



**Auditor of State
Betty Montgomery**

CITY OF MANSFIELD
RICHLAND COUNTY

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**Auditor of State
Betty Montgomery**

**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 N. Diamond Street
Mansfield, Ohio 44902

To the Honorable Mayor and Members of 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, 2004, which collectively comprises the City's basic financial statements and have issued our report thereon dated June 24, 2005. 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 to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2004-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the City's management dated June 24, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 24, 2005 we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the Audit Committee, management, City Council, and 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 24, 2005



**Auditor of State
Betty Montgomery**

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

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

To the Honorable Mayor and Members of 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 apply to each of its major federal programs for the year ended December 31, 2004. 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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2004-002, 2004-003, and 2004-004.

In a separate letter to the City's management dated June 24, 2005, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could 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.

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

However, we noted matters involving the 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 24, 2005.

Federal Awards Receipts and Expenditures Schedule

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 as of and for the year ended December 31, 2004, and have issued our report thereon dated June 24, 2005. 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 as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 24, 2005

**CITY OF MANSFIELD
RICHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Grant/ Project Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Program:				
Community Development Block Grants/Entitlement Grants	14.218	CB-01-MC-39-0017	\$16,754	\$12,884
		CB-02-MC-39-0017	151,501	152,881
		CB-03-MC-39-0017	448,312	393,037
		CB-04-MC-39-0017	452,494	503,881
Total Community Development Block Grants/Entitlement Grants			<u>1,069,061</u>	<u>1,062,683</u>
HOME Investment Partnerships Program	14.239	M-98-MC-39-0221	2,306	2,599
		M-00-MC-39-0221	9,981	15,344
		M-01-MC-39-0221	79,918	81,788
		M-02-MC-39-0221	269,906	254,873
		M-03-MC-39-0221	80,372	86,601
		M-04-MC-39-0221	9,365	8,005
Total HOME Investment Partnerships Program			<u>451,848</u>	<u>449,210</u>
Total U.S. Department of Housing and Urban Development			<u>1,520,909</u>	<u>1,511,893</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Programs:				
Local Law Enforcement Block Grants Program	16.592	2001LBBX3378		43,210
		2002LBBX2322		39,419
		2003LBBX2219	19,631	285
		2004LBBX1521	14,969	
Total Local Law Enforcement Block Grants Program			<u>34,600</u>	<u>82,914</u>
Bulletproof Vest Partnership Program	16.607	Not Available	6,619	4,530
Passed through the Ohio Bureau of Criminal Identification & Investigation, Office of the Attorney General:				
Crime Laboratory Improvement Combined Offender DNA Index System Backlog Reduction	16.564	2002-DN-BX-K009		14,040
		2003-DN-BX-K009	13,700	19,946
			<u>13,700</u>	<u>33,986</u>
Passed through the Ohio Attorney General's Office:				
Crime Victim Assistance	16.575	2004-VAGENE019	17,371	17,371
		2004-VAGENE557	15,498	15,498
		2005-VAGENE019	6,516	6,516
		2005-VAGENE557	5,811	5,811
Total Crime Victim Assistance			<u>45,196</u>	<u>45,196</u>
Passed through the Office of Criminal Justice Services:				
Byrne Formula Grant Program	16.579	02-DG-A01-7008	145,421	107,189
		03-DG-A01-7008	224,201	180,363
		02-DG-F01-7031	20,740	1,361
		03-DG-F01-7031	56,359	67,879
		03-DG-B01-7041	4,147	5,161
Total Byrne Formula Grant Program			<u>450,868</u>	<u>361,953</u>
Total U.S. Department of Justice			<u>550,983</u>	<u>528,579</u>

**CITY OF MANSFIELD
RICHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Grant/ Project Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF LABOR</u>				
Passed through the Ohio Department of Job & Family Services: Passed through Morrow-Ashland-Richland-Crawford Job Training Office:				
WIA Youth Activities	17.259	01/01/04 - 06/30/04	5,408	
Passed through the Ohio Department of Jobs & Family Services: Passed through the Richland County Department of Jobs & Family Services:				
WIA Youth Activities	17.259	01/01/04 - 06/30/04 07/01/04 - 12/31/04	176,016 166,592 <u>342,608</u>	151,685 166,592 <u>318,277</u>
Total U.S. Department of Labor/WIA Youth Activities			<u>348,016</u>	<u>318,277</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Programs:				
Airport Improvement Program	20.106	3-39-0049-17-01 3-39-0049-18-03 3-39-0049-19-04	24,257 113,468 <u>137,725</u>	82,601 124,943 <u>755,902</u>
Total Airport Improvement Program			<u>137,725</u>	<u>755,902</u>
Passed through the Ohio Department of Public Safety - The Governor's Highway Safety Office:				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	2003-SC-N/1 2002-ALE-N/1 2004-PT-MN/1	14,287 608 22,617 <u>37,512</u>	 <u>23,809</u> <u>23,809</u>
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants			<u>37,512</u>	<u>23,809</u>
Total U.S. Department of Transportation			<u>175,237</u>	<u>779,711</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed through the Ohio Department of Education:				
Twenty-First Century Community Learning Centers	84.287	148684-T1S1-2004 148684-T1S1-2005	307,908 177,008 <u>484,916</u>	264,953 225,955 <u>490,908</u>
Total U.S. Department of Education			<u>484,916</u>	<u>490,908</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Direct Program:				
Assistance to Firefighters	97.044	2004-57-6410RA- 63210000-4101-D	1,900	1,900
Total U.S. Department of Homeland Security			<u>1,900</u>	<u>1,900</u>
Total			<u>\$3,081,961</u>	<u>\$3,631,268</u>

**CITY OF MANSFIELD
RICHLAND COUNTY**

**NOTES TO FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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

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

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

These loans are collateralized by the assets of the businesses. At December 31, 2004, the gross amount of loans outstanding was \$1,683,237 in Community Development Block Grant Loans; \$653,900 in Economic Development Loans; \$19,489 in Urban Development Action Grant Loans; and \$271,829 in Industrial Development Loans. Delinquent amounts due are \$144,964. During 2004, the City forgave \$79,840 in payments. The City has an allowance for doubtful accounts of \$314,934 at December 31, 2004.

NOTE D - WORKFORCE INVESTMENT ACT ATTACHMENT SCHEDULES

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

NOTE E - MATCHING REQUIREMENTS

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

NOTE F - CHANGE IN ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM

The Assistance to Firefighters Grant Program was originally issued through the Federal Emergency Management Agency. It was changed during the year to the U.S. Department of Homeland Security. This change also affected the CFDA Number which changed from 83.554 to 97.044.

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**CITY OF MANSFIELD
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
FOR YEAR ENDED DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #14.239 – HOME Investment Partnerships Program CFDA #14.218 – Community Development Block Grants/Entitlement Grants CFDA #84.287 – 21 st Century Community Learning Centers Grant
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

Reportable Condition

FINDING NUMBER 2004-001

Motor Pool Vehicle/Equipment Account

During 2002, the City established a Motor Pool Vehicle/Equipment Account in the Repair Garage Internal Service Fund to provide funding available for the purchase and replacement of all non-safety motor vehicles and equipment. The City transferred \$136,160 into this account from various funds; however, the City does not have a formal written plan for funding this account. Legal issues could arise regarding the advance funding of an internal service fund for the purpose of future purchases of capital assets. In addition, there may be restrictions on using money from certain grant funds or other restricted funds. During 2003, the City transferred an additional \$250,000 from the Water Enterprise Fund to this account, \$125,000 of which was after the release of the December 31, 2002 audit report.

During 2004, the City did not transfer any additional money to the Motor Pool Vehicle/Equipment Account. The fund balance as of December 31, 2004 was \$376,167. The Water fund has contributed \$303,370 or 80.65% of this total although only 14.72% of the current vehicles are water department vehicles. The City should be allocating funds in proportion to the vehicles currently owned. In fiscal year 2005, the City established a Motor Pool Vehicle/Equipment Account in a capital projects fund; however, the City has not yet established a formal written plan regarding the account's funding, purpose, intent, and function.

Before significant activity is accounted for in this fund, we recommend the City review and consider implementing the guidance in Ohio Rev. Code Section 5705.13(C) regarding establishment of a capital projects fund. At a minimum, the City should establish a formal written plan which should include the account's funding, purpose, intent, and function. In addition, the City should consult with its Law Director in preparing this plan to consider any legal issues.

Failure to address this matter increases the risk the City will initiate transactions related to restricted funds that are later determined to be unallowable.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Noncompliance Finding and Questioned Cost

Finding Number	2004-002
CFDA Title and Number	HOME Investment Partnership Program #14.239
Federal Award Number / Year	M-98-MC-39-0221 - 1998 M-00-MC-39-0221 - 2000 M-01-MC-39-0221 - 2001 M-02-MC-39-0221 - 2002 M-03-MC-39-0221 - 2003 M-04-MC-39-0221 - 2004
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A – Direct Program

Noncompliance Finding and Questioned Cost (Continued)

24 C.F.R. Section 92.64(a)(2)(i) states, in part, that HUD will recapture HOME funds in the HOME Treasury account by the amount of: **(A)** any funds that are not committed within 24 months after the last day of the month in which HUD notifies the insular area of HUD’s execution of the HOME Investment Partnership Agreement; **(B)** any funds that are not expended within five years after the last day of the month in which HUD notifies the insular area of HUD’s execution of the HOME Investment Partnership Agreement; and **(C)** and penalties assessed by HUD under Sec. 92.552.

Of the twelve expenditures tested for availability, nine expenditures were not obligated within the 24 months of the approval of the respective HOME Grants. These items resulted in a known questioned costs of \$231,082 and projected questioned costs of \$293,991. In addition, one of the twelve expenditures tested for availability was not expended within 5 years after the last day of the month of HUD’s execution grant.

The failure to obligate the funds within the available period could result in the forfeiture of federal funding, and grantor agencies may require repayment of amounts obligated outside the available period.

The City must monitor the grant budgets to ensure that all funds are obligated within the available period.

Noncompliance Finding and Questioned Cost

Finding Number	2004-003
CFDA Title and Number	Community Development Block Grants/Entitlement Grants #14.218
Federal Award Number / Year	CB-01-MC-39-0017 - 2001 CB-02-MC-39-0017 - 2002 CB-03-MC-39-0017 - 2003 CB-04-MC-39-0017 - 2004
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A – Direct Program

24 CFR section 570.206 states, in part, that reasonable costs of overall program management, coordination, monitoring, and evaluation include salaries, wages, and related costs of the recipient’s staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year.

Employees working on HOME grant activities charged their salaries, wages and related costs to the Community Development Block Grant (CDBG). This resulted in administrative expenses which were unallowable and should not have been charged to CDBG. Furthermore, it resulted in \$20,845 of question costs.

The City should reimburse \$20,845 from the HOME fund to the CDBG for administrative expenses that were charged to CDBG for HOME grant activities. The City should change its payroll procedures to ensure that only CDBG related administrative expenses are charged to CDBG.

Noncompliance Finding

Finding Number	2004-004
CFDA Title and Number	Community Development Block Grants/Entitlement Grants #14.218
Federal Award Number / Year	CB-01-MC-39-0017 - 2001 CB-02-MC-39-0017 - 2002 CB-03-MC-39-0017 - 2003 CB-04-MC-39-0017 - 2004
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A – Direct Program

24 CFR 85.41 states, in part, the Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support. For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272, Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt the grantee from this requirement.

The City submitted the quarterly reports for the Community Development Block Grant in 2003 within the 30 day required time limit. In 2004, one report was filed in January 2004 for the second quarter of the grant period (October 1, 2003 through December 31, 2003). There were no reports filed in 2004 for either the last two quarters of the 2003 grant year or the first quarter of the 2004 grant year.

The City should implement procedures to ensure that the Standard Form 272 is completed and filed as required or ensure the grant includes terms that exempt them from this requirement.

**CITY OF MANSFIELD
RICHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
FOR THE YEAR ENDED DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Ohio Rev. Code Section 5705.10, the City inappropriately advanced \$980,000 from the Sewer Fund to the Health Insurance Internal Service Fund	Fully Corrected	Finding No Longer Valid
2003-002	Ohio Rev. Code Section 5705-10, the City had negative fund balances in the Grant Fund (#224), Health Insurance Fund (#606), and the Transient Occupancy Tax Fund (#808) during the fiscal year.	Partially Corrected	Comment Repeated in the Management Letter
2003-003	Motor Pool Vehicle/Equipment Account, the City does not have a formal written plan for funding this account.	Partially Corrected	Comment Repeated as Finding #2004-001
2003-004	HOME Investment Partnership Program #14.239 – funds were not obligated within 24 months approval of the respective HOME Grants.	No	Not Corrected. Repeated as Finding #2004-002

City of Mansfield, Ohio



**Comprehensive Annual Financial Report
For The Year Ended December 31, 2004**

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2004

Prepared By
Department of Finance

Sandra L. Converse
Director of Finance

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Introductory Section

CITY OF MANSFIELD, OHIO
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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CITY OF MANSFIELD

30 N. Diamond St.
Mansfield, Ohio 44902

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SANDRA CONVERSE • FINANCE DIRECTOR

June 24, 2005

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

As the Finance Director for the City of Mansfield (the "City"), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2004. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

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

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

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

OVERVIEW AND INTRODUCTION TO THE CITY

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

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

The downtown Richland Carrousel Park provides entertainment for children and adults. Other local entertainment options include theatrical productions at the Mansfield Playhouse, shows at the Mansfield Art Center, and classes at the Richland Academy of Arts and Sciences. The Mansfield Motorsports Speedway, north of town, is a fast-growing racetrack that will host its second NASCAR event in 2005, the Craftsman Truck Series. Mansfield has 28 parks covering 435 acres. Those looking for exercise can try bicycling or in-line skating on the 18 mile B&O Bike Trail, which begins at North Lake Park in the City, running south through Lexington.

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

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2004 to development possibilities. The City was able to assist 9 companies in 2004. 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 \$411,500 were granted which have leveraged approximately \$3,276,500 in additional investments in new and existing projects creating 57 new jobs and assisted in retaining 191 jobs.

Four companies moved into the Airport Industrial Parks during 2004. Vasu Communications, Upstairs Downstairs Automotive, Thunder Road Drive Thru, and Janitor's Supply creating 26 new full-time jobs. In addition, three expansion projects were completed by existing companies, which will create 38 new full-time jobs over the next two years. The expansion projects were SkyBox, Inc., OmniSource, and Sun Printing.

Environmental Remediation of the former Ohio Brass site was completed with the assistance of a grant in the amount of \$504,000 from the Clean Ohio Assistance Fund. Once the final remediation of this site is completed, we will apply for a "No Further Action" (NFA) and "Covenant not to Sue" from the Ohio EPA during the spring of 2005.

The former Johnson Controls property's ownership was transferred to Crane Plumbing. They intend to implement renovations of the second building on the site and plan to complete the renovations by the end of 2005. We received a "Covenant not to Sue" from the Ohio EPA on this property in 2004.

Moritz International, Inc. has completed renovations of the former Peabody Barnes office building and has expanded into the additional 26,000 square feet of space. They will complete the purchase of the site during the first quarter of 2005. Their investment in the site as of year end 2004 was approximately \$450,000. Environmental remediation is expected to be done in 2005. Upon completion of the final remediation of the site, we will request a "NFA" and a "Covenant not to Sue" from the Ohio EPA.

Citation Corporation donated the former Mansfield Foundry property to the City of Mansfield. The Ohio Department of Development has approved our request for a grant from the Clean Ohio Assistance Fund to be used to complete phase two environmental assessments to Voluntary Action Program standards for the site. The contract for environmental assessments will be awarded during 2005 with an immediate start date. The planned completion is scheduled for June 2006. During 2004, we had two tenant companies move onto this site. Ohio Machine Tool, a dealer of used industrial machinery/equipment and D.A. Holt, Inc., a company that recycles steel parts shipping racks from the automotive industry.

Other 2004 new project highlights are as follows:

- 1) Thunder Road Drive Thru completed construction and opened in November of 2004. It provides deli and pizza for on site consumption, delivery, and carry out. Also, it carries other store items. There were 6 full-time jobs created and 6 part-time jobs. The investment was \$300,000
- 2) Krogers completed construction of their new Park Avenue West facility. It opened in November 2004. They have 80 full-time jobs and 49 part-time jobs. The investment was \$8,800,000.
- 3) Ohio Valley Manufacturing broke ground on a 15,000 square foot addition which includes additional office space and new tool room facilities. This addition will create 10 new full-time jobs and the projected investment is \$1,600,000.
- 4) Omnisource, Inc. completed the expansion of their operation with the purchase and installation of new equipment. They have created 3 full-time jobs and invested \$900,000.
- 5) SkyBox, Inc. completed construction of a 40,000 square foot addition to their production and distribution facility. It will create 20 new full-time jobs over the next two years. Its investment is \$1,200,000.
- 6) Mansfield Railport, Inc. broke ground on a new 46,000 square foot steel transloading facility at Knight Industrial Park. It will create 20 new jobs over the next two years with an investment of \$4,000,000.
- 7) Midway Inc. broke ground on a new 15,000 square foot semi tractor dealership. There will be 10 new full-time jobs created over the next year. Their investment is \$1,500,000.
- 8) Longview Steel, a subsidiary of Jay Industries, broke ground on a 50,000 square foot addition to their facility. It will create 10 new full-time jobs over the next year with an investment of \$9,700,000.
- 9) United Parcel Service, Inc. invested in new state of the art equipment to upgrade their Longview Avenue distribution facility. They will create 7 new full-time jobs and retain 122 jobs. Their investment is \$1,000,000.

MAJOR INITIATIVES

The Downtown Revitalization Plan continues to be implemented with the renovation of the historic Reeds Department Store. A high end restaurant and banquet facility which has a line of exclusive cookware and kitchen items opened in this historic building. An empty restaurant on the downtown square has been renovated and is now a sports theme restaurant. Additionally, new facades have been constructed on five buildings in the downtown with more to come.

The Miracle Mile Alliance has completed their overlay design and it will soon be approved by city council. A new Krogers store was completed in 2004 within the old Kingsgate Mall. This was a huge boost to the Miracle Mile. An old building has been torn down at the entrance to the "Mile" to construct a new Walgreens drug store. An empty gas station has been sold to Rallys Restaurant and the old Montgomery Ward Service Center is being demolished and replaced with a new Taco Bell restaurant. Additional retail and restaurants are currently in the works.

The Route 30 expansion and improvement through the City will be completed by November 2005. The road extension on Interstate 71 also continues. A new Walmart Super Store is being constructed adjacent to Interstate 71 at Route 13. It will be open by December 2005.

A new handicapped playground at Prospect Park is being installed in the spring of 2005 with funds donated by local foundations. Also, a new high tech playground has been built at North Lake Park with a combination of foundation, private donors, and block grant monies. The Rotary Club raised \$45,000 and did the majority of the work. The North Lake park restoration project will soon begin with a combination of foundation, private, and block grant monies. It will involve a new pavilion, restoration of the wall around the lake, and the tearing down of the old pavilion and restrooms.

