600	783,682	6,845	1,202	2,805
2004	51,600	720,973	7,835	1,946	3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910

(1) Source: U.S. Census Bureau

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

(3) Source: Richland County Auditor

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

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

Net General Obligation Bonded Debt		Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita	
\$	5,164	0.84%	\$	107.99
	5,624	0.90%		108.99
	3,268	0.49%		63.33
	3,518	0.51%		68.20
	3,637	0.49%		70.48
	2,838	0.36%		55.00
	2,789	0.39%		54.05
	4,723	0.67%		91.53
	4,863	0.72%		94.24
	(1,498) (5)	0.00%		-

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
NET GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2010

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable to City (1)</u>	<u>City's Share</u>
Direct:			
City of Mansfield	\$ 5,164,000	100.00%	\$ 5,164,000
Total Direct Debt	<u>5,164,000</u>		<u>5,164,000</u>
Overlapping Debt: (2)			
Richland County	19,720,459	31.58%	6,227,721
Mansfield City School District	13,811,030	65.18%	9,002,029
Crestview Local School District	419,868	0.45%	1,889
Ontario Local School District	15,688,706	0.02%	3,138
Pioneer Career and Technology Center	12,242,647	16.20%	1,983,309
Total Overlapping Debt	<u>61,882,710</u>		<u>17,218,086</u>
 Total Direct and Overlapping Debt	 <u>\$ 67,046,710</u>		 <u>\$ 22,382,086</u>

Source: Richland County Auditor

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

(2) Debt outstanding for school districts is shown as of June 30, 2010.

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CITY OF MANSFIELD, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed Value	\$ 601,577,670	\$ 626,270,320	\$ 668,624,139	\$ 685,397,888
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation	<u>63,165,655</u>	<u>65,758,384</u>	<u>70,205,535</u>	<u>71,966,778</u>
Total Voted and Unvoted Debt Outstanding at December 31st	7,470,000	8,260,000	5,205,000	5,745,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues	(2,105,000)	(2,550,000)	(1,865,000)	(2,165,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 10 1/2 Percent Limitation	5,365,000	5,710,000	3,340,000	3,580,000
Less: Debt Service Fund Balance	<u>(201,045)</u>	<u>(86,281)</u>	<u>(71,917)</u>	<u>(61,604)</u>
Net Debt Subject to 10 1/2 Percent Limitation	<u>5,163,955</u>	<u>5,623,719</u>	<u>3,268,083</u>	<u>3,518,396</u>
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$ 58,001,700</u>	<u>\$ 60,134,665</u>	<u>\$ 66,937,452</u>	<u>\$ 68,448,382</u>
Legal Debt Margin as a Percentage of the Debt Limit	91.82%	91.45%	95.34%	95.11%
Assessed Value	\$ 601,577,670	\$ 626,270,320	\$ 668,624,139	\$ 685,397,888
Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation	<u>33,086,772</u>	<u>34,444,868</u>	<u>36,774,328</u>	<u>37,696,884</u>
Total Unvoted Debt Outstanding at December 31st	7,470,000	8,260,000	5,205,000	5,745,000
Less: Exempt Debt				
Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues	(2,105,000)	(2,550,000)	(1,865,000)	(2,165,000)
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Within 5 1/2 Percent Limitation	5,365,000	5,710,000	3,340,000	3,580,000
Less: Debt Service Fund Balance	<u>(201,045)</u>	<u>(86,281)</u>	<u>(71,917)</u>	<u>(61,604)</u>
Net Debt Subject to 5 1/2 Percent Limitation	<u>5,163,955</u>	<u>5,623,719</u>	<u>3,268,083</u>	<u>3,518,396</u>
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$ 27,922,817</u>	<u>\$ 28,821,149</u>	<u>\$ 33,506,245</u>	<u>\$ 34,178,488</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.39%	83.67%	91.11%	90.67%