FINANCIAL INFORMATION

Basis of Accounting

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

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

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

The City complies with GASB #34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental activities, in order to comply with GASB #34, are presented on the full accrual basis of accounting. As part of this new reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the City's finances for 2004. Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

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

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

Budgetary Controls

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

CASH MANAGEMENT

The City had deposits of \$5,731,576 as of December 31, 2004. The City Finance Director invests inactive funds in commercial banks and savings and loan certificates of deposit and instruments guaranteed by the U.S. Government and its agencies. Active City funds are invested in commercial interest bearing bank accounts. Investment of City funds is made in order to preserve capital in the overall portfolio and to ensure sufficient liquidity to enable the City to meet reasonably anticipated operating requirements.

The City pools its cash for investment purposes to capture the highest return. The investment income in 2004 totaled \$411,338. The notes to the basic financial statements provide additional information regarding investments.

RISK MANAGEMENT

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

A third party administrator reviews all claims and submits a bill to the City for the amount of the claims and an administrative fee. Workers' compensation insurance is paid to the State based on an experience rate times current year payroll. Note 14 discusses further the area of risk management.

INDEPENDENT AUDIT

An audit team from Auditor of State, Betty Montgomery's office has performed the City's 2004 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 2004 by Auditor of State, Betty Montgomery's office. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2003. 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 nineteen years (years ended 1985-2003). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

A special thank you to Debra A. Keller who prepared the CAFR for 2004. Also, I would like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

I would like to extend a sincere appreciation to Julian & Grube, Inc. for their guidance and constructive assistance.

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

A handwritten signature in cursive script that reads "Sandra Converse".

Sandra Converse
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

CITY OF MANSFIELD, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2004**

ELECTED OFFICIALS

EXECUTIVE:

MayorLydia J. Reid
Director of FinanceSandra L. Converse
Director of Law David L Remy
Municipal Court JudgeJeff Payton
Municipal Court Judge.....Jerry E. Ault
Clerk of CourtGene E. Coffey

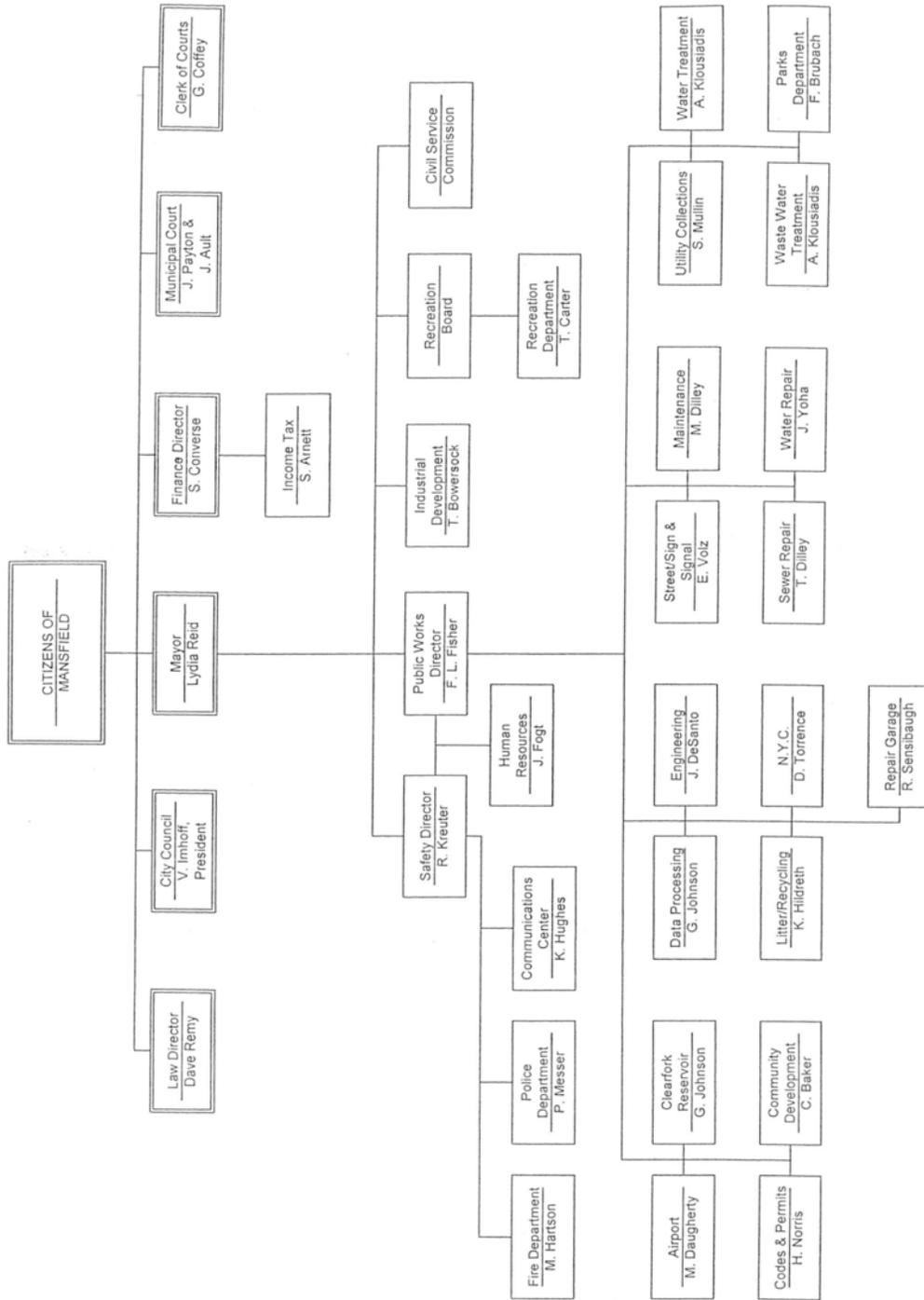
LEGISLATIVE:

President of Council ,..... Virginia M. Imhoff
Council Members
Ward 1Douglas P. Versaw
Ward 2C. David Robinson
Ward 3 Scott E. Hazen
Ward 4Walden A. Jefferson
Ward 5Ethel M. (Pat) Hightower
Ward 6Gary L. Utt
At LargeDonald R. Culliver
At LargeMichael N. Hill

APPOINTED OFFICIALS

Director of Public WorksFrancis L. Fisher
Director of Service and SafetyRonald S. Kreuter
Director of Industrial DevelopmentTimothy R. Bowersock
Chief of PolicePhilip Messer
Chief of FireMichael L. Hartson

The present terms of the executive branch and the President of Council will expire November 30, 2007. The present terms of the legislative branch will expire November 30, 2005 or November 30, 2007. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.



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Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and Members of 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, 2004, which collectively comprises 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.

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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Community Development, Safety Services, and Grant funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2005, 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, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 24, 2005

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 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, 2004. 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 2004 are as follows:

- The total net assets of the City decreased \$276,239. Net assets of governmental activities decreased \$1,014,063 or 1.60% over 2003 and net assets of business-type activities increased \$738,364 or 1.53% from 2003.
- General revenues accounted for \$30,143,717 of total governmental activities revenue. Program specific revenues accounted for \$12,110,866 or 28.66% of total governmental activities revenue.
- The City had \$43,269,186 in expenses related to governmental activities; \$12,110,866 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$31,158,320 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$30,143,717.
- The City's major governmental funds are the general fund, community development fund, safety services fund, grant fund, and justice center fund. The general fund had revenues and other financing sources of \$9,755,293 in 2004. This represents an increase of \$156,271 from 2003. The expenditures and other financing uses of the general fund, which totaled \$9,205,220 in 2004, increased \$539,089 from 2003. The net increase in fund balance for the general fund was \$550,073 or 53.21%.
- The community development fund had revenues of \$1,677,086 in 2004. The expenditures of the community development fund totaled \$1,965,232 in 2004. The net decrease in fund balance for the community development fund was \$288,146 or 10.65%.
- The safety services fund had revenues and other financing sources of \$20,537,032 in 2004. The expenditures for the safety services fund totaled \$20,368,145 in 2004. The net increase in fund balance for the safety services fund was \$168,887 or 282.96%.
- The grant fund had revenues and other financing sources of \$1,134,015 in 2004. The expenditures for the grant fund totaled \$1,541,725 in 2004. The net decrease in fund balance for the grant fund was \$407,710 or 605.91%.
- The justice center fund had revenues of \$42,144 in 2004. The expenditures for the justice center fund totaled \$10,306,895 in 2004. The net decrease in fund balance for the justice center fund was \$10,264,751 or 100.00%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Airport Operating, and Parking Garage enterprise funds, increased in 2004 by \$738,364.
- In the general fund, the actual revenues came in \$79,119 higher than they were in the final budget and actual expenditures were \$50,954 less than the amount in the final budget. These positive variances are the result of the City's conservative budgeting. Budgeted revenues increased \$200,000 from the original to the final budget due primarily to an increase in projected miscellaneous revenue. Budgeted expenditures decreased \$4,303 from the original to the final budget due to a decrease in various types of expenditures.

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 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, grant fund, and justice center fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22-32 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, airport and parking garage functions. The City's major enterprise funds are the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statements can be found on page 38 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 39-69 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2004 compared to 2003:

	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>	Business-Type Activities <u>2004</u>	Business-Type Activities <u>2003</u>	Total <u>2004</u>	Total <u>2003</u>
<u>Assets</u>						
Current and other assets	\$ 27,913,316	\$ 39,264,266	\$ 14,193,245	\$ 14,164,759	\$ 42,106,561	\$ 53,429,025
Capital assets	<u>52,231,117</u>	<u>55,018,625</u>	<u>42,721,235</u>	<u>42,059,448</u>	<u>94,952,352</u>	<u>97,078,073</u>
Total assets	<u>80,144,433</u>	<u>94,282,891</u>	<u>56,914,480</u>	<u>56,224,207</u>	<u>137,058,913</u>	<u>150,507,098</u>
<u>Liabilities</u>						
Long-term liabilities	10,556,742	23,960,840	6,906,499	6,976,880	17,463,241	30,937,720
Other liabilities	<u>7,070,488</u>	<u>6,790,245</u>	<u>922,552</u>	<u>900,262</u>	<u>7,993,040</u>	<u>7,690,507</u>
Total liabilities	<u>17,627,230</u>	<u>30,751,085</u>	<u>7,829,051</u>	<u>7,877,142</u>	<u>25,456,281</u>	<u>38,628,227</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	47,833,128	48,571,208	36,878,972	35,967,804	84,712,100	84,539,012
Restricted	15,950,708	26,640,679	4,070,672	1,457,668	20,021,380	28,098,347
Unrestricted	<u>(1,266,633)</u>	<u>(11,680,081)</u>	<u>8,135,785</u>	<u>10,921,593</u>	<u>6,869,152</u>	<u>(758,488)</u>
Total net assets	<u>\$ 62,517,203</u>	<u>\$ 63,531,806</u>	<u>\$ 49,085,429</u>	<u>\$ 48,347,065</u>	<u>\$ 111,602,632</u>	<u>\$ 111,878,871</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2004, the City's assets exceeded liabilities by \$111,602,632. Net assets were \$62,517,203 and \$49,085,429 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 69.28% of total assets. Capital assets include land, buildings, improvements other than buildings (IOTB), machinery and equipment, construction in progress (CIP) and infrastructure. Capital assets, net of related debt to acquire the assets, was \$47,833,128 and \$36,878,972 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, 2004, 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, \$20,021,380, represents resources that are subject to external restriction on how they may be used.

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UNAUDITED**

The next table shows the changes in net assets for fiscal year 2004 and 2003.

Changes in Net Assets

	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>	Business-Type Activities <u>2004</u>	Business-Type Activities <u>2003</u>	Total <u>2004</u>	Total <u>2003</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 4,951,801	\$ 3,526,057	\$ 16,384,514	\$ 14,508,221	\$ 21,336,315	\$ 18,034,278
Operating grants and contributions	6,849,290	7,547,321	-	-	6,849,290	7,547,321
Capital grants and contributions	309,775	132,240	629,261	533,827	939,036	666,067
Total program revenues	<u>12,110,866</u>	<u>11,205,618</u>	<u>17,013,775</u>	<u>15,042,048</u>	<u>29,124,641</u>	<u>26,247,666</u>
General revenues:						
Property taxes	2,266,451	2,358,616	-	-	2,266,451	2,358,616
Income taxes	21,975,862	22,678,516	256,830	271,518	22,232,692	22,950,034
Unrestricted grants and entitlements	5,169,330	5,520,410	-	-	5,169,330	5,520,410
Gain from sale of assets	89,416	18,581	-	-	89,416	18,581
Investment earnings	411,338	629,575	44,265	48,750	455,603	678,325
Miscellaneous	231,320	134,162	32,238	19,182	263,558	153,344
Total general revenues	<u>30,143,717</u>	<u>31,339,860</u>	<u>333,333</u>	<u>339,450</u>	<u>30,477,050</u>	<u>31,679,310</u>
Total revenues	<u>42,254,583</u>	<u>42,545,478</u>	<u>17,347,108</u>	<u>15,381,498</u>	<u>59,601,691</u>	<u>57,926,976</u>
Program expenses:						
General government	10,496,931	8,258,059	-	-	10,496,931	8,258,059
Public safety	21,355,233	20,605,513	-	-	21,355,233	20,605,513
Public health and welfare	156,000	260,946	-	-	156,000	260,946
Transportation	8,390,900	8,496,196	-	-	8,390,900	8,496,196
Community environment	2,065,065	2,262,008	-	-	2,065,065	2,262,008
Leisure time activity	449,412	505,060	-	-	449,412	505,060
Interest and fiscal charges	355,645	689,642	-	-	355,645	689,642
Water	-	-	7,638,373	7,470,886	7,638,373	7,470,886
Sewer	-	-	8,211,524	7,817,643	8,211,524	7,817,643
Airport operating	-	-	736,546	720,488	736,546	720,488
Parking garage	-	-	22,301	28,929	22,301	28,929
Total program expenses	<u>43,269,186</u>	<u>41,077,424</u>	<u>16,608,744</u>	<u>16,037,946</u>	<u>59,877,930</u>	<u>57,115,370</u>
Increase (decrease) in net assets before special items and transfers						
	(1,014,603)	1,468,054	738,364	(656,448)	(276,239)	811,606
Special item-donation of land	-	(180,484)	-	-	-	(180,484)
Transfers	-	337,209	-	(337,209)	-	-
Change in net assets	<u>(1,014,603)</u>	<u>1,624,779</u>	<u>738,364</u>	<u>(993,657)</u>	<u>(276,239)</u>	<u>631,122</u>
Net assets, January 1, restated	<u>63,531,806</u>	<u>61,907,027</u>	<u>48,347,065</u>	<u>49,340,722</u>	<u>111,878,871</u>	<u>111,247,749</u>
Net assets, December 31	<u>\$ 62,517,203</u>	<u>\$ 63,531,806</u>	<u>\$ 49,085,429</u>	<u>\$ 48,347,065</u>	<u>\$ 111,602,632</u>	<u>\$ 111,878,871</u>

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

Governmental Activities

Governmental activities net assets decreased \$1,014,603 in 2004. This decrease is a result of an increase in expenses and a decrease in municipal income taxes versus amounts reported in the prior year.

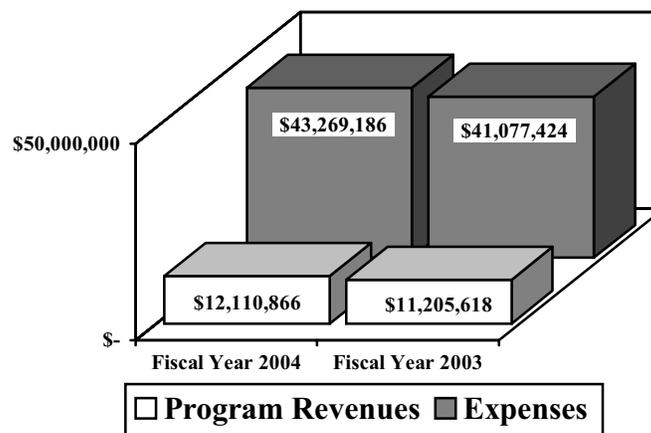
Public safety, which primarily supports the operations of the police and fire departments accounted for \$21,355,233 of the total expenses of the City. These expenses were partially funded by \$928,130 in direct charges to users of the services. Transportation expenses totaled \$8,390,900. Transportation expenses were partially funded by \$209,200 in direct charges to users of the services, \$2,929,343 in operating grants and contributions and \$309,775 in capital grants and contributions.

The state and federal government contributed to the City a total of \$6,849,290 in operating grants and contributions and \$309,775 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$309,775 subsidized transportation programs.

General revenues totaled \$30,143,717 and amounted to 71.34% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$24,242,313. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$5,169,330.

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

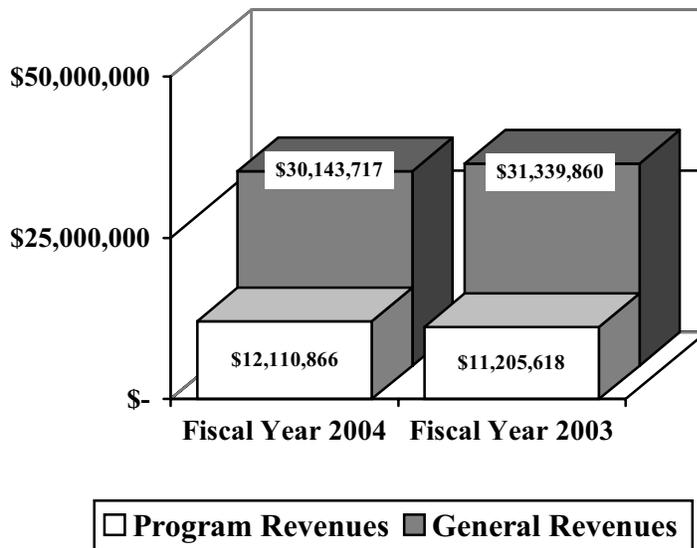
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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Governmental Activities

	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Program Expenses:				
General government	\$ 10,496,931	\$ 5,281,650	\$ 8,258,059	\$ 5,826,994
Public safety	21,355,233	19,750,385	20,605,513	19,133,599
Public health and welfare	156,000	80,613	260,946	135,267
Transportation	8,390,900	4,942,582	8,496,196	3,305,219
Community environment	2,065,065	318,659	2,262,008	297,789
Leisure activity	449,412	428,786	505,060	483,296
Interest and fiscal charges	<u>355,645</u>	<u>355,645</u>	<u>689,642</u>	<u>689,642</u>
Total	<u>\$ 43,269,186</u>	<u>\$ 31,158,320</u>	<u>\$ 41,077,424</u>	<u>\$ 29,871,806</u>

The dependence upon general revenues for governmental activities is apparent, with 69.67% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



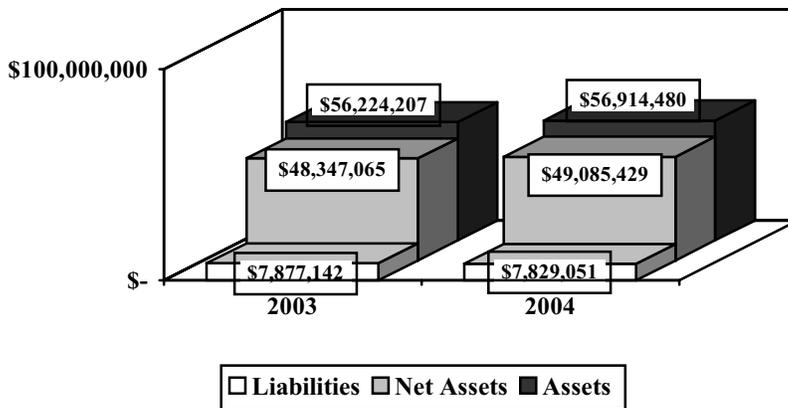
CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activities

Business-type activities include the water, sewer, airport and parking garage enterprise funds. These programs had program revenues of \$17,013,775, general revenues of \$333,333 and expenses of \$16,608,744 for 2004. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 22-23) reported a combined fund balance of \$10,144,897 which is \$10,677,671 below last year's total of \$20,822,568. This decrease is due to the pay off of the note in the Justice Center fund.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2004 and December 31, 2003 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/04</u>	<u>Restated</u> <u>Fund Balances</u> <u>12/31/03</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ (486,126)	\$ (1,033,851)	\$ 547,725
Community development	2,418,627	2,706,663	(288,036)
Safety services	110,738	(59,685)	170,423
Grant fund	(484,899)	(67,289)	(417,610)
Justice center	-	10,264,751	(10,264,751)
Other nonmajor governmental funds	<u>8,586,557</u>	<u>9,011,979</u>	<u>(425,422)</u>
Total	<u>\$ 10,144,897</u>	<u>\$ 20,822,568</u>	<u>\$ (10,677,671)</u>

General Fund

The City's general fund balance increased \$547,725, primarily due to the reclassification of internal bonds between the general fund and the sewer fund to a fund liability and to a decline in expenses for general government. The table that follows assists in illustrating the revenues of the general fund.

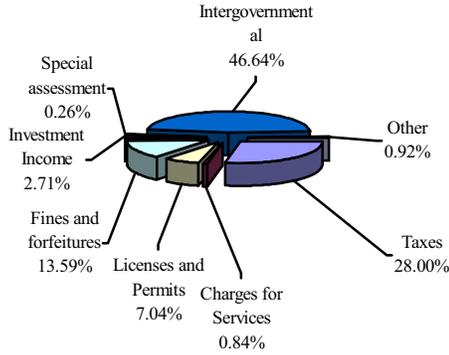
	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,718,850	\$ 2,335,912	16.39 %
Charges for services	81,955	36,011	127.58 %
Licenses, permits and fees	683,856	456,112	49.93 %
Fines and forfeitures	1,319,420	1,375,571	(4.08) %
Investment income	263,000	445,653	(40.99) %
Special assessments	25,127	45,632	(44.94) %
Intergovernmental	4,528,399	4,516,142	0.27 %
Other	<u>89,027</u>	<u>160,686</u>	<u>(44.60) %</u>
Total	<u>\$ 9,709,634</u>	<u>\$ 9,371,719</u>	<u>3.61 %</u>

Tax revenue, which is a combination of property and income tax, represents 28.01% of all general fund revenue. The tax revenue increased by 16.39% over prior year. The decrease in investment income is due to drastic cuts in interest rates by the Federal Reserve Bank throughout the year. The increase in charges for services is due to an increase in charges for the house arrest program. There was an increase in licenses, permits and fees due to an increase in collection of the cable franchise fee for 2004. The decrease in special assessments revenue is due to a decrease in the collections of special assessments. All other revenue remained comparable to 2003.

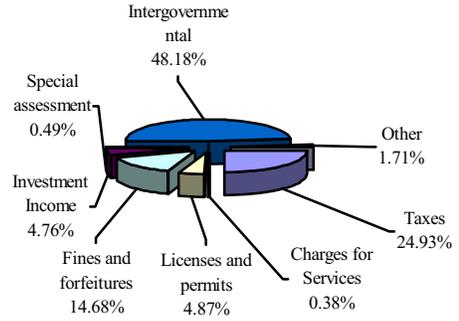
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

Revenues – Fiscal Year 2004



Revenues – Fiscal Year 2003



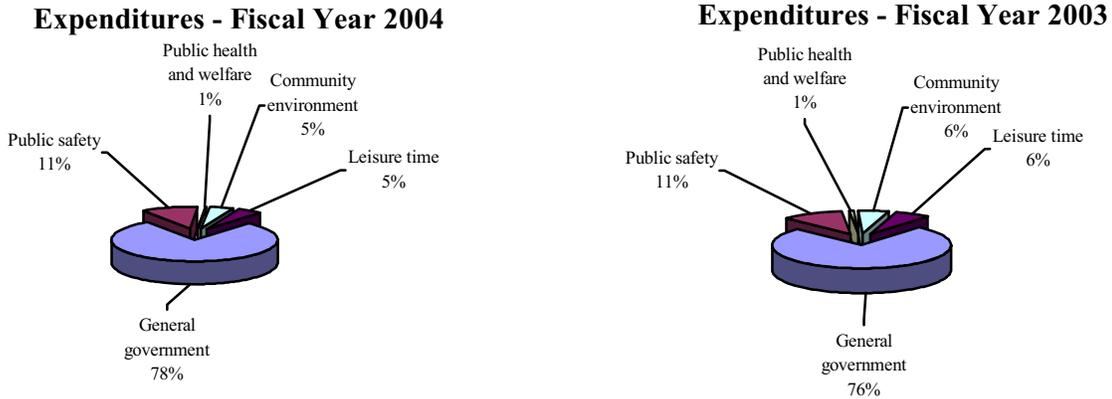
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 6,649,298	\$ 6,274,303	5.98 %
Public safety	898,234	928,076	(3.22) %
Public health and welfare	41,900	58,500	(28.38) %
Community environment	389,789	467,741	(16.67) %
Leisure time activity	390,776	527,494	(25.92) %
Debt service:			
Interest and fiscal charges	<u>44,265</u>	-	<u>100.00</u> %
Total	<u>\$ 8,414,262</u>	<u>\$ 8,256,114</u>	<u>1.92</u> %

The most significant increase was due to interest now being paid from the general fund. Most other expenditures decreased due to tighter management of the City's resources.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Community Development Fund

The community development fund had revenues of \$1,677,086 in 2004. The expenditures of the community development fund totaled \$1,965,232 in 2004. The net decrease in fund balance for the community development fund was \$288,146.

Safety Services Fund

The safety services fund had revenues of \$19,733,460 in 2004. The expenditures for the safety services fund totaled \$20,368,145 in 2004. The net increase in fund balance for the safety services fund was \$168,887.

Grant Fund

The grant fund had revenues of \$1,053,057 in 2004. The expenditures for the grant fund totaled \$1,541,725 in 2004. The net decrease in fund balance for the grant fund was \$407,710.

Justice Center Fund

The justice center fund had revenues of \$42,144 in 2004. The expenditures for the justice center fund totaled \$10,306,895 in 2004. The net decrease in fund balance for the justice center fund was \$10,264,751 due to the pay off of notes.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The water enterprise fund had revenues of \$7,952,678, which exceeded expenses of \$7,362,680 by \$589,998. The sewer enterprise fund had revenues of \$7,863,166, which was less than expenses of \$8,082,434 by \$219,268.

Budgeting Highlights

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

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Budgetary information is presented for the general fund, community development fund, safety services fund, and grant fund. In the general fund, one of the changes was between the original and final budgeted amount in the area of expenditures, which decreased \$4,303 from \$8,668,017 to \$8,663,714. Actual revenues of \$9,169,273 exceeded final budgeted revenues by \$79,119. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$50,954 lower than the final budgeted amounts.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2004, the City had \$94,952,352 (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, \$52,231,117 was reported in governmental activities and \$42,721,235 was reported in business-type activities. For additional information regarding capital assets, see Note 9. The following table shows fiscal 2004 balances compared to 2003:

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

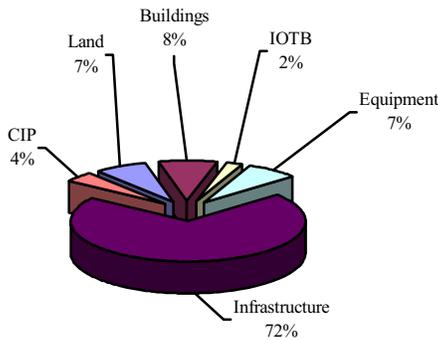
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 3,831,202	\$ 3,797,964	\$ 2,164,307	\$ 2,164,307	\$ 5,995,509	\$ 5,962,271
Buildings	4,152,874	4,388,462	2,805,627	3,110,375	6,958,501	7,498,837
IOTB	1,126,402	1,176,020	9,887,373	10,788,237	11,013,775	11,964,257
Machinery & Equipment	3,774,457	4,540,820	1,583,648	1,699,316	5,358,105	6,240,136
Infrastructure	37,218,746	39,541,539	23,024,442	23,504,077	60,243,188	63,045,616
CIP	2,127,436	1,573,820	3,255,838	793,136	5,383,274	2,366,956
Totals	<u>\$ 52,231,117</u>	<u>\$ 55,018,625</u>	<u>\$ 42,721,235</u>	<u>\$ 42,059,448</u>	<u>\$ 94,952,352</u>	<u>\$ 97,078,073</u>

CITY OF MANSFIELD, OHIO

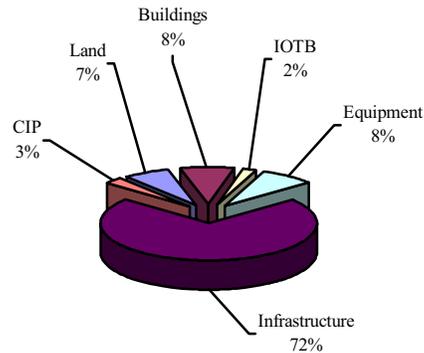
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following graphs show the breakdown of governmental capital assets by category for 2004 and 2003.

Capital Assets - Governmental Activities 2004



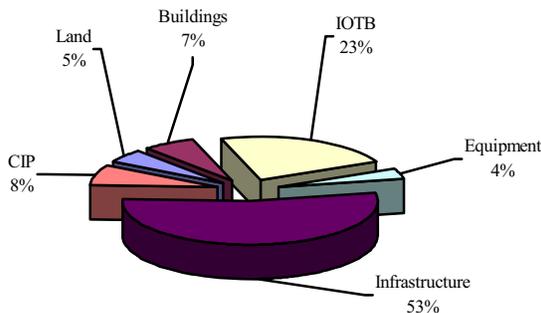
Capital Assets - Governmental Activities 2003



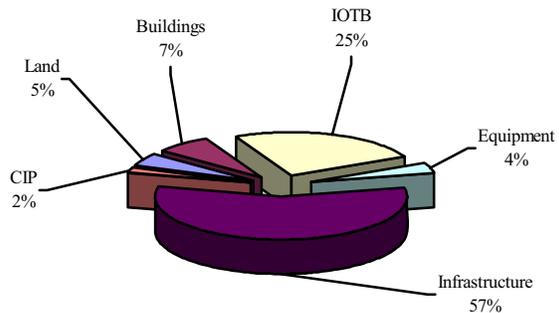
The City's largest capital asset category is infrastructure which includes roads, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 72% of the City's total governmental capital assets. The following graphs show the breakdown of business-type capital assets by category for 2004 and 2003.

Capital Assets - Business-Type Activities 2004



Capital Assets - Business-Type Activities 2003



The City's largest business-type capital asset category is infrastructure that primarily includes water lines, sanitary sewer lines, and storm sewers. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 54% of the City's total business-type capital assets.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

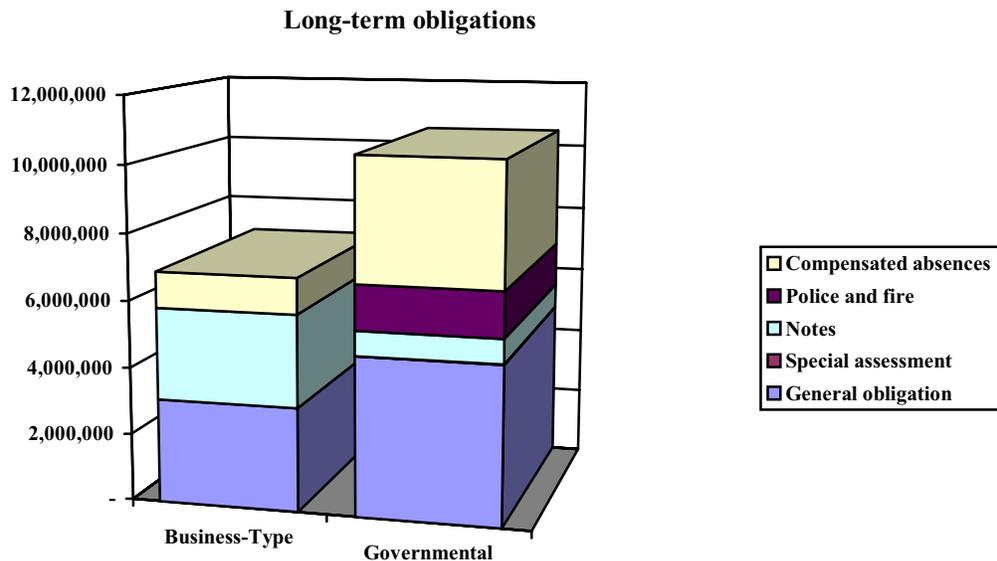
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2004 and 2003:

	Governmental Activities	
	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 4,735,000	\$ 5,440,000
Special assessment bonds	3,139	3,268
Notes payable	730,862	11,066,293
Police and fire pension liability	1,333,591	1,354,719
Capital lease obligation	93,572	-
Compensated absences	<u>3,660,578</u>	<u>3,748,916</u>
Total long-term obligations	<u>\$ 10,556,742</u>	<u>\$ 21,613,196</u>

	Business-type Activities	
	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 3,100,000	\$ 3,380,000
Compensated absences	1,064,236	885,236
Notes payable	<u>2,742,263</u>	<u>2,711,644</u>
Total long-term obligations	<u>\$ 6,906,499</u>	<u>\$ 6,976,880</u>

A comparison of the long-term obligations by category is depicted in the chart below. For additional information regarding long-term obligations, see Note 13.



CITY OF MANSFIELD, OHIO

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

The unemployment rate for the City is 7.1%, which decreased from a rate of 7.9% a year ago. This rate exceeds the state's average unemployment rate of 6.1% and the national average of 5.4%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2005 fiscal year. At the end of the 2004 fiscal year, the cash basis fund balance of the general fund was \$434,537. This balance takes into consideration encumbrances for 2004 activity.

Contacting the City's Financial Management

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

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,536,696	\$ 4,395,064	\$ 15,931,760
Cash and cash equivalents with fiscal agents	76,592	45,154	121,746
Investments	3,139	-	3,139
Receivables (net of allowances for uncollectibles):			
Taxes	6,289,300	49,681	6,338,981
Accounts	-	2,852,566	2,852,566
Accrued interest	87,415	-	87,415
Special assessments	15,454	39,221	54,675
Loans	2,475,059	-	2,475,059
Internal balances	(2,057,119)	2,057,119	-
Due from other governments	9,208,246	585,007	9,793,253
Materials and supplies inventory	278,534	98,761	377,295
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	4,070,672	4,070,672
Capital assets:			
Land and construction in progress	5,958,638	5,420,145	11,378,783
Depreciable capital assets, net	46,272,479	37,301,090	83,573,569
Total capital assets, net	52,231,117	42,721,235	94,952,352
Total assets	80,144,433	56,914,480	137,058,913
Liabilities:			
Accounts payable	757,336	338,415	1,095,751
Contracts payable	1,003,586	27,745	1,031,331
Retainage payable	76,592	45,154	121,746
Accrued wages and benefits	1,181,882	262,366	1,444,248
Due to other governments	1,653,759	233,929	1,887,688
Deferred revenue	1,828,703	-	1,828,703
Accrued interest payable	58,034	14,943	72,977
Claims payable	510,596	-	510,596
Long-term liabilities:			
Due within one year	1,735,947	3,275,184	5,011,131
Due in more than one year	8,820,795	3,631,315	12,452,110
Total liabilities	17,627,230	7,829,051	25,456,281
Net assets:			
Invested in capital assets, net of related debt	47,833,128	36,878,972	84,712,100
Restricted for:			
Capital projects	2,720,025	-	2,720,025
Debt service	1,887,845	-	1,887,845
Community development	4,205,778	-	4,205,778
Transportation projects	646,520	-	646,520
Replacement and improvement	-	4,070,672	4,070,672
Other purposes	6,490,540	-	6,490,540
Unrestricted (deficit)	(1,266,633)	8,135,785	6,869,152
Total net assets	\$ 62,517,203	\$ 49,085,429	\$ 111,602,632

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 10,496,931	\$ 3,608,646	\$ 1,606,635	\$ -
Public safety	21,355,233	928,130	676,718	-
Public health and welfare	156,000	8,446	66,941	-
Transportation	8,390,900	209,200	2,929,343	309,775
Community environment	2,065,065	176,753	1,569,653	-
Leisure time activities	449,412	20,626	-	-
Interest and fiscal charges	355,645	-	-	-
Total governmental activities	<u>43,269,186</u>	<u>4,951,801</u>	<u>6,849,290</u>	<u>309,775</u>
Business-Type Activities:				
Water	7,638,373	8,050,000	-	313,176
Sewer	8,211,524	8,159,344	-	316,085
Nonmajor:				
Airport operating	736,546	143,038	-	-
Parking garage	22,301	32,132	-	-
Total business-type activities	<u>16,608,744</u>	<u>16,384,514</u>	<u>-</u>	<u>629,261</u>
Total	<u>\$ 59,877,930</u>	<u>\$ 21,336,315</u>	<u>\$ 6,849,290</u>	<u>\$ 939,036</u>

General Revenues:

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,281,650)	\$ -	\$ (5,281,650)
(19,750,385)	-	(19,750,385)
(80,613)	-	(80,613)
(4,942,582)	-	(4,942,582)
(318,659)	-	(318,659)
(428,786)	-	(428,786)
(355,645)	-	(355,645)
<u>(31,158,320)</u>	<u>-</u>	<u>(31,158,320)</u>
-	724,803	724,803
-	263,905	263,905
-	(593,508)	(593,508)
-	9,831	9,831
<u>-</u>	<u>405,031</u>	<u>405,031</u>
<u>(31,158,320)</u>	<u>405,031</u>	<u>(30,753,289)</u>
1,895,024	-	1,895,024
2,522	-	2,522
368,905	-	368,905
797,061	-	797,061
18,116,003	-	18,116,003
3,062,798	-	3,062,798
-	256,830	256,830
5,169,330	-	5,169,330
411,338	44,265	455,603
89,416	-	89,416
<u>231,320</u>	<u>32,238</u>	<u>263,558</u>
<u>30,143,717</u>	<u>333,333</u>	<u>30,477,050</u>
(1,014,603)	738,364	(276,239)
<u>63,531,806</u>	<u>48,347,065</u>	<u>111,878,871</u>
<u>\$ 62,517,203</u>	<u>\$ 49,085,429</u>	<u>\$ 111,602,632</u>