Source: City of Mansfield, Ohio; Finance Department

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102
<u>77,942,916</u>	<u>82,286,591</u>	<u>75,702,200</u>	<u>74,107,100</u>	<u>70,876,178</u>	<u>70,351,586</u>
6,305,000	6,845,000	7,838,139	11,093,268	5,138,758	5,957,148
(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)
<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>
3,815,000	4,040,000	4,735,000	7,710,000	1,485,000	2,010,000
<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>(3,507,606)</u>
<u>3,637,204</u>	<u>2,837,565</u>	<u>2,789,121</u>	<u>4,722,691</u>	<u>-</u>	<u>-</u>
<u>\$ 74,305,712</u>	<u>\$ 79,449,026</u>	<u>\$ 72,913,079</u>	<u>\$ 69,384,409</u>	<u>\$ 70,876,178</u>	<u>\$ 70,351,586</u>
95.33%	96.55%	96.32%	93.63%	100.00%	100.00%
\$ 742,313,487	\$ 783,681,822	\$ 720,973,337	\$ 705,781,908	\$ 675,011,218	\$ 670,015,102
<u>40,827,242</u>	<u>43,102,500</u>	<u>39,653,534</u>	<u>38,818,005</u>	<u>37,125,617</u>	<u>36,850,831</u>
6,305,000	6,845,000	7,358,139	10,118,268	10,718,758	3,947,148
(2,490,000)	(2,805,000)	(3,100,000)	(3,380,000)	(3,650,000)	(3,910,000)
<u>-</u>	<u>-</u>	<u>(3,139)</u>	<u>(3,268)</u>	<u>(3,758)</u>	<u>(37,148)</u>
3,815,000	4,040,000	4,255,000	6,735,000	7,065,000	-
<u>(177,796)</u>	<u>(1,202,435)</u>	<u>(1,945,879)</u>	<u>(2,987,309)</u>	<u>(3,686,787)</u>	<u>-</u>
<u>3,637,204</u>	<u>2,837,565</u>	<u>2,309,121</u>	<u>3,747,691</u>	<u>3,378,213</u>	<u>-</u>
<u>\$ 37,190,038</u>	<u>\$ 40,264,935</u>	<u>\$ 37,344,413</u>	<u>\$ 35,070,314</u>	<u>\$ 33,747,404</u>	<u>\$ 36,850,831</u>
91.09%	93.42%	94.18%	90.35%	90.90%	100.00%

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

Year	Special Assessment Collections (1)	Debt Service (2)			Coverage
		Principal	Interest	Total	
2010	\$ 47,852	\$ -	\$ -	\$ -	-
2009	67,654	-	-	-	-
2008	53,316	-	-	-	-
2007	32,941	-	-	-	-
2006	34,109	-	-	-	-
2005	29,714	3,139	-	3,139	9.47
2004	37,359	129	245	374	99.89
2003	61,697	490	282	772	79.92
2002	66,195	33,390	2,813	36,203	1.83
2001	85,266	32,052	5,625	37,677	2.26

(1) Source: Richland County Auditor

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

CITY OF MANSFIELD, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (3)</u>
2010	47,821	\$ 830,220,381	\$ 17,361	\$ 32,076	11.8%
2009	51,600	914,661,600	17,726	30,176	12.6%
2008	51,600	914,661,600	17,726	30,176	7.4%
2007	51,600	914,661,600	17,726	30,176	6.5%
2006	51,600	914,661,600	17,726	30,176	6.1%
2005	51,600	914,661,600	17,726	30,176	6.5%
2004	51,600	914,661,600	17,726	30,176	7.2%
2003	51,600	914,661,600	17,726	30,176	7.2%
2002	51,600	914,661,600	17,726	30,176	6.7%
2001	51,600	914,661,600	17,726	30,176	5.2%

(1) Source: U.S. Census Bureau

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

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

CITY OF MANSFIELD, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2010 AND DECEMBER 31, 2001

2010			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,500	4.68%
Richland County Government	2	938	1.76%
StarTek, Inc.	3	800	1.50%
Newman Technology	4	750	1.41%
Jay Industries, Inc.	5	750	1.41%
CenturyLink, Inc.	6	725	1.36%
Mansfield Correctional Institution	7	725	1.36%
Mansfield Board of Education	8	700	1.31%
Therm-O-Disc, Inc.	9	575	1.08%
Gorman Rupp Company	10	525	0.98%
	Total	<u>8,988</u>	<u>16.85%</u>
Total employment within the City		<u>53,378</u>	

2001			
Employer (1)	Rank (1)	Employees (1)	Percentage of Total City Employment (2)
MedCentral Health Systems	1	2,300	3.84%
Therm-O-Disc, Inc.	2	1,200	2.01%
Richland County Government	3	1,200	2.01%
Jay Industries, Inc.	4	1,100	1.84%
Mansfield Board of Education	5	850	1.42%
School Specialty, Inc.	6	800	1.34%
State of Ohio Government	7	700	1.17%
City of Mansfield Government	8	610	1.02%
Newman Technology	9	600	1.00%
AK Steel	10	500	0.84%
	Total	<u>9,860</u>	<u>16.48%</u>
Total employment within the City		<u>59,847</u>	