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Community Development	Safety Services
Assets:			
Equity in pooled cash and cash equivalents	\$ 673,405	\$ 236,401	\$ 733,174
Cash and cash equivalents with fiscal agent	-	-	-
Investments	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes.	2,294,624	-	3,482,170
Accrued interest	45,352	34,544	-
Loans	-	2,203,230	-
Special assessments.	15,454	-	-
Due from other governments	2,639,443	1,518,078	33,169
Loans to other funds	419,116	-	-
Materials and supplies inventory	47,269	861	45,622
Total assets	\$ 6,134,663	\$ 3,993,114	\$ 4,294,135
Liabilities:			
Accounts payable	\$ 116,081	\$ 58,627	\$ 98,444
Contracts payable	-	-	-
Retainage payable.	-	-	-
Accrued wages and benefits.	187,593	11,496	840,880
Compensated absences.	45,260	6,106	60,103
Loans from other funds	2,040,000	-	200,000
Due to other governments.	259,690	13,871	1,134,053
Deferred revenue	3,972,165	1,484,387	1,849,917
Total liabilities	6,620,789	1,574,487	4,183,397
Fund Balances:			
Reserved for encumbrances.	245,439	49,908	16,489
Reserved for materials and supplies inventory	47,269	861	45,622
Reserved for loans	-	2,203,230	-
Reserved for loans to other funds	419,116	-	-
Reserved for debt service.	-	-	-
Reserved for unclaimed monies.	15,893	-	-
Unreserved, undesignated, (deficit) reported in:			
General fund.	(1,213,843)	-	-
Special revenue funds.	-	164,628	48,627
Capital projects funds.	-	-	-
Total fund balances (deficit)	(486,126)	2,418,627	110,738
Total liabilities and fund balances.	\$ 6,134,663	\$ 3,993,114	\$ 4,294,135

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ 56,177	\$ 8,958,944	\$ 10,658,101
-	76,592	76,592
-	3,139	3,139
-	512,506	6,289,300
-	7,519	87,415
-	271,829	2,475,059
-	-	15,454
2,375,809	2,641,747	9,208,246
-	-	419,116
9,804	125,932	229,488
<u>\$ 2,441,790</u>	<u>\$ 12,598,208</u>	<u>\$ 29,461,910</u>
\$ 21,299	\$ 399,917	\$ 694,368
93,726	909,860	1,003,586
-	76,592	76,592
9,035	77,212	1,126,216
972	31,645	144,086
419,116	-	2,659,116
28,163	163,633	1,599,410
2,354,378	2,352,792	12,013,639
<u>2,926,689</u>	<u>4,011,651</u>	<u>19,317,013</u>
26,947	1,314,056	1,652,839
9,804	125,932	229,488
-	271,829	2,475,059
-	-	419,116
-	1,945,879	1,945,879
-	-	15,893
-	-	(1,213,843)
(521,650)	2,872,793	2,564,398
-	2,056,068	2,056,068
<u>(484,899)</u>	<u>8,586,557</u>	<u>10,144,897</u>
<u>\$ 2,441,790</u>	<u>\$ 12,598,208</u>	<u>\$ 29,461,910</u>

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Total governmental fund balances \$ 10,144,897

*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. 50,569,289

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

Property taxes	431,920
Income taxes	1,717,622
Special assessments	15,454
Intergovernmental revenues	<u>8,019,940</u>

Total 10,184,936

Internal service funds are used by management to charge the costs of the repair garage, data processing, utility collections, health insurance, OML self-insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets. The net assets of the internal service funds, including internal balances: 1,847,374

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	(58,034)
Capital lease obligation	(93,572)
Special assessment bonds	(3,139)
OPWC notes	(730,862)
Compensated absences	(3,275,095)
Police and fire pension liability	(1,333,591)
General obligation bonds	<u>(4,735,000)</u>

(10,229,293)

Net assets of governmental activities \$ 62,517,203

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, 2004

	<u>General</u>	<u>Community Development</u>	<u>Safety Services</u>
Revenues:			
Municipal income taxes	\$ 742,749	\$ -	\$ 18,316,534
Property and other taxes	1,976,101	-	397,765
Charges for services	81,955	-	-
Licenses, permits and fees	683,856	-	715,174
Fines and forfeitures	1,319,420	-	169,096
Intergovernmental	4,528,399	1,569,653	75,722
Special assessments	25,127	-	-
Investment income	263,000	84,287	-
Other	89,027	23,146	59,169
Total revenues	<u>9,709,634</u>	<u>1,677,086</u>	<u>19,733,460</u>
Expenditures:			
Current:			
General government	6,649,298	-	-
Public safety	898,234	-	20,258,390
Public health and welfare	41,900	-	-
Transportation	-	-	-
Community environment	389,789	1,715,232	-
Leisure time activities	390,776	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	112,475	80,000
Interest and fiscal charges	44,265	137,525	29,755
Total expenditures	<u>8,414,262</u>	<u>1,965,232</u>	<u>20,368,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,295,372</u>	<u>(288,146)</u>	<u>(634,685)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	45,659	-	-
Proceeds from capital lease transaction	-	-	93,572
Transfers in	-	-	710,000
Transfers out	(790,958)	-	-
Total other financing sources (uses)	<u>(745,299)</u>	<u>-</u>	<u>803,572</u>
Net change in fund balances	550,073	(288,146)	168,887
Fund balances (deficit) at beginning of year (restated)	(1,033,851)	2,706,663	(59,685)
Increase (decrease) in reserve for inventory . .	(2,348)	110	1,536
Fund balances (deficit) at end of year	<u>\$ (486,126)</u>	<u>\$ 2,418,627</u>	<u>\$ 110,738</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Grant Fund	Justice Center	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,384,959	\$ 22,444,242
-	-	2,414	2,376,280
-	-	1,157,900	1,239,855
8,121	-	398,000	1,805,151
-	-	303,837	1,792,353
1,033,667	-	4,480,023	11,687,464
-	-	288	25,415
-	42,144	21,907	411,338
11,269	-	131,475	314,086
<u>1,053,057</u>	<u>42,144</u>	<u>9,880,803</u>	<u>42,096,184</u>
256,508	-	2,670,456	9,576,262
461,639	-	77,596	21,695,859
117,114	-	-	159,014
-	-	2,753,622	2,753,622
-	-	-	2,105,021
-	-	-	390,776
706,464	-	3,984,644	4,691,108
-	10,134,605	707,920	11,035,000
-	172,290	120,400	504,235
<u>1,541,725</u>	<u>10,306,895</u>	<u>10,314,638</u>	<u>52,910,897</u>
<u>(488,668)</u>	<u>(10,264,751)</u>	<u>(433,835)</u>	<u>(10,814,713)</u>
-	-	43,757	89,416
-	-	-	93,572
80,958	-	-	790,958
-	-	-	(790,958)
<u>80,958</u>	<u>-</u>	<u>43,757</u>	<u>182,988</u>
(407,710)	(10,264,751)	(390,078)	(10,631,725)
(67,289)	10,264,751	9,011,979	20,822,568
(9,900)	-	(35,344)	(45,946)
<u>\$ (484,899)</u>	<u>\$ -</u>	<u>\$ 8,586,557</u>	<u>\$ 10,144,897</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, 2004

Net change in fund balances - total governmental funds \$ (10,631,725)

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

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,954,598) were less than depreciation expense (\$6,318,657) in the current period. Both amounts are exclusive of internal service funds activity.	(1,364,059)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(885,269)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.	(45,946)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	62,593
Proceeds from capital lease transactions provide current financial resources to governmental funds, but they increased long-term liabilities on the statement of net assets.	(93,572)
Repayment of bonds, notes and police and fire pension liability principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.	11,061,688
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.	148,590
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.	219,351
Internal service funds are used by management to charge the costs of the repair garage, data processing, utility collections, health insurance, OML self-insurance and workers' compensation to individual funds and are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds, including internal balances are allocated among the governmental activities.	513,746

Change in net assets of governmental activities \$ (1,014,603)

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,038,400	\$ 1,993,400	\$ 1,988,279	\$ (5,121)
Charges for services	23,200	80,200	73,508	(6,692)
Licenses, permits and fees	452,354	688,554	677,334	(11,220)
Fines and forfeitures.	1,594,300	1,514,400	1,323,216	(191,184)
Intergovernmental	4,059,200	4,068,400	4,254,165	185,765
Special assessments	24,200	33,350	33,089	(261)
Investment income	420,000	411,900	319,812	(92,088)
Other	278,500	299,950	499,870	199,920
Total revenues.	<u>8,890,154</u>	<u>9,090,154</u>	<u>9,169,273</u>	<u>79,119</u>
Expenditures:				
Current:				
Public safety	930,228	1,245,628	1,245,073	555
Public health and welfare.	96,087	59,047	59,041	6
Community environment	418,557	410,987	390,122	20,865
Leisure time activities	502,215	500,880	491,386	9,494
General government	<u>6,720,930</u>	<u>6,447,172</u>	<u>6,427,138</u>	<u>20,034</u>
Total expenditures	<u>8,668,017</u>	<u>8,663,714</u>	<u>8,612,760</u>	<u>50,954</u>
Excess of revenues over expenditures	222,137	426,440	556,513	130,073
Other financing sources (uses):				
Proceeds from sale of capital assets	-	8,000	8,000	-
Transfers in	2,178,442	2,166,115	2,121,637	(44,478)
Transfers out	<u>(3,113,384)</u>	<u>(3,387,704)</u>	<u>(3,387,704)</u>	<u>-</u>
Total other financing sources (uses)	<u>(934,942)</u>	<u>(1,213,589)</u>	<u>(1,258,067)</u>	<u>(44,478)</u>
Net change in fund balance	(712,805)	(787,149)	(701,554)	85,595
Fund balance at beginning of year (restated). . .	531,143	531,143	531,143	-
Prior year encumbrances appropriated	<u>604,948</u>	<u>604,948</u>	<u>604,948</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 423,286</u>	<u>\$ 348,942</u>	<u>\$ 434,537</u>	<u>\$ 85,595</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,200,000	\$ 4,718,016	\$ 1,509,442	\$ (3,208,574)
Investment income	90,000	90,000	90,890	890
Other	405,000	525,000	563,570	38,570
Total revenues.	3,695,000	5,333,016	2,163,902	(3,169,114)
Expenditures:				
Current:				
Community environment	3,177,989	3,177,989	1,783,883	1,394,106
Debt service				
Principal retirement	112,475	112,475	112,475	-
Interest and fiscal charges	137,525	137,525	137,525	-
Total expenditures	3,427,989	3,427,989	2,033,883	1,394,106
Excess of revenues over expenditures	267,011	1,905,027	130,019	(1,775,008)
Other financing uses:				
Transfers out	(118,600)	(118,600)	(109,554)	9,046
Total other financing uses	(118,600)	(118,600)	(109,554)	9,046
Net change in fund balance	148,411	1,786,427	20,465	(1,765,962)
Fund balance at beginning of year	50,299	50,299	50,299	-
Prior year encumbrances appropriated	13,466	13,466	13,466	-
Fund balance at end of year.	\$ 212,176	\$ 1,850,192	\$ 84,230	\$ (1,765,962)

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, 2004

	<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 taxes	\$ 300,600	\$ 344,380	\$ 397,765	\$ 53,385
Licenses, permits and fees	386,800	568,870	711,443	142,573
Fines and forfeitures.	125,000	125,000	168,861	43,861
Intergovernmental	47,500	47,500	47,330	(170)
Other	79,600	103,750	111,574	7,824
Total revenues.	<u>939,500</u>	<u>1,189,500</u>	<u>1,436,973</u>	<u>247,473</u>
Expenditures:				
Current:				
Public safety	15,613,977	15,920,515	15,777,171	143,344
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and fiscal charges	29,755	29,755	29,755	-
Total expenditures	<u>15,723,732</u>	<u>16,030,270</u>	<u>15,886,926</u>	<u>143,344</u>
Deficiency of revenues under expenditures	(14,784,232)	(14,840,770)	(14,449,953)	390,817
Other financing sources (uses):				
Proceeds from capital lease transactions	-	93,025	93,572	547
Transfers in	19,279,638	19,186,613	18,729,578	(457,035)
Transfers out	(4,684,058)	(4,577,018)	(4,042,162)	534,856
Total other financing sources (uses)	<u>14,595,580</u>	<u>14,702,620</u>	<u>14,780,988</u>	<u>78,368</u>
Net change in fund balance	(188,652)	(138,150)	331,035	469,185
Fund balance at beginning of year (restated).	136,678	136,678	136,678	-
Prior year encumbrances appropriated	<u>70,725</u>	<u>70,725</u>	<u>70,725</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 18,751</u>	<u>\$ 69,253</u>	<u>\$ 538,438</u>	<u>\$ 469,185</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,465,809	\$ 3,251,094	\$ 1,032,001	\$ (2,219,093)
Licenses, permits and fees	8,500	8,500	7,468	(1,032)
Other	1,000	93,700	93,347	(353)
Total revenues.	<u>1,475,309</u>	<u>3,353,294</u>	<u>1,132,816</u>	<u>(2,220,478)</u>
Expenditures:				
Current:				
Public safety	717,911	814,018	476,609	337,409
Public health and welfare.	90,914	103,414	86,712	16,702
General government	243,630	346,217	253,121	93,096
Capital outlay.	458,724	2,331,654	833,946	1,497,708
Total expenditures	<u>1,511,179</u>	<u>3,595,303</u>	<u>1,650,388</u>	<u>1,944,915</u>
Deficiency of revenues under expenditures	(35,870)	(242,009)	(517,572)	(275,563)
Other financing sources (uses):				
Transfers in	71,254	500,074	500,074	-
Transfers out	(252,630)	(299,061)	(191,777)	107,284
Total other financing sources (uses)	<u>(181,376)</u>	<u>201,013</u>	<u>308,297</u>	<u>107,284</u>
Net change in fund balance	(217,246)	(40,996)	(209,275)	(168,279)
Fund balance at beginning of year (restated).	7,194	7,194	7,194	-
Prior year encumbrances appropriated	<u>210,677</u>	<u>210,677</u>	<u>210,677</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 625</u>	<u>\$ 176,875</u>	<u>\$ 8,596</u>	<u>\$ (168,279)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2004

	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	\$ 3,663,044	\$ 578,728	\$ 153,292	\$ 4,395,064	\$ 878,595
Cash and cash equivalents with fiscal agent	8,600	36,554	-	45,154	-
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	49,681	49,681	-
Accounts	1,419,647	1,407,573	25,346	2,852,566	-
Special assessments	-	39,221	-	39,221	-
Due from other governments	7,035	577,551	421	585,007	-
Loans to other funds	-	2,240,000	-	2,240,000	-
Materials and supplies inventory	67,407	11,871	19,483	98,761	49,046
Restricted Assets:					
Equity in pooled cash and cash equivalents	-	4,070,672	-	4,070,672	-
Total current assets	<u>5,165,733</u>	<u>8,962,170</u>	<u>248,223</u>	<u>14,376,126</u>	<u>927,641</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	1,199,558	2,555,106	1,665,481	5,420,145	-
Depreciable capital assets, net	6,964,043	28,004,706	2,332,341	37,301,090	1,661,828
Total capital assets, net	<u>8,163,601</u>	<u>30,559,812</u>	<u>3,997,822</u>	<u>42,721,235</u>	<u>1,661,828</u>
Total assets	<u>13,329,334</u>	<u>39,521,982</u>	<u>4,246,045</u>	<u>57,097,361</u>	<u>2,589,469</u>
Liabilities:					
Current liabilities:					
Accounts payable	154,270	175,581	8,564	338,415	1,511
Contracts payable	-	27,745	-	27,745	-
Retainage payable	8,600	36,554	-	45,154	-
Accrued wages and benefits	146,961	101,685	13,720	262,366	55,666
Due to other governments	130,258	92,979	10,692	233,929	47,773
Claims payable	-	-	-	-	510,596
Current portion of bonds	150,000	-	-	150,000	-
Accrued interest payable	14,943	-	-	14,943	-
Total current liabilities	<u>605,032</u>	<u>434,544</u>	<u>32,976</u>	<u>1,072,552</u>	<u>615,546</u>
Long-term liabilities:					
General obligation bonds	2,950,000	-	-	2,950,000	-
Notes payable	117,263	2,625,000	-	2,742,263	-
Compensated absences	688,779	346,773	28,684	1,064,236	241,397
Total long-term liabilities	<u>3,756,042</u>	<u>2,971,773</u>	<u>28,684</u>	<u>6,756,499</u>	<u>241,397</u>
Total liabilities	<u>4,361,074</u>	<u>3,406,317</u>	<u>61,660</u>	<u>7,829,051</u>	<u>856,943</u>
Net assets:					
Invested in capital assets, net of related debt	4,946,338	27,934,812	3,997,822	36,878,972	1,661,828
Restricted for replacement and improvement	-	4,070,672	-	4,070,672	-
Unrestricted	4,021,922	4,110,181	186,563	8,318,666	70,698
Total net assets	<u>\$ 8,968,260</u>	<u>\$ 36,115,665</u>	<u>\$ 4,184,385</u>	<u>49,268,310</u>	<u>\$ 1,732,526</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(182,881)	
Net assets of business-type activities				<u>\$ 49,085,429</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, 2004

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 7,952,678	\$ 7,863,166	\$ 175,170	\$ 15,991,014	\$ 10,711,146
Total operating revenues	7,952,678	7,863,166	175,170	15,991,014	10,711,146
Operating expenses:					
Personal services	2,658,112	1,907,862	217,465	4,783,439	1,086,162
Fringe benefits	421,455	385,024	43,729	850,208	218,507
Contractual services.	2,629,442	2,786,800	113,383	5,529,625	2,186,091
Materials and supplies	741,391	597,705	50,521	1,389,617	795,825
Depreciation	477,115	1,736,620	269,974	2,483,709	551,657
Utilities	423,626	622,489	51,621	1,097,736	59,384
Claims expense.	-	-	-	-	5,120,313
Other	11,539	45,934	156	57,629	-
Total operating expenses	7,362,680	8,082,434	746,849	16,191,963	10,017,939
Operating income (loss).	589,998	(219,268)	(571,679)	(200,949)	693,207
Nonoperating revenues (expenses):					
Other nonoperating revenue	19,449	12,027	762	32,238	6,261
Interest income.	-	44,265	-	44,265	-
Loss on disposal of assets	(1,230)	(27)	-	(1,257)	(2,841)
Municipal income tax	-	-	256,830	256,830	-
Tap and license fees	97,322	3,640	-	100,962	-
Intergovernmental	-	292,538	-	292,538	-
Interest expense and fiscal changes	(192,687)	(39,956)	-	(232,643)	-
Total nonoperating revenues (expenses).	(77,146)	312,487	257,592	492,933	3,420
Income (loss) before capital contributions and transfers.	512,852	93,219	(314,087)	291,984	696,627
Capital contributions	313,176	316,085	-	629,261	-
Changes in net assets.	826,028	409,304	(314,087)	921,245	696,627
Net assets at beginning of year (restated)	8,142,232	35,706,361	4,498,472		1,035,899
Net assets at end of year	\$ 8,968,260	\$ 36,115,665	\$ 4,184,385		\$ 1,732,526
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(182,881)	
Changes in net assets of business-type activities				\$ 738,364	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 7,766,830	\$ 7,400,263	\$ 160,692	\$ 15,327,785	\$ 10,711,146
Cash received from other operating revenues.	116,771	352,470	264,188	733,429	6,261
Cash payments to employees.	(2,468,941)	(1,859,916)	(206,729)	(4,535,586)	(1,088,594)
Cash payments to suppliers	(3,807,010)	(3,993,310)	(212,051)	(8,012,371)	(3,099,866)
Cash payments for claims expense.	-	-	-	-	(5,363,978)
Cash payments for other operating expenses.	(498,212)	(430,323)	(41,565)	(970,100)	(219,738)
Net cash provided by (used in) operating activities . .	<u>1,109,438</u>	<u>1,469,184</u>	<u>(35,465)</u>	<u>2,543,157</u>	<u>945,231</u>
Cash flows from noncapital financing activities:					
Payment on loans from other funds	-	-	-	-	(980,000)
Receipts on loans to other funds	-	330,000	-	330,000	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>330,000</u>	<u>-</u>	<u>330,000</u>	<u>(980,000)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(333,405)	(2,146,373)	-	(2,479,778)	(16,318)
Proceeds from notes	-	2,625,000	-	2,625,000	-
Principal paid on general obligation debt	(280,000)	-	-	(280,000)	-
Interest paid on general obligation debt.	(193,903)	-	-	(193,903)	-
Principal paid on notes	(9,381)	(2,585,000)	-	(2,594,381)	-
Interest paid on notes.	-	(39,956)	-	(39,956)	-
Net cash used in capital and related financing activities	<u>(816,689)</u>	<u>(2,146,329)</u>	<u>-</u>	<u>(2,963,018)</u>	<u>(16,318)</u>
Net increase (decrease) in cash and cash equivalents .	292,749	(347,145)	(35,465)	(89,861)	(51,087)
Cash and cash equivalents at beginning of year . .	<u>3,378,895</u>	<u>5,033,099</u>	<u>188,757</u>	<u>8,600,751</u>	<u>929,682</u>
Cash and cash equivalents at end of year.	<u>\$ 3,671,644</u>	<u>\$ 4,685,954</u>	<u>\$ 153,292</u>	<u>\$ 8,510,890</u>	<u>\$ 878,595</u>

(continued)

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 589,998	\$ (219,268)	\$ (571,679)	\$ (200,949)	\$ 693,207
Adjustments:					
Depreciation	477,115	1,736,620	269,974	2,483,709	551,657
Other nonoperating revenues	19,449	12,027	762	32,238	6,261
Municipal income tax	-	-	256,830	256,830	-
Tap and license fees	97,322	3,640	-	100,962	-
Intergovernmental	-	292,538	-	292,538	-
Interest revenue	-	44,265	-	44,265	-
Changes in assets and liabilities:					
(Increase) in accounts receivable	(183,525)	(282,669)	(14,478)	(480,672)	-
Decrease in special assessments	-	7,844	-	7,844	-
Decrease in taxes receivable	-	-	7,017	7,017	-
Decrease in inventory of supplies	3,713	18,103	3,589	25,405	6,015
(Increase) in due from other governments	(2,323)	(188,078)	(421)	(190,822)	-
(Decrease) in accounts payable	(16,330)	(12,902)	(115)	(29,347)	(58,005)
Increase (decrease) in contracts payable	(78,110)	8,729	-	(69,381)	-
Increase in accrued wages and benefits	45,589	18,395	4,869	68,853	14,145
Increase (decrease) in due to other governments	12,958	389	2,320	15,667	(7,807)
Increase (decrease) in compensated absences payable	143,582	29,551	5,867	179,000	(16,577)
(Decrease) in claims payable	-	-	-	-	(243,665)
Net cash provided by (used in) operating activities	<u>\$ 1,109,438</u>	<u>\$ 1,469,184</u>	<u>\$ (35,465)</u>	<u>\$ 2,543,157</u>	<u>\$ 945,231</u>

During the year land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$629,261.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2004

	Agency
Assets:	
Equity in pooled cash and cash equivalents	\$ 541,888
Cash and cash equivalents with fiscal agent	196,096
Investments	205,000
Receivables:	
Taxes	9,637
Due from other governments	4,015
Total assets.	956,636
 Liabilities:	
Due to other governments	412,037
Due to individuals	83,922
Undistributed monies	460,677
Total liabilities	\$ 956,636

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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, 2004

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

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

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

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

Justice Center - To account for construction of the justice center.

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:

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

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

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

E. Basis of Accounting

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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

be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one days of year-end.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance fiscal year 2005 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 also 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the Certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts from the original and final amended Certificates of Estimated Resources issued in 2004.

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 2004.

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 2004.

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 2004, 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, 2004

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2004. 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, 2004.

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

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

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

H. Inventories of Materials and Supplies

On 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, 2004, the total restricted cash in the enterprise funds was \$4,070,672. 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, 2004

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 2005 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, 2004.

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 2004, no interest capitalization occurred.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

L. Compensated Absences

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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

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

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

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Interfund Balances

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

O. Interfund Activity

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

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

P. Fund Balance Reserves

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

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

Q. Estimates

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

R. Contributions of Capital

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

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities.

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 – ACCOUNTABILITY

A. Restatement of Fund Balance/Net Assets

A prior period adjustment is required to report capital assets from 2003 that were previously not reported. This adjustment had the following effect on governmental activities net assets:

Governmental activities net assets, December 31, 2003	\$ 63,484,270
Adjustment for capital assets	<u>47,536</u>
Governmental activities restated net assets, December 31, 2003	<u>\$ 63,531,806</u>

Fund balances at the beginning of year changed on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP) Budget Basis for the General fund, Safety Services fund, and Grant fund because certain cash adjustments were not properly recorded as of December 31, 2003. The effect was as follows:

	<u>General</u>	<u>Safety Services</u>	<u>Grant Fund</u>
Fund balance beginning of year as previously reported	\$ 500,170	\$ 136,273	\$ 7,274
Effect of adjustment	<u>30,973</u>	<u>405</u>	<u>(80)</u>
Fund balance beginning of year as restated	<u>\$ 531,143</u>	<u>\$ 136,678</u>	<u>\$ 7,194</u>

A prior period adjustment is required to report water and sewer lines donated to the City by developers which were previously reported incorrectly. These adjustments had the following effect on net assets:

	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor</u>	<u>Total Enterprise</u>
Net assets, December 31, 2003	\$ 8,566,954	\$ 36,432,443	\$ 4,482,886	\$ 49,482,283
Adjustment for capital assets	<u>(424,722)</u>	<u>(726,082)</u>	<u>15,586</u>	<u>(1,135,218)</u>
Restated net assets, December 31, 2003	<u>\$ 8,142,232</u>	<u>\$ 35,706,361</u>	<u>\$ 4,498,472</u>	<u>\$ 48,347,065</u>

A prior period adjustment is required to reclassify internal bonds reported as debt in 2003 to a fund liability in 2004. The adjustment had the following effect on the general fund within the governmental fund balances:

Fund balance, December 31, 2003	\$ 1,236,149
Adjustment for internal bonds	<u>(2,270,000)</u>
Restated fund balance, December 31, 2003	<u>\$ (1,033,851)</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 – ACCOUNTABILITY – (Continued)

B. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2004:

	<u>Deficit Balance</u>
Major governmental fund:	
General fund	\$ 486,126
Grant fund	484,899
Internal service funds:	
Utility collections	55,394
Health insurance	414,592

The deficit in the general fund arose from reporting an interfund loan payable liability. The deficit will be alleviated as the interfund loan is paid back. The deficits in the grant fund and internal service funds are caused by the application of generally accepted accounting principles (GAAP) to these funds. The general fund is liable for any deficit in these funds and provides operating transfers/loans when cash is required, not when accruals occur.

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

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

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

	General	Community Development	Safety Services	Grant Fund
GAAP Basis	\$550,073	(\$288,146)	\$168,887	(\$407,710)
Adjustments:				
Revenue accruals	1,543,617	486,816	(276,909)	498,875
Expenditure accruals	(2,520,902)	(128,296)	500,940	(264,114)
Encumbrances	(274,342)	(49,909)	(61,883)	(36,326)
Budget Basis	(\$701,554)	\$20,465	\$331,035	(\$209,275)

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS

Cash on hand: At December 31, 2004, the City had \$41,070 in undeposited cash on hand which is categorized on the basic financial statements as part of “Equity in pooled cash and cash equivalents”.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements”.

Deposits: At year-end, the carrying amount of the City’s deposits was \$5,731,576 and the bank balance was \$6,049,473. Of the bank balance, \$200,000 was covered by federal depository insurance, \$122,013 was covered by the National Credit Union Agency, and \$5,727,460 was uninsured and uncollateralized. However, the \$5,727,460 was covered by collateral held by third party trustees in collateral pools securing all public funds on deposit with the specific depository institution. The \$5,727,460 is considered to be uncollateralized as defined in GASB Statement No. 3, since the collateral is held by the counterparty’s agent and is not in the City’s name. This pooling of collateral approach is specifically authorized by state statute.

Investments: The City’s investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the City’s name. Statutory provisions require that all securities acquired by the City be held by the City’s finance director or deposited with a qualified trustee pursuant to Section 135.18, of the Ohio Revised Code. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterparty is a designated depository of the City for the current period of designation of depositories in which case the securities may be held in trust by the depository. Investments are stated at fair value. Star Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 3	Carrying Value	Fair Value
Federal Securities	\$ -	\$ 11,909,245	\$11,909,245	\$ 11,909,245
Investment in STAR Ohio	-	-	3,126,980	3,126,980
Section 108				
Repurchase Agreements	-	258,291	258,291	258,291
State/Local Ohio Securities	<u>3,139</u>	<u>-</u>	<u>3,139</u>	<u>3,139</u>
Total Investments	<u>\$ 3,139</u>	<u>\$ 12,167,536</u>	<u>\$15,297,655</u>	<u>\$ 15,297,655</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements (per GASB Statement No. 9) and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$20,862,162	\$ 208,139
Investments:		
Federal Securities	(11,909,245)	11,909,245
Section 108 Repurchase Agreements	(258,291)	258,291
Certificates of Deposit	205,000	(205,000)
Investment in STAR Ohio	(3,126,980)	3,126,980
Unreported Cash	(41,070)	0
GASB Statement No. 3	\$ 5,731,576	\$ 15,297,655

NOTE 6 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2004, consisted of the following, as reported in the fund financial statements:

	Transfers from	
Transfers to	General	Total
Safety Services	\$ 710,000	\$ 710,000
Grant Fund	80,958	80,958
Total	\$ 790,958	\$ 790,958

Transfers are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 6 - INTERFUND TRANSACTIONS - (Continued)

- B.** Loans to/from other funds consisted of the following at December 31, 2004, as reported in the fund financial statements:

Loans to other funds	Loans from other funds			Total
	General	Safety Services	Grant Fund	
General	\$ -	\$ -	\$ 419,116	\$ 419,116
Sewer	<u>2,040,000</u>	<u>200,000</u>	<u>-</u>	<u>2,240,000</u>
Total	<u>\$ 2,040,000</u>	<u>\$ 200,000</u>	<u>\$ 419,116</u>	<u>\$ 2,659,116</u>

Loans to/from other funds at December 31, 2004, consisted of a loan of \$200,000 from the Sewer fund to the Safety Services fund. This loan was issued in 1996 for \$631,279 to pay for the purchase of a new ladder truck to be repaid on or before the end of a twelve year period. It will be completely repaid in 2008. In 2002, the City declared it necessary to issue internal bonds between the General fund and the Sewer fund for the purpose of providing temporary funds to the City's General fund. \$1,300,000 of internal bonds was issued to pay police officer and firefighter employer contributions to the Ohio Police and Fire Pension Fund. \$1,200,000 of internal bonds was issued to provide funds to pay the cost of the City's self-insurance program for health care. These internal bonds were sold at par value to the Sewer fund of the City using the restricted sewer replacement and improvement cash. They are due to mature in a period of at least five (5) years or a maximum of twenty (20) years bearing an interest rate of 1.95%. The City will appropriate annually from available income taxes the amount necessary to pay the debt on the internal bonds. The bonds will mature and be payable on December 1, 2022. Interest on the bonds shall be payable on June 1 and December 1 of each year. A loan of \$419,116 from the General fund to the Grant fund issued in 2004 to cover expenses for grants that receive monies on a reimbursement basis. It will be repaid in 2005 when grant monies are received.

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 2004 are levied after October 1, 2003 on the assessed value listed as of January 1, 2003, 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. 2004 real property taxes are collected in and intended to finance 2005. 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 2004 became a lien December 31, 2002, were levied after October 1, 2003, and were collected in 2004 with real property taxes. 2004 tangible personal property taxes were levied on or after October 1, 2003 on the value listed as of December 31, 2003. Tangible personal property assessments are 25% of true value on capital assets and 23% on inventory. The assessed value upon which the 2004 taxes were collected was \$705,781,908. The full tax rate for all City operations for the fiscal year ended December 31, 2004 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - TAXES - (Continued)

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, 2004. 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 2004 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

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

As of December 31, 2004, the City had income taxes receivable of \$3,525,340 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$210,122 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, street construction maintenance and repair fund, safety services fund, industrial development fund, street resurfacing fund, and airport operating fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2004, 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, 2004, as well as intended to finance fiscal 2004 operations. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities:

Taxes	\$ 6,289,300
Special assessments	15,454
Accrued interest	87,415
Loans	2,475,059
Due from other governments	9,208,246

Business-Type Activities:

Accounts	\$ 2,852,566
Taxes	49,681
Due from other governments	585,007
Internal balance	2,057,119
Special assessments	39,221

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 8 – RECEIVABLES – (Continued)

Receivables have been disaggregated on the face of the basic financial statements. Intergovernmental receivables have been further disaggregated in Note 18. 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 \$289,938 and \$28,486 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

NOTE 9 - CAPITAL ASSETS

- A. The capital asset balances of the governmental activities and business-type activities have been restated due to the reporting of machinery and equipment and accumulated depreciation in governmental activities and the inclusion of internal service fund capital assets in the governmental activities. Business-type activities have been restated to include water and sewer lines donated by developers in prior years that were previously reported incorrectly.

	Balance		Restated
	12/31/03	Adjustments	Balance
<u>Governmental Activities:</u>	<u>12/31/03</u>	<u>Adjustments</u>	<u>12/31/03</u>
Land	\$ 3,797,964	\$ -	\$ 3,797,964
Buildings	14,097,353	-	14,097,353
Improvements other than buildings	1,544,188	-	1,544,188
Machinery and equipment	18,651,230	49,166	18,700,396
Infrastructure	97,757,563	-	97,757,563
Construction in progress	1,573,820	-	1,573,820
Less: accumulated depreciation	<u>(82,451,029)</u>	<u>(1,630)</u>	<u>(82,452,659)</u>
Total	<u>\$ 54,971,089</u>	<u>\$ 47,536</u>	<u>\$ 55,018,625</u>
 <u>Business-type Activities:</u>			
Land	\$ 2,164,307	\$ -	\$ 2,164,307
Buildings	12,863,213	-	12,863,213
Improvements other than buildings	27,342,181	-	27,342,181
Machinery and equipment	8,123,329	-	8,123,329
Infrastructure	54,639,004	(1,139,784)	53,499,220
Construction in progress	793,136	-	793,136
Less: accumulated depreciation	<u>(62,730,504)</u>	<u>4,566</u>	<u>(62,725,938)</u>
Total	<u>\$ 43,194,666</u>	<u>\$ (1,135,218)</u>	<u>\$ 42,059,448</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2004, was as follows:

<u>Governmental Activities:</u>	<u>Restated Balance 12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,797,964	\$ 130,250	\$ (97,012)	\$ 3,831,202
Construction in progress	<u>1,573,820</u>	<u>1,326,783</u>	<u>(773,167)</u>	<u>2,127,436</u>
Total capital assets, not being depreciated	<u>5,371,784</u>	<u>1,457,033</u>	<u>(870,179)</u>	<u>5,958,638</u>
<i>Capital assets, being depreciated:</i>				
Buildings	14,097,353	-	-	14,097,353
Improvements other than buildings	1,544,188	-	-	1,544,188
Machinery and equipment	18,700,396	327,567	(497,353)	18,530,610
Infrastructure	<u>97,757,563</u>	<u>3,186,316</u>	<u>(28,393)</u>	<u>100,915,486</u>
Total capital assets, being depreciated	<u>132,099,500</u>	<u>3,513,883</u>	<u>(525,746)</u>	<u>135,087,637</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(9,708,891)	(235,588)	-	(9,944,479)
Improvements other than buildings	(368,168)	(49,618)	-	(417,786)
Machinery and equipment	(14,159,576)	(1,078,111)	481,534	(14,756,153)
Infrastructure	<u>(58,216,024)</u>	<u>(5,506,997)</u>	<u>26,281</u>	<u>(63,696,740)</u>
Total accumulated depreciation	<u>(82,452,659)</u>	<u>(6,870,314)</u>	<u>507,815</u>	<u>(88,815,158)</u>
Total capital assets, being depreciated, net	<u>49,646,841</u>	<u>(3,356,431)</u>	<u>(17,931)</u>	<u>46,272,479</u>
Governmental activities capital assets, net	<u>\$ 55,018,625</u>	<u>\$ (1,899,398)</u>	<u>\$ (888,110)</u>	<u>\$ 52,231,117</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	Restated Balance 12/31/03	<u>Additions</u>	<u>Disposals</u>	Balance 12/31/04
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,164,307	\$ -	\$ -	\$ 2,164,307
Construction in progress	<u>793,136</u>	<u>2,462,702</u>	<u>-</u>	<u>3,255,838</u>
Total capital assets, not being depreciated	<u>2,957,443</u>	<u>2,462,702</u>	<u>-</u>	<u>5,420,145</u>
<i>Capital assets, being depreciated:</i>				
Buildings	12,863,213	-	-	12,863,213
Improvements other than buildings	27,342,181	-	-	27,342,181
Machinery and equipment	8,123,329	54,790	(31,532)	8,146,587
Infrastructure	<u>53,499,220</u>	<u>629,261</u>	<u>-</u>	<u>54,128,481</u>
Total capital assets, being depreciated	<u>101,827,943</u>	<u>684,051</u>	<u>(31,532)</u>	<u>102,480,462</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(9,737,252)	(320,334)	-	(10,057,586)
Improvements other than buildings	(16,553,944)	(900,864)	-	(17,454,808)
Machinery and equipment	(6,424,013)	(169,201)	30,275	(6,562,939)
Infrastructure	<u>(30,010,729)</u>	<u>(1,093,310)</u>	<u>-</u>	<u>(31,104,039)</u>
Total accumulated depreciation	<u>(62,725,938)</u>	<u>(2,483,709)</u>	<u>30,275</u>	<u>(65,179,372)</u>
Total capital assets, being depreciated, net	<u>39,102,005</u>	<u>(1,799,658)</u>	<u>(1,257)</u>	<u>37,301,090</u>
Business-type activities capital assets, net	<u>\$ 42,059,448</u>	<u>\$ 663,044</u>	<u>\$ (1,257)</u>	<u>\$ 42,721,235</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 226,334
Public safety	455,730
Public health and welfare	815
Transportation	5,549,272
Community environment	10,443
Leisure time activity	76,063

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

	<u>551,657</u>
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Total depreciation expense - governmental activities \$ 6,870,314

Business -type activities:

Water	\$ 477,115
Sewer	1,736,620
Airport	265,526
Parking	<u>4,448</u>

Total depreciation expense - business-type activities \$ 2,483,709

NOTE 10 - 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 \$656,567 will accrue on January 1, 2005 and is not reflected in the financial statements. Under the current contract with the sworn police officers, vacation balances unused at December 31 can be carried over until May 31, upon request. This amount is reflected in the basic financial statements. Any unused prior year vacation balance at May 31 is lost. For all other City employees, vacation leave is accrued on their anniversary date and the vacation earned must be used in the next year. Any unused vacation is eliminated from the employee's vacation balance. Upon separation from the City, the employee (or their estate) is paid for their accumulated unused vacation leave balance.