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

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

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government:										
Council	12	12	12	12	11	11	11	11	11	11
Administration	3	4	4	5	4	6	6	6	6	10
Finance	18	17	27	28	26	23	22	20	20	25
Law	12	12	14	13	13	15	14	13	13	13
Courts	50	52	54	54	53	49	54	54	53	58
General Government	7	7	7	8	8	7	7	8	9	9
Economic/Community Development	7	6	6	6	6	8	7	7	7	8
Engineering	6	8	10	11	11	8	8	8	8	10
Maintenance	4	3	4	4	5	4	4	4	4	4
Codes/Permits	6	7	10	9	11	9	9	9	11	13
Litter Control	1	1	2	2	1	2	2	2	2	2
Regional Community Advancement	31	27	26	16	23	24	27	26	35	36
Parks/Recreation	6	6	11	12	9	10	9	12	16	18
Street/Highway	10	14	34	35	35	32	33	33	37	50
Police	121	127	144	150	148	142	139	145	154	162
Fire	96	100	102	98	100	102	95	98	102	108
Water	57	61	68	67	62	54	54	53	55	52
Sewer	38	41	41	40	41	50	56	56	56	61
Airport	4	4	6	5	5	6	6	5	7	8
Repair Garage	5	5	9	9	9	9	9	9	11	12
Information Technology	4	4	4	4	4	3	4	4	4	4
Total	498	518	595	588	585	574	576	583	621	674

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government:										
Building permits issued	185	164	174	207	231	288	331	332	313	366
Code enforcements	2,426	3,070	4,633	5,519	4,195	2,922	3,301	3,921	4,533	2,678
Police										
Calls for service	37,352	37,548	42,062	42,072	44,417	43,876	47,328	48,348	51,729	55,185
Traffic violations	6,348	5,616	6,221	6,741	5,958	4,760	7,056	6,104	10,703	8,370
Parking violations	4,957	6,928	7,684	5,896	9,530	9,337	10,639	9,671	12,112	14,740
Physical arrests	5,090	4,364	4,987	4,924	4,840	4,328	4,476	4,269	4,610	4,666
Fire										
Emergency responses	6,608	6,234	6,441	6,109	6,079	6,290	5,787	5,662	5,459	-
Fire responses	1,547	1,450	1,653	1,470	1,304	1,543	1,732	1,784	1,682	-
Street/Highway										
Street resurfacing mileage (1)	8	15	20	19	18	24	26	26	28	26
Number of streets resurfaced (1)	51	104	81	96	95	127	145	143	147	131
Tons of salt used	8,045	7,742	14,355	6,240	6,498	10,528	7,590	9,647	7,901	4,641
Leaf removal (cubic yards) (2)	1,789	9,170	9,288	11,642	11,438	11,500	11,984	15,536	17,059	15,708
Water										
Number of customers	18,628	19,800	20,448	20,394	20,335	20,329	20,152	20,152	19,546	19,929
Average daily consumption (thousands of gallons)	8,930	7,860	8,920	8,480	9,000	10,000	10,000	10,000	9,430	10,180
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,910	9,809	10,348	9,870	10,360	9,130	9,580	10,520	9,400	9,250

Sources: Various City departments - some amounts may be estimates

(-) Not available

(1) Funded by income tax dollars only

(2) Leaf removal program was eliminated in 2010 due to budgetary issues. Citizens were allowed to drop off leaves at the Street Department.

CITY OF MANSFIELD, OHIO

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

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of offices	2	2	2	2	2	2	2	2	2	2
Number of police vehicles	49	48	42	45	42	38	39	40	38	38
Fire										
Number of stations	6	6	5	5	5	5	5	5	5	5
Number of fire trucks (1)	9	9	9	8	6	6	6	6	6	6
Number of rescue squads (1)	8	8	8	6	6	7	6	6	6	6
Streets/Highways										
Mileage	295	295	295	295	295	295	295	295	295	295
Street signs	13,330	13,325	13,300	13,270	13,262	13,203	13,147	13,125	13,045	12,976
Parks/Recreation										
Number of Parks	34	34	33	33	33	33	33	33	33	33
Acreage	435	435	435	435	435	435	435	435	435	435
Playgrounds	21	21	20	20	20	20	20	20	20	20
Swimming pools (1)	4	4	4	4	4	4	4	4	4	4
Water										
Miles of water mains	250	250	250	250	250	250	250	250	250	250
Storage capacity (thousands of gallons)	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Wastewater										
Miles of sanitary sewer	200	200	200	200	200	200	200	200	200	200
Treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500

Sources: Various City departments

(1) Corrections made to prior years

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Dave Yost • Auditor of State

CITY OF MANSFIELD

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 2, 2011