B. Accumulated Unpaid Sick Leave

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - COMPENSATED ABSENCES – (Continued)

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 11 - CAPITAL LEASES - LESSEE DISCLOSURE

In December 2004, the City entered into a capitalized lease for police cruisers and equipment with costs totaling \$93,572. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease has been capitalized in the City’s governmental capital assets at the present value of the future minimum lease payments at lease inception. A corresponding liability has been reported in the governmental activities statement of net assets. Principal payments start in 2005. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2005	\$ 21,094
2006	21,094
2007	21,094
2008	21,094
2009	<u>21,094</u>
Total minimum payments required	<u>\$ 105,470</u>
Less: amount representing interest at 4.83%	<u>(11,898)</u>
Present value of future minimum lease payments	<u>\$ 93,572</u>

NOTE 12 - 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 \$158,399 for the year ended December 31, 2004. 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, 2004:

<u>Year Ended December 31</u>	<u>Amount</u>
2005	\$ 37,370
2006	22,558
2007	<u>12,251</u>
Total minimum payments required	<u>\$ 72,179</u>

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2004, the following changes occurred in the City’s long-term obligations:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - LONG-TERM OBLIGATIONS – (Continued)

	Interest	Maturity	Balance			Balance	Amounts
	Rate	Date	12/31/03	Additions	Disposals	12/31/04	Due in
							One Year
<i>Governmental Activities:</i>							
<u>General Obligation Bonds</u>							
Series 1998 Sewer System Refunding	3.35 - 4.00%	2005	\$ 975,000	\$ -	\$ (495,000)	\$ 480,000	\$ 480,000
Series 2002 Various Purpose Bonds	2.05 - 5.00%	2022	<u>4,465,000</u>	<u>-</u>	<u>(210,000)</u>	<u>4,255,000</u>	<u>215,000</u>
Total general obligation bonds			<u>5,440,000</u>	<u>-</u>	<u>(705,000)</u>	<u>4,735,000</u>	<u>695,000</u>
<u>Special Assessment Bonds</u>							
Series 1990 Superior Street Improvement	7.50%	2005	<u>3,268</u>	<u>-</u>	<u>(129)</u>	<u>3,139</u>	<u>3,139</u>
Total special assessment bonds			<u>3,268</u>	<u>-</u>	<u>(129)</u>	<u>3,139</u>	<u>3,139</u>
<u>Other Long-Term Obligations</u>							
Notes payable	0.00-1.70%	2006-2015	11,066,293	-	(10,335,431)	730,862	75,431
Capital lease obligation			-	93,572	-	93,572	17,263
Police and Fire Pension Liability	4.30%	2035	1,354,719	-	(21,128)	1,333,591	22,036
Compensated absences			<u>3,748,916</u>	<u>932,060</u>	<u>(1,020,398)</u>	<u>3,660,578</u>	<u>923,078</u>
Total other long-term obligations			<u>16,169,928</u>	<u>1,025,632</u>	<u>(11,376,957)</u>	<u>5,818,603</u>	<u>1,037,808</u>
Total governmental activities							
long-term obligations			<u>\$ 21,613,196</u>	<u>\$ 1,025,632</u>	<u>\$ (12,082,086)</u>	<u>\$ 10,556,742</u>	<u>\$ 1,735,947</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.

In 1990, the City issued \$82,000 in special assessment bonds. They are payable from assessments levied against the benefited property owners. In the event property owners do not pay the assessments when due, the City is responsible for making the bond principal and interest payments.

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 general, safety services, community development, and street construction maintenance and repair funds. \$1,164,589 of the original issue amount remains unspent. The related construction of a new fire station is currently under review.

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2004 are as follows:

Year Ended December 31,	Police and Fire Pension Liability		
	Principal	Interest	Total
2005	\$ 22,036	\$ 56,446	\$ 78,482
2006	22,982	55,500	78,482
2007	23,969	54,513	78,482
2008	25,000	53,482	78,482
2009	26,073	52,409	78,482
2010 - 2014	148,156	244,254	392,410
2015 - 2019	182,827	209,583	392,410
2020 - 2024	225,611	166,799	392,410
2025 - 2029	278,408	114,002	392,410
2030 - 2034	343,559	48,851	392,410
2035	34,970	742	35,712
Total	<u>\$ 1,333,591</u>	<u>\$ 1,056,581</u>	<u>\$ 2,390,172</u>

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2005	\$ 695,000	\$ 202,750	\$ 897,750
2006	225,000	177,423	402,423
2007	235,000	170,447	405,447
2008	240,000	162,458	402,458
2009	250,000	153,697	403,697
2010-2014	1,185,000	614,498	1,799,498
2015-2019	1,100,000	375,077	1,475,077
2020-2023	805,000	82,387	887,387
Total	<u>\$ 4,735,000</u>	<u>\$ 1,938,737</u>	<u>\$ 6,673,737</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2005	\$ 75,431	\$ 53,345	\$ 128,776
2006	75,431	48,347	123,778
2007	70,000	43,356	113,356
2008	70,000	38,302	108,302
2009	70,000	33,249	103,249
2010-2014	350,000	88,343	438,343
2015	20,000	1,561	21,561
Total	<u>\$ 730,862</u>	<u>\$ 306,503</u>	<u>\$ 1,037,365</u>

The City's legal voted and unvoted debt margin was \$72,913,079 at December 31, 2004.

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2004:

<i>Business-Type Activities:</i>	Interest	Maturity	Balance			Balance	Due in
	Rate	Date	12/31/03	Additions	Disposals	12/31/04	One Year
<u>General Obligation Bonds:</u>							
Series 1993 Water System	2.85-9.65%	2013	\$ 1,820,000	\$ -	\$ (145,000)	\$ 1,675,000	\$ 150,000
Series 1992 Water System	3.00-6.20%	2012	1,560,000	-	(135,000)	1,425,000	145,000
Total general obligation bonds			3,380,000	-	(280,000)	3,100,000	295,000
<u>Other long-term obligations:</u>							
Notes payable	0.00-1.55%	2004-2017	2,711,644	2,625,000	(2,594,381)	2,742,263	2,634,381
Compensated absences			885,236	492,216	(313,216)	1,064,236	345,803
Total other long-term obligations			3,596,880	3,117,216	(2,907,597)	3,806,499	2,980,184
Total business-type activities long-term obligations			\$ 6,976,880	\$ 3,117,216	\$ (3,187,597)	\$ 6,906,499	\$ 3,275,184

The Series 1993 Water System Bonds were issued during 1993 in the amount of \$3,000,000 to improve the municipal waterworks system by constructing an elevated water storage reservoir with improvements at the water treatment plant. The Series 1992 Water System Bonds were issued during 1992 in the amount of \$2,600,000 for the installation of instrumentation facilities at the water treatment plant and the construction of various water mains. These general obligation bonds are payable from the revenues of the water operations for which the improvements were made.

In 2004, the City authorized the issuance of bond anticipation notes totaling \$2,625,000. These notes are to pay the \$2,585,000 in outstanding bond anticipation notes issued in 2003. The notes are for improving the City's wastewater treatment plant and are being paid from the sewer fund.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2004 are as follows:

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2005	\$ 295,000	\$ 179,310	\$ 474,310
2006	315,000	163,545	478,545
2007	325,000	145,695	470,695
2008	345,000	127,030	472,030
2009	365,000	106,690	471,690
2010-2013	<u>1,455,000</u>	<u>197,900</u>	<u>1,652,900</u>
Total	<u>\$ 3,100,000</u>	<u>\$ 920,170</u>	<u>\$ 4,020,170</u>

Year Ended December 31,	Notes Payable		
	Principal	Interest	Total
2005	\$ 2,634,381	\$ 60,625	\$ 2,695,006
2006	9,381	-	9,381
2007	9,381	-	9,381
2008	9,381	-	9,381
2009	9,381	-	9,381
2010-2014	46,905	-	46,905
2015-2017	<u>23,453</u>	<u>-</u>	<u>23,453</u>
Total	<u>\$ 2,742,263</u>	<u>\$ 60,625</u>	<u>\$ 2,802,888</u>

NOTE 14 - RISK MANAGEMENT

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - RISK MANAGEMENT - (Continued)

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 2003 and 2004, the City made contributions in the amounts of \$344,681 and \$393,723, and surplus contributions to the Pool in the amounts of \$38,297 and \$43,747, respectively.

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

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

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

The aviation liability is purchased from a commercial insurance company.

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

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

The City has elected to provide Medical, Dental, and Life Insurance as benefits to all full-time employees. A \$25,000 Life, Accidental Death and Dismemberment policy is carried on the employees under the union contracts (AFSCME, FOP, and IAFF). The remaining non-bargaining employees are carried on a policy at an amount equal to their annual salary rounded to the nearest thousand. This policy is effective one month from the date of hire, at no cost to the employee. This coverage is provided by the Jefferson Pilot Financial 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 \$413 single coverage and \$1,004 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 employees type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

The liability for unpaid claims costs of \$510,596 reported in the internal service funds at December 31, 2004 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - RISK MANAGEMENT - (Continued)

Changes in the fund's claims liability amount for 2004 and 2003 were as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2004	\$ 754,261	\$ 5,120,313	\$ (5,363,978)	\$ 510,596
2003	483,522	5,408,138	(5,137,399)	754,261

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2004 was 8.5% for employees. The employer contribution rate was 13.55% of covered payroll and 4.00% was the portion used to fund healthcare for 2004. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2004, 2003, and 2002 were \$1,911,508, \$1,913,398, and \$2,012,614, respectively. The full amount has been contributed for 2002 and 2003. 88.82% has been contributed for 2004 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15 - DEFINED BENEFIT PENSION PLANS – (Continued)

Police officers and firefighters are required to contribute 10% of their annual covered salary to fund pension obligations. The City is required to contribute 19.50% for police officers and 24.00% for firefighters. Contributions are authorized by state statute. Contributions by the City to the Ohio Police and Fire Pension Fund for police officers for the years ended December 31, 2004, 2003, and 2002 were \$946,578, \$890,685 and \$963,430, respectively, and for firefighters the contributions were \$1,240,618, \$1,137,703, and \$1,187,515, respectively. The full amount has been contributed for 2002 and 2003. For police officers and firefighters, 72.09% and 71.04%, respectively, have been contributed for 2004 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, 2004, the unfunded liability of the City was \$1,333,591 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 16 - POSTEMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2004 employer contribution rate for local government employers was 13.55% of covered payroll and 4.00% was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 1.00% and 6.00% annually for the next eight years and 4.00% annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 369,885. The City's contribution actually made to fund postemployment benefits was \$564,277. As of December 31, 2003 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2004, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postemployment health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2003 (the latest information available), is 13,662 for police officers and 10,474 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$375,792 and \$400,720 for firefighters. OP&F's total health care expense for the year ending December 31, 2003 (the latest information available), was \$150.853 million, which was net of member contributions of \$17.208 million.

NOTE 17 - 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.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 17 – CONTINGENCIES – (Continued)

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 18 - INTERGOVERNMENTAL RECEIVABLES

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

General fund:	
Local government funds	\$ 1,891,687
Estate and inheritance tax	447,719
Richland County share of judge's salary	132,390
Public defenders reimbursement	26,861
State liquor permit fees	3,994
Tax revenue	4,917
Homestead rollback	241
Internet auction	37,659
Court fees	<u>93,975</u>
Total General fund	<u>\$ 2,639,443</u>
Community Development fund:	
Fair housing reimbursement	\$ 15,000
CDBG and HOME grants	<u>1,503,078</u>
Total Community Development fund	<u>\$ 1,518,078</u>
Safety Services fund:	
Homestead rollback	\$ 49
Tax revenue	25,895
Court fees	<u>7,225</u>
Total Safety Services fund	<u>\$ 33,169</u>
Grant fund:	
Police and Fire Department grants	\$ 303,224
Litter Control grant	10,153
Municipal Court grants	76,612
Court fees	893
Airport grants	<u>1,984,927</u>
Total Grant fund	<u>\$ 2,375,809</u>

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 18 - INTERGOVERNMENTAL RECEIVABLES - (Continued)

Other Governmental funds:	
Gasoline tax	\$ 745,119
Motor vehicle registration	306,239
Permissive sales tax	444,648
Court fees	60,336
Ohio Department of Development grant	110,407
Tax revenue	4,343
Neighborhood Youth Corp grants	844,628
Neighborhood Youth Corp contracts	83,627
Reimbursement of services	<u>42,400</u>
Total Other Governmental funds	<u>\$ 2,641,747</u>
Water fund:	
Clearfork fee reimbursement	\$ 2,315
County water samples	<u>4,720</u>
Total Water fund	<u>\$ 7,035</u>
Sewer fund:	
City of Ontario sewer agreements	\$ 211,652
User sewer charges - Richland County	<u>365,899</u>
Total Sewer fund	<u>\$ 577,551</u>
Other Enterprise funds:	
Tax revenue	<u>\$ 421</u>
Total Other Enterprise funds	<u>\$ 421</u>

NOTE 19 - PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's long-term obligations. As of December 31, 2004, \$480,000 of bonds are considered defeased.

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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.

Neighborhood Youth Corp:

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

Drug Law Enforcement:

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

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

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

Industrial Development:

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

Indigent Drivers Alcohol Treatment:

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

Court Computerization:

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

Local Law Enforcement Block Grant:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Probation Services:

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

Court Costs:

To account for additional fees and costs imposed by the Mansfield Municipal Court to assist in the building and maintenance of a new justice center.

Nonmajor Debt Service Fund

Debt Service:

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

Nonmajor Capital Projects Funds

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

Street Resurfacing:

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

Issue II Improvement:

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

Section 108 Improvement:

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

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,941,699	\$ 1,942,740	\$ 3,074,505	\$ 8,958,944
Cash and cash equivalents with fiscal agent	3,122	-	73,470	76,592
Investments	-	3,139	-	3,139
Receivables (net of allowances of uncollectibles):				
Taxes	26,149	-	486,357	512,506
Accrued interest	7,519	-	-	7,519
Loans	271,829	-	-	271,829
Due from other governments	2,595,227	-	46,520	2,641,747
Materials and supplies inventory	114,602	-	11,330	125,932
Total assets	\$ 6,960,147	\$ 1,945,879	\$ 3,692,182	\$ 12,598,208
Liabilities:				
Accounts payable	\$ 383,708	\$ -	\$ 16,209	\$ 399,917
Contracts payable	27,382	-	882,478	909,860
Retainage payable	3,122	-	73,470	76,592
Accrued wages and benefits	77,212	-	-	77,212
Compensated absences	31,645	-	-	31,645
Due to other governments	163,633	-	-	163,633
Deferred revenue	2,083,743	-	269,049	2,352,792
Total liabilities	2,770,445	-	1,241,206	4,011,651
Fund Balances:				
Reserved for encumbrances	930,478	-	383,578	1,314,056
Reserved for materials and supplies inventory	114,602	-	11,330	125,932
Reserved for loans	271,829	-	-	271,829
Reserved for debt service	-	1,945,879	-	1,945,879
Unreserved, undesignated, reported in:				
Special revenue funds	2,872,793	-	-	2,872,793
Capital projects funds	-	-	2,056,068	2,056,068
Total fund balances	4,189,702	1,945,879	2,450,976	8,586,557
Total liabilities and fund balances	\$ 6,960,147	\$ 1,945,879	\$ 3,692,182	\$ 12,598,208

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Street Construction Maintenance and Repair	State Highway	Neighborhood Youth Corp	Drug Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents.	\$ 672,508	\$ 125,085	\$ 151,964	\$ 49,133
Cash and cash equivalents with fiscal agent	3,122	-	-	-
Receivables (net of allowances of uncollectibles):				
Taxes.	17,184	-	-	-
Accrued interest.	-	-	-	-
Loans	-	-	-	-
Due from other governments	972,653	78,851	928,255	-
Materials and supplies inventory	60,562	35,650	10,512	-
Total assets.	\$ 1,726,029	\$ 239,586	\$ 1,090,731	\$ 49,133
Liabilities:				
Accounts payable.	\$ 70,548	\$ 10,876	\$ 35,893	\$ -
Contracts payable.	27,382	-	-	-
Retainage payable	3,122	-	-	-
Accrued wages and benefits	44,092	-	28,886	-
Compensated absences	27,329	-	2,776	-
Due to other governments	37,379	-	42,148	-
Deferred revenue.	822,623	66,050	732,776	-
Total liabilities.	1,032,475	76,926	842,479	-
Fund Balances:				
Reserved for encumbrances	238,246	96,074	18,583	-
Reserved for materials and supplies inventory	60,562	35,650	10,512	-
Reserved for loans	-	-	-	-
Unreserved, undesignated	394,746	30,936	219,157	49,133
Total fund balances	693,554	162,660	248,252	49,133
Total liabilities and fund balances	\$ 1,726,029	\$ 239,586	\$ 1,090,731	\$ 49,133

<u>Law Enforcement</u>	<u>Permissive Sales Tax</u>	<u>Industrial Development</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computerization</u>	<u>Local Law Enforcement Block Grant</u>	<u>Probation Services</u>
\$ 59,148	\$ 1,180,516	\$ 669,837	\$ 342,792	\$ 319,111	\$ 43,274	\$ 210,062
-	-	-	-	-	-	-
-	-	8,965	-	-	-	-
-	-	7,519	-	-	-	-
-	-	271,829	-	-	-	-
-	444,648	110,484	14,438	19,348	-	9,869
-	-	-	-	7,528	-	350
<u>\$ 59,148</u>	<u>\$ 1,625,164</u>	<u>\$ 1,068,634</u>	<u>\$ 357,230</u>	<u>\$ 345,987</u>	<u>\$ 43,274</u>	<u>\$ 220,281</u>
\$ 489	\$ 57,725	\$ 203,726	\$ -	\$ 1,996	\$ 2,056	\$ 399
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,781	-	1,453	-	-
-	-	-	-	1,540	-	-
-	84,106	-	-	-	-	-
-	444,648	4,178	13,468	-	-	-
<u>489</u>	<u>586,479</u>	<u>210,685</u>	<u>13,468</u>	<u>4,989</u>	<u>2,056</u>	<u>399</u>
5,750	121,751	445,788	-	-	4,286	-
-	-	-	-	7,528	-	350
-	-	271,829	-	-	-	-
<u>52,909</u>	<u>916,934</u>	<u>140,332</u>	<u>343,762</u>	<u>333,470</u>	<u>36,932</u>	<u>219,532</u>
<u>58,659</u>	<u>1,038,685</u>	<u>857,949</u>	<u>343,762</u>	<u>340,998</u>	<u>41,218</u>	<u>219,882</u>
<u>\$ 59,148</u>	<u>\$ 1,625,164</u>	<u>\$ 1,068,634</u>	<u>\$ 357,230</u>	<u>\$ 345,987</u>	<u>\$ 43,274</u>	<u>\$ 220,281</u>

(continued)

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2004

	<u>Court Costs</u>	<u>Total</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 118,269	\$ 3,941,699
Cash and cash equivalents with fiscal agent	-	3,122
Receivables (net of allowances of uncollectibles):		
Taxes	-	26,149
Accrued interest	-	7,519
Loans	-	271,829
Due from other governments	16,681	2,595,227
Materials and supplies inventory	-	114,602
Total assets	<u>\$ 134,950</u>	<u>\$ 6,960,147</u>
Liabilities:		
Accounts payable	\$ -	\$ 383,708
Contracts payable	-	27,382
Retainage payable	-	3,122
Accrued wages and benefits	-	77,212
Compensated absences	-	31,645
Due to other governments	-	163,633
Deferred revenue	-	2,083,743
Total liabilities	<u>-</u>	<u>2,770,445</u>
Fund Balances:		
Reserved for encumbrances	-	930,478
Reserved for materials and supplies inventory	-	114,602
Reserved for loans	-	271,829
Unreserved, undesignated	134,950	2,872,793
Total fund balances	<u>134,950</u>	<u>4,189,702</u>
Total liabilities and fund balances	<u>\$ 134,950</u>	<u>\$ 6,960,147</u>

CITY OF MANSFIELD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2004

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>Section 108 Improvement</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,494,568	\$ 407,371	\$ 1,172,566	\$ 3,074,505
Cash and cash equivalents with fiscal agent	55,293	17,229	948	73,470
Receivables (net of allowances of uncollectibles):				
Taxes.	486,357	-	-	486,357
Due from other governments	46,520	-	-	46,520
Materials and supplies inventory	11,330	-	-	11,330
Total assets.	<u>\$ 2,094,068</u>	<u>\$ 424,600</u>	<u>\$ 1,173,514</u>	<u>\$ 3,692,182</u>
Liabilities:				
Accounts payable.	\$ 12,729	\$ -	\$ 3,480	\$ 16,209
Contracts payable.	882,478	-	-	882,478
Retainage payable	55,293	17,229	948	73,470
Deferred revenue.	269,049	-	-	269,049
Total liabilities.	<u>1,219,549</u>	<u>17,229</u>	<u>4,428</u>	<u>1,241,206</u>
Fund Balances:				
Reserved for encumbrances.	173,106	208,727	1,745	383,578
Reserved for materials and supplies inventory	11,330	-	-	11,330
Unreserved, undesignated	690,083	198,644	1,167,341	2,056,068
Total fund balances.	<u>874,519</u>	<u>407,371</u>	<u>1,169,086</u>	<u>2,450,976</u>
Total liabilities and fund balances	<u>\$ 2,094,068</u>	<u>\$ 424,600</u>	<u>\$ 1,173,514</u>	<u>\$ 3,692,182</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 185,367	\$ -	\$ 3,199,592	\$ 3,384,959
Property and other taxes	-	2,414	-	2,414
Charges for services	1,157,900	-	-	1,157,900
Licenses, permits and fees	398,000	-	-	398,000
Fines and forfeitures	303,837	-	-	303,837
Intergovernmental	4,170,248	-	309,775	4,480,023
Special assessments	-	288	-	288
Investment income	18,821	-	3,086	21,907
Other	131,475	-	-	131,475
Total revenues.	<u>6,365,648</u>	<u>2,702</u>	<u>3,512,453</u>	<u>9,880,803</u>
Expenditures:				
Current:				
General government	2,291,690	378,766	-	2,670,456
Public safety	77,596	-	-	77,596
Transportation	2,753,622	-	-	2,753,622
Capital outlay	-	-	3,984,644	3,984,644
Debt service:				
Principal retirement	141,335	566,585	-	707,920
Interest and fiscal charges.	21,619	98,781	-	120,400
Total expenditures.	<u>5,285,862</u>	<u>1,044,132</u>	<u>3,984,644</u>	<u>10,314,638</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,079,786</u>	<u>(1,041,430)</u>	<u>(472,191)</u>	<u>(433,835)</u>
Other financing sources:				
Proceeds from sale of capital assets	43,757	-	-	43,757
Total other financing sources	<u>43,757</u>	<u>-</u>	<u>-</u>	<u>43,757</u>
Net change in fund balances	1,123,543	(1,041,430)	(472,191)	(390,078)
Fund balances at beginning of year	3,101,310	2,987,309	2,923,360	9,011,979
(Decrease) in reserve for inventory.	(35,151)	-	(193)	(35,344)
Fund balances at end of year.	<u>\$ 4,189,702</u>	<u>\$ 1,945,879</u>	<u>\$ 2,450,976</u>	<u>\$ 8,586,557</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, 2004

	Street Construction Maintenance and Repair	State Highway	Neighborhood Youth Corp	Drug Law Enforcement
Revenues:				
Municipal income taxes	\$ 110,098	\$ -	\$ -	\$ -
Charges for services	209,200	-	948,700	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	8,656
Intergovernmental	1,900,960	152,718	658,839	-
Investment income	2,799	225	-	-
Other	7,049	-	5,123	-
Total revenues	2,230,106	152,943	1,612,662	8,656
Expenditures:				
Current:				
General government	-	-	1,458,393	-
Public safety	-	-	-	440
Transportation	1,896,252	178,343	-	-
Debt service:				
Principal retirement	15,940	-	-	-
Interest and fiscal charges	19,489	-	-	-
Total expenditures	1,931,681	178,343	1,458,393	440
Excess (deficiency) of revenues over (under) expenditures	298,425	(25,400)	154,269	8,216
Other financing sources:				
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	298,425	(25,400)	154,269	8,216
Fund balances at beginning of year	477,258	152,410	84,692	40,917
Increase (decrease) in reserve for inventory	(82,129)	35,650	9,291	-
Fund balances at end of year	\$ 693,554	\$ 162,660	\$ 248,252	\$ 49,133

Law Enforcement	Permissive Sales Tax	Industrial Development	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant	Probation Services
\$ -	\$ -	\$ 75,269	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	156,483
-	-	-	13,999	281,182	-	-
-	875,665	521,502	25,964	-	34,600	-
1,233	-	11,508	-	-	3,056	-
-	-	115,180	-	-	-	4,123
<u>1,233</u>	<u>875,665</u>	<u>723,459</u>	<u>39,963</u>	<u>281,182</u>	<u>37,656</u>	<u>160,606</u>
-	-	728,832	-	89,927	-	14,538
15,720	-	-	13,065	-	48,371	-
-	679,027	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,720</u>	<u>679,027</u>	<u>728,832</u>	<u>13,065</u>	<u>89,927</u>	<u>48,371</u>	<u>14,538</u>
<u>(14,487)</u>	<u>196,638</u>	<u>(5,373)</u>	<u>26,898</u>	<u>191,255</u>	<u>(10,715)</u>	<u>146,068</u>
-	-	43,757	-	-	-	-
-	-	43,757	-	-	-	-
(14,487)	196,638	38,384	26,898	191,255	(10,715)	146,068
73,146	842,047	819,565	316,864	147,831	52,008	73,614
-	-	-	-	1,912	(75)	200
<u>\$ 58,659</u>	<u>\$ 1,038,685</u>	<u>\$ 857,949</u>	<u>\$ 343,762</u>	<u>\$ 340,998</u>	<u>\$ 41,218</u>	<u>\$ 219,882</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, 2004

	<u>Court Costs</u>	<u>Total</u>
Revenues:		
Municipal income taxes	\$ -	\$ 185,367
Charges for services	-	1,157,900
Licenses, permits and fees	241,517	398,000
Fines and forfeitures	-	303,837
Intergovernmental	-	4,170,248
Investment income	-	18,821
Other	-	131,475
Total revenues.	<u>241,517</u>	<u>6,365,648</u>
Expenditures:		
Current:		
General government	-	2,291,690
Public safety	-	77,596
Transportation	-	2,753,622
Debt service:		
Principal retirement	125,395	141,335
Interest and fiscal charges.	2,130	21,619
Total expenditures	<u>127,525</u>	<u>5,285,862</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>113,992</u>	<u>1,079,786</u>
Other financing sources:		
Proceeds from sale of capital assets	-	43,757
Total other financing sources	<u>-</u>	<u>43,757</u>
Net change in fund balances	113,992	1,123,543
Fund balances at beginning of year	20,958	3,101,310
Increase (decrease) in reserve for inventory.	-	(35,151)
Fund balances at end of year.	<u>\$ 134,950</u>	<u>\$ 4,189,702</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Street Resurfacing	Issue II Improvement	Section 108 Improvement	Total
Revenues:				
Municipal income taxes	\$ 3,199,592	\$ -	\$ -	\$ 3,199,592
Intergovernmental	-	309,775	-	309,775
Investment income	-	-	3,086	3,086
Total revenues	<u>3,199,592</u>	<u>309,775</u>	<u>3,086</u>	<u>3,512,453</u>
Expenditures:				
Capital outlay	<u>3,625,878</u>	<u>327,004</u>	<u>31,762</u>	<u>3,984,644</u>
Total expenditures	<u>3,625,878</u>	<u>327,004</u>	<u>31,762</u>	<u>3,984,644</u>
Net change in fund balances	(426,286)	(17,229)	(28,676)	(472,191)
Fund balances at beginning of year	1,300,998	424,600	1,197,762	2,923,360
(Decrease) in reserve for inventory.	<u>(193)</u>	<u>-</u>	<u>-</u>	<u>(193)</u>
Fund balances at end of year.	<u>\$ 874,519</u>	<u>\$ 407,371</u>	<u>\$ 1,169,086</u>	<u>\$ 2,450,976</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

FUND DESCRIPTIONS

Nonmajor Enterprise Funds

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

Airport Operating:

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

Parking Garage:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2004

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 50,445	\$ 102,847	\$ 153,292
Receivables (net of allowances of uncollectibles):			
Taxes	49,681	-	49,681
Accounts	25,346	-	25,346
Due from other governments	421	-	421
Materials and supplies inventory	19,483	-	19,483
Total current assets	<u>145,376</u>	<u>102,847</u>	<u>248,223</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,493,629	171,852	1,665,481
Depreciable capital assets, net	2,332,341	-	2,332,341
Total capital assets	<u>3,825,970</u>	<u>171,852</u>	<u>3,997,822</u>
Total assets	<u>\$ 3,971,346</u>	<u>\$ 274,699</u>	<u>\$ 4,246,045</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 8,564	\$ -	\$ 8,564
Accrued wages and benefits	13,720	-	13,720
Due to other governments	10,692	-	10,692
Total current liabilities	<u>32,976</u>	<u>-</u>	<u>32,976</u>
Long-term liabilities:			
Compensated absences	28,684	-	28,684
Total long-term liabilities	<u>28,684</u>	<u>-</u>	<u>28,684</u>
Total liabilities	<u>61,660</u>	<u>-</u>	<u>61,660</u>
Net assets:			
Invested in capital assets, net of related debt	3,825,970	171,852	3,997,822
Unrestricted	83,716	102,847	186,563
Total net assets	<u>\$ 3,909,686</u>	<u>\$ 274,699</u>	<u>\$ 4,184,385</u>

CITY OF MANSFIELD, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Airport Operating	Parking Garage	Total
Operating revenues:			
Charges for services	\$ 143,038	\$ 32,132	\$ 175,170
Total operating revenues	<u>143,038</u>	<u>32,132</u>	<u>175,170</u>
Operating expenses:			
Personal services	217,465	-	217,465
Fringe benefits	43,729	-	43,729
Contractual services.	95,461	17,922	113,383
Materials and supplies	50,521	-	50,521
Depreciation	265,526	4,448	269,974
Utilities	51,621	-	51,621
Other	156	-	156
Total operating expenses	<u>724,479</u>	<u>22,370</u>	<u>746,849</u>
Operating income (loss)	<u>(581,441)</u>	<u>9,762</u>	<u>(571,679)</u>
Nonoperating revenues:			
Other nonoperating revenue	762	-	762
Municipal income tax	256,830	-	256,830
Total nonoperating revenues	<u>257,592</u>	<u>-</u>	<u>257,592</u>
Changes in net assets	(323,849)	9,762	(314,087)
Net assets at beginning of year (restated)	<u>4,233,535</u>	<u>264,937</u>	<u>4,498,472</u>
Net assets at end of year	<u>\$ 3,909,686</u>	<u>\$ 274,699</u>	<u>\$ 4,184,385</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 128,560	\$ 32,132	\$ 160,692
Cash received from other operating revenues	264,188	-	264,188
Cash payments to employees.	(206,729)	-	(206,729)
Cash payments to suppliers	(194,129)	(17,922)	(212,051)
Cash payments for other operating expenses.	<u>(41,565)</u>	<u>-</u>	<u>(41,565)</u>
Net cash provided by (used in) operating activities . . .	(49,675)	14,210	(35,465)
Cash and cash equivalents at beginning of year. . . .	<u>100,120</u>	<u>88,637</u>	<u>188,757</u>
Cash and cash equivalents at end of year	<u>\$ 50,445</u>	<u>\$ 102,847</u>	<u>\$ 153,292</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (581,441)	\$ 9,762	\$ (571,679)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	265,526	4,448	269,974
Other non-operating revenues.	762	-	762
Municipal income tax.	256,830	-	256,830
Changes in assets and liabilities:			
(Increase) in accounts receivable	(14,478)	-	(14,478)
Decrease in taxes receivable	7,017	-	7,017
Decrease in inventory of supplies	3,589	-	3,589
(Increase) in due from other governments	(421)	-	(421)
(Decrease) in accounts payable.	(115)	-	(115)
Increase in accrued wages and benefits	4,869	-	4,869
Increase in due to other governments	2,320	-	2,320
Increase in compensated absences payable	5,867	-	5,867
Net cash provided by (used in) operating activities . . .	<u>\$ (49,675)</u>	<u>\$ 14,210</u>	<u>\$ (35,465)</u>

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

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

Gargage Operating:

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

Data Processing:

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

Utility Collections:

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

Health Insurance:

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

OML Self Insurance:

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

Workers' Compensation:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2004

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 584,258	\$ 78,864	\$ 68,695
Materials and supplies inventory	5,255	17,537	26,254
Total current assets.	<u>589,513</u>	<u>96,401</u>	<u>94,949</u>
Noncurrent assets:			
Capital assets:			
Depreciable capital assets, net	<u>1,580,722</u>	<u>56,826</u>	<u>24,280</u>
Total capital assets	<u>1,580,722</u>	<u>56,826</u>	<u>24,280</u>
Total assets	<u>\$ 2,170,235</u>	<u>\$ 153,227</u>	<u>\$ 119,229</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ -	\$ -	\$ 1,511
Accrued wages and benefits	22,034	7,517	26,115
Due to other governments	11,345	7,621	28,807
Claims payable.	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities.	<u>33,379</u>	<u>15,138</u>	<u>56,433</u>
Long-term liabilities:			
Compensated absences	<u>77,191</u>	<u>46,016</u>	<u>118,190</u>
Total long-term liabilities.	<u>77,191</u>	<u>46,016</u>	<u>118,190</u>
Total liabilities	<u>110,570</u>	<u>61,154</u>	<u>174,623</u>
Net assets:			
Invested in capital assets, net of related debt.	1,580,722	56,826	24,280
Unrestricted (deficit).	<u>478,943</u>	<u>35,247</u>	<u>(79,674)</u>
Total net assets (deficit).	<u>\$ 2,059,665</u>	<u>\$ 92,073</u>	<u>\$ (55,394)</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ 96,004	\$ 19,439	\$ 31,335	\$ 878,595
-	-	-	49,046
<u>96,004</u>	<u>19,439</u>	<u>31,335</u>	<u>927,641</u>
-	-	-	1,661,828
-	-	-	1,661,828
<u>\$ 96,004</u>	<u>\$ 19,439</u>	<u>\$ 31,335</u>	<u>\$ 2,589,469</u>
\$ -	\$ -	\$ -	\$ 1,511
-	-	-	55,666
-	-	-	47,773
510,596	-	-	510,596
<u>510,596</u>	<u>-</u>	<u>-</u>	<u>615,546</u>
-	-	-	241,397
-	-	-	241,397
510,596	-	-	856,943
-	-	-	1,661,828
(414,592)	19,439	31,335	70,698
<u>\$ (414,592)</u>	<u>\$ 19,439</u>	<u>\$ 31,335</u>	<u>\$ 1,732,526</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
Operating revenues:			
Charges for services	\$ 1,084,549	\$ 579,311	\$ 1,332,000
Total operating revenues	<u>1,084,549</u>	<u>579,311</u>	<u>1,332,000</u>
Operating expenses:			
Personal services	311,352	183,827	590,983
Fringe benefits	67,900	29,263	121,344
Contractual services	138,991	287,986	422,293
Materials and supplies	565,515	42,191	188,119
Depreciation	514,389	28,891	8,377
Utilities	59,384	-	-
Claims expense	-	-	-
Total operating expenses	<u>1,657,531</u>	<u>572,158</u>	<u>1,331,116</u>
Operating income (loss)	<u>(572,982)</u>	<u>7,153</u>	<u>884</u>
Nonoperating revenues (expenses):			
Other nonoperating revenue	2,097	-	4,164
Loss on disposal of assets	<u>(1,651)</u>	<u>(312)</u>	<u>(878)</u>
Total nonoperating revenues (expenses)	<u>446</u>	<u>(312)</u>	<u>3,286</u>
Changes in net assets	(572,536)	6,841	4,170
Net assets (deficit) at beginning of year	<u>2,632,201</u>	<u>85,232</u>	<u>(59,564)</u>
Net assets (deficit) at end of year	<u>\$ 2,059,665</u>	<u>\$ 92,073</u>	<u>\$ (55,394)</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Total
\$ 6,681,727	\$ 418,139	\$ 615,420	\$ 10,711,146
6,681,727	418,139	615,420	10,711,146
-	-	-	1,086,162
-	-	-	218,507
237,469	430,563	668,789	2,186,091
-	-	-	795,825
-	-	-	551,657
-	-	-	59,384
5,120,313	-	-	5,120,313
5,357,782	430,563	668,789	10,017,939
1,323,945	(12,424)	(53,369)	693,207
-	-	-	6,261
-	-	-	(2,841)
-	-	-	3,420
1,323,945	(12,424)	(53,369)	696,627
(1,738,537)	31,863	84,704	1,035,899
\$ (414,592)	\$ 19,439	\$ 31,335	\$ 1,732,526

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,084,549	\$ 579,311	\$ 1,332,000
Cash received from other operating revenues	2,097	-	4,164
Cash payments to employees	(314,486)	(190,434)	(583,674)
Cash payments for suppliers	(798,334)	(336,311)	(597,333)
Cash payments for claims expense	-	-	-
Cash payments for other operating expenses	(68,770)	(29,908)	(121,060)
Net cash provided by (used in) operating activities	<u>(94,944)</u>	<u>22,658</u>	<u>34,097</u>
Cash flows from noncapital financing activities:			
Payment on loans from other funds	-	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(16,318)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(16,318)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(94,944)	6,340	34,097
Cash and cash equivalents at beginning of year	<u>679,202</u>	<u>72,524</u>	<u>34,598</u>
Cash and cash equivalents at end of year	<u>\$ 584,258</u>	<u>\$ 78,864</u>	<u>\$ 68,695</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (572,982)	\$ 7,153	\$ 884
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	514,389	28,891	8,377
Other nonoperating revenues	2,097	-	4,164
Changes in assets and liabilities:			
(Increase) decrease in inventory of supplies	(1,820)	(4,196)	12,031
Increase (decrease) in accounts payable	(26,534)	(1,452)	1,048
Increase in accrued wages and benefits	8,218	777	5,150
Increase (decrease) in due to other governments	(6,960)	(1,131)	284
Increase (decrease) in compensated absences payable	(11,352)	(7,384)	2,159
(Decrease) in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (94,944)</u>	<u>\$ 22,658</u>	<u>\$ 34,097</u>

Health Insurance	OML Self Insurance	Workers' Compensation	Total
\$ 6,681,727	\$ 418,139	\$ 615,420	\$ 10,711,146
-	-	-	6,261
-	-	-	(1,088,594)
(268,536)	(430,563)	(668,789)	(3,099,866)
(5,363,978)	-	-	(5,363,978)
-	-	-	(219,738)
<u>1,049,213</u>	<u>(12,424)</u>	<u>(53,369)</u>	<u>945,231</u>
(980,000)	-	-	(980,000)
<u>(980,000)</u>	<u>-</u>	<u>-</u>	<u>(980,000)</u>
-	-	-	(16,318)
-	-	-	(16,318)
69,213	(12,424)	(53,369)	(51,087)
26,791	31,863	84,704	929,682
<u>\$ 96,004</u>	<u>\$ 19,439</u>	<u>\$ 31,335</u>	<u>\$ 878,595</u>
\$ 1,323,945	\$ (12,424)	\$ (53,369)	\$ 693,207
-	-	-	551,657
-	-	-	6,261
-	-	-	6,015
(31,067)	-	-	(58,005)
-	-	-	14,145
-	-	-	(7,807)
-	-	-	(16,577)
(243,665)	-	-	(243,665)
<u>\$ 1,049,213</u>	<u>\$ (12,424)</u>	<u>\$ (53,369)</u>	<u>\$ 945,231</u>

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

FUND DESCRIPTIONS

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

Agency Funds

OSP Fines Fund

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

Sewer and Street Opening Fund

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

Building Security Fund

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

Payroll Agency Fund

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

Municipal Court Fund

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

Transient Occupancy Tax Fund

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

Internet Auction Fund

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

Board of Standards Assessments Fund

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

Utility Deposits Fund

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2004

	<u>Balance 01/01/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
OSP Fines				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,020	\$ 56,499	\$ 58,519	\$ -
Receivables (net of allowances of uncollectibles):				
Due from other governments	4,932	55,582	56,499	4,015
Total assets	<u>\$ 6,952</u>	<u>\$ 112,081</u>	<u>\$ 115,018</u>	<u>\$ 4,015</u>
Liabilities:				
Due to individuals	\$ 6,952	\$ 55,582	\$ 58,519	\$ 4,015
Total liabilities.	<u>\$ 6,952</u>	<u>\$ 55,582</u>	<u>\$ 58,519</u>	<u>\$ 4,015</u>
Sewer and Street Opening				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 11,768	\$ 3,593	\$ 1,695	\$ 13,666
Total assets	<u>\$ 11,768</u>	<u>\$ 3,593</u>	<u>\$ 1,695</u>	<u>\$ 13,666</u>
Liabilities:				
Due to individuals	\$ 11,768	\$ 3,593	\$ 1,695	\$ 13,666
Total liabilities.	<u>\$ 11,768</u>	<u>\$ 3,593</u>	<u>\$ 1,695</u>	<u>\$ 13,666</u>
Building Security				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 11,996	\$ 16,667	\$ 19,217	\$ 9,446
Total assets	<u>\$ 11,996</u>	<u>\$ 16,667</u>	<u>\$ 19,217</u>	<u>\$ 9,446</u>
Liabilities:				
Due to individuals	\$ 11,996	\$ 16,667	\$ 19,217	\$ 9,446
Total liabilities.	<u>\$ 11,996</u>	<u>\$ 16,667</u>	<u>\$ 19,217</u>	<u>\$ 9,446</u>
Payroll Agency				
Assets:				
Cash and cash equivalents with fiscal agents	\$ 133,827	\$ 23,871,203	\$ 23,808,934	\$ 196,096
Total assets	<u>\$ 133,827</u>	<u>\$ 23,871,203</u>	<u>\$ 23,808,934</u>	<u>\$ 196,096</u>
Liabilities:				
Due to other governments	\$ 92,193	\$ 6,599,250	\$ 6,538,728	\$ 152,715
Due to individuals	41,634	17,271,953	17,270,206	43,381
Total liabilities.	<u>\$ 133,827</u>	<u>\$ 23,871,203</u>	<u>\$ 23,808,934</u>	<u>\$ 196,096</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 01/01/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 501,921	\$ 5,273,811	\$ 5,300,976	\$ 474,756
Investments.	205,000	-	-	205,000
Total assets	<u>\$ 706,921</u>	<u>\$ 5,273,811</u>	<u>\$ 5,300,976</u>	<u>\$ 679,756</u>
Liabilities:				
Due to other governments	\$ 245,003	\$ 3,210,773	\$ 3,237,761	\$ 218,015
Due to individuals	396	28,696	28,028	1,064
Undistributed monies	461,522	2,034,342	2,035,187	460,677
Total liabilities.	<u>\$ 706,921</u>	<u>\$ 5,273,811</u>	<u>\$ 5,300,976</u>	<u>\$ 679,756</u>
Transient Occupancy Tax				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 173,504	\$ 170,007	\$ 3,497
Receivables (net of allowances of uncollectibles):				
Taxes	8,247	174,894	173,504	9,637
Total assets	<u>\$ 8,247</u>	<u>\$ 348,398</u>	<u>\$ 343,511</u>	<u>\$ 13,134</u>
Liabilities:				
Due to other governments	\$ 412	\$ 36,124	\$ 33,349	\$ 3,187
Due to individuals	7,835	138,770	136,658	9,947
Total liabilities.	<u>\$ 8,247</u>	<u>\$ 174,894</u>	<u>\$ 170,007</u>	<u>\$ 13,134</u>
Internet Auction				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 40,741	\$ 1,378	\$ 39,363
Total assets	<u>\$ -</u>	<u>\$ 40,741</u>	<u>\$ 1,378</u>	<u>\$ 39,363</u>
Liabilities:				
Due to other governments	\$ -	\$ 37,660	\$ -	\$ 37,660
Due to individuals	-	3,081	1,378	1,703
Total liabilities.	<u>\$ -</u>	<u>\$ 40,741</u>	<u>\$ 1,378</u>	<u>\$ 39,363</u>

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 01/01/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Board of Standards Assessments				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 338	\$ 2,390	\$ 2,268	\$ 460
Total assets	<u>\$ 338</u>	<u>\$ 2,390</u>	<u>\$ 2,268</u>	<u>\$ 460</u>
Liabilities:				
Due to governments	\$ 338	\$ 2,390	\$ 2,268	\$ 460
Total liabilities.	<u>\$ 338</u>	<u>\$ 2,390</u>	<u>\$ 2,268</u>	<u>\$ 460</u>
Utility Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 500	\$ 400	\$ 200	\$ 700
Total assets	<u>\$ 500</u>	<u>\$ 400</u>	<u>\$ 200</u>	<u>\$ 700</u>
Liabilities:				
Due to individuals	\$ 500	\$ 400	\$ 200	\$ 700
Total liabilities.	<u>\$ 500</u>	<u>\$ 400</u>	<u>\$ 200</u>	<u>\$ 700</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 528,543	\$ 5,567,605	\$ 5,554,260	\$ 541,888
Cash and cash equivalents with fiscal agents	133,827	23,871,203	23,808,934	196,096
Investments.	205,000	-	-	205,000
Receivables (net of allowances of uncollectibles):				
Taxes	8,247	174,894	173,504	9,637
Due from other governments	4,932	55,582	56,499	4,015
Total assets	<u>\$ 880,549</u>	<u>\$ 29,669,284</u>	<u>\$ 29,593,197</u>	<u>\$ 956,636</u>
Liabilities:				
Due to other governments	\$ 337,946	\$ 9,886,197	\$ 9,812,106	\$ 412,037
Due to individuals	81,081	17,518,742	17,515,901	83,922
Undistributed monies	461,522	2,034,342	2,035,187	460,677
Total liabilities.	<u>\$ 880,549</u>	<u>\$ 29,439,281</u>	<u>\$ 29,363,194</u>	<u>\$ 956,636</u>

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**INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN FUND BALANCE/EQUITY -
BUDGET AND ACTUAL (NON-GAAP
BUDGETARY BASIS)**

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,038,400	\$ 1,993,400	\$ 1,988,279	\$ (5,121)
Charges for services	23,200	80,200	73,508	(6,692)
Licenses, permits and fees	452,354	688,554	677,334	(11,220)
Fines and forfeitures	1,594,300	1,514,400	1,323,216	(191,184)
Intergovernmental	4,059,200	4,068,400	4,254,165	185,765
Special assessments	24,200	33,350	33,089	(261)
Investment income	420,000	411,900	319,812	(92,088)
Other	278,500	299,950	499,870	199,920
Total revenues	8,890,154	9,090,154	9,169,273	79,119
Expenditures:				
Current:				
Public safety				
Safety town				
Materials and supplies	10,226	11,726	11,607	119
Street lighting				
Contractual services	335,002	330,542	330,542	-
Housing of prisoners				
Contractual services	585,000	903,360	902,924	436
Total public safety	930,228	1,245,628	1,245,073	555
Public health and welfare				
Human relations				
Other	56,087	21,047	21,041	6
Indigent burial				
Other	10,000	8,000	8,000	-
Dog warden				
Other	30,000	30,000	30,000	-
Total public health and welfare	96,087	59,047	59,041	6
Leisure time activities				
Parks				
Personal services	216,332	200,562	200,552	10
Fringe benefits	1,200	-	-	-
Materials and supplies	67,430	83,030	80,719	2,311
Contractual services	153,171	147,976	142,118	5,858
Other	304	105	105	-
Adopt-a-park				
Other	7,652	7,652	6,387	1,265
Recreation				
Personal services	44,300	49,382	49,332	50
Materials and supplies	3,256	2,255	2,255	-
Contractual services	8,570	9,918	9,918	-
Total leisure time activities	502,215	500,880	491,386	9,494

(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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Codes and permits				
Personal services	341,894	335,294	335,285	9
Materials and supplies	6,355	8,825	8,819	6
Contractual services	47,761	44,351	44,340	11
Other	916	886	847	39
Sub-division fees				
Other	21,631	21,631	831	20,800
Total community environment	418,557	410,987	390,122	20,865
General government				
Council				
Personal services	135,336	134,753	134,753	-
Materials and supplies	1,119	1,411	1,411	-
Other	2,313	3,386	3,386	-
Human resource director				
Personal services	155,168	190,345	190,345	-
Materials and supplies	5,099	5,209	5,200	9
Contractual services	40,479	37,759	37,700	59
Other	5,000	3,583	3,574	9
Mayor				
Personal services	110,151	110,152	110,152	-
Materials and supplies	13,922	13,302	13,297	5
Contractual services	4,966	4,966	4,966	-
Other	1,218	1,368	1,299	69
Finance director				
Personal services	378,501	395,275	395,258	17
Materials and supplies	17,450	23,942	23,942	-
Contractual services	226,623	171,970	171,912	58
Other	265	265	240	25
Law director				
Personal services	426,472	411,680	411,680	-
Materials and supplies	56,800	56,150	56,143	7
Contractual services	43,500	8,500	8,500	-
Other	64,472	69,037	68,920	117
Municipal court				
Personal services	895,323	888,462	888,462	-
Materials and supplies	24,426	15,926	15,651	275
Contractual services	357,150	312,936	312,799	137
Other	1,049	2,869	2,862	7
Clerk of court				
Personal services	695,990	683,600	683,561	39
Materials and supplies	80,501	81,001	80,925	76

(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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial				
Other	18,992	292	240	52
Civil service commission				
Personal services	19,501	19,501	19,501	-
Materials and supplies	-	110	110	-
Contractual services	28,000	9,590	9,580	10
Safety/service director				
Personal services	70,329	70,329	70,329	-
Materials and supplies	1,960	1,390	1,383	7
Contractual services	13,249	10,599	10,535	64
Capital outlay	11,900	11,900	11,900	-
Engineering				
Personal services	212,102	207,402	207,375	27
Materials and supplies	5,983	4,793	4,784	9
Contractual services	10,026	9,426	9,400	26
Capital outlay	3,500	3,500	3,500	-
Other	7,455	5,305	5,292	13
City building and public lands				
Personal services	185,704	185,874	185,874	-
Materials and supplies	49,729	46,989	46,979	10
Contractual services	216,608	187,138	187,106	32
Income tax administration				
Personal services	391,243	396,643	396,614	29
Materials and supplies	73,250	59,750	59,674	76
Contractual services	15,826	10,426	10,326	100
Other	1,000	180	180	-
Miscellaneous				
Fringe benefits	751,634	753,534	753,498	36
Contractual services	529,421	498,271	498,266	5
Festivals	25,000	11,100	11,061	39
Other	37,493	20,251	20,251	-
Debt service				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	44,265	44,265	44,265	-
Unclaimed money				
Other	17,729	17,729	220	17,509
Shade tree commission				
Other	1,153	1,153	142	1,011
Special assessments				
Special assessments	4,585	1,885	1,815	70
Total general government	6,720,930	6,447,172	6,427,138	20,034

(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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	8,668,017	8,663,714	8,612,760	50,954
Excess of revenues over expenditures	222,137	426,440	556,513	130,073
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	8,000	8,000	-
Transfers in	2,178,442	2,166,115	2,121,637	(44,478)
Transfers out	(3,113,384)	(3,387,704)	(3,387,704)	-
Total other financing sources (uses)	(934,942)	(1,213,589)	(1,258,067)	(44,478)
Net change in fund balance	(712,805)	(787,149)	(701,554)	85,595
Fund balance at beginning of year (restated) . . .	531,143	531,143	531,143	-
Prior year encumbrances appropriated	604,948	604,948	604,948	-
Fund balance at end of year.	<u>\$ 423,286</u>	<u>\$ 348,942</u>	<u>\$ 434,537</u>	<u>\$ 85,595</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,200,000	\$ 4,718,016	\$ 1,509,442	\$ (3,208,574)
Investment income	90,000	90,000	90,890	890
Other	405,000	525,000	563,570	38,570
Total revenues	<u>3,695,000</u>	<u>5,333,016</u>	<u>2,163,902</u>	<u>(3,169,114)</u>
Expenditures:				
Current:				
Community environment				
Personal services	319,400	319,400	297,012	22,388
Fringe benefits	63,375	63,375	50,398	12,977
Materials and supplies	29,858	29,858	23,195	6,663
Contractual services	1,980,502	1,915,702	845,319	1,070,383
Other	784,854	849,654	567,959	281,695
Debt service				
Principal retirement	112,475	112,475	112,475	-
Interest and fiscal charges	137,525	137,525	137,525	-
Total expenditures	<u>3,427,989</u>	<u>3,427,989</u>	<u>2,033,883</u>	<u>1,394,106</u>
Excess of revenues over expenditures	<u>267,011</u>	<u>1,905,027</u>	<u>130,019</u>	<u>(1,775,008)</u>
Other financing uses:				
Transfers out	<u>(118,600)</u>	<u>(118,600)</u>	<u>(109,554)</u>	<u>9,046</u>
Total other financing uses	<u>(118,600)</u>	<u>(118,600)</u>	<u>(109,554)</u>	<u>9,046</u>
Net change in fund balance	148,411	1,786,427	20,465	(1,765,962)
Fund balance at beginning of year	50,299	50,299	50,299	-
Prior year encumbrances appropriated	13,466	13,466	13,466	-
Fund balance at end of year	<u>\$ 212,176</u>	<u>\$ 1,850,192</u>	<u>\$ 84,230</u>	<u>\$ (1,765,962)</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, 2004

	<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	\$ 300,600	\$ 344,380	\$ 397,765	\$ 53,385
Licenses, permits and fees	386,800	568,870	711,443	142,573
Fines and forfeitures	125,000	125,000	168,861	43,861
Intergovernmental	47,500	47,500	47,330	(170)
Other	79,600	103,750	111,574	7,824
	<u>939,500</u>	<u>1,189,500</u>	<u>1,436,973</u>	<u>247,473</u>
Expenditures:				
Current:				
Public safety				
Personal services	11,533,852	11,566,799	11,528,241	38,558
Fringe benefits	3,289,317	3,267,687	3,258,611	9,076
Materials and supplies	313,537	538,962	516,770	22,192
Contractual services	232,486	236,005	222,268	13,737
Capital outlay	99,838	194,901	145,263	49,638
Other	144,947	116,161	106,018	10,143
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and fiscal charges	29,755	29,755	29,755	-
	<u>15,723,732</u>	<u>16,030,270</u>	<u>15,886,926</u>	<u>143,344</u>
Deficiency of revenues under expenditures	(14,784,232)	(14,840,770)	(14,449,953)	390,817
Other financing sources (uses):				
Proceeds from capital leases transactions	-	93,025	93,572	547
Transfers in	19,279,638	19,186,613	18,729,578	(457,035)
Transfers out	(4,684,058)	(4,577,018)	(4,042,162)	534,856
	<u>14,595,580</u>	<u>14,702,620</u>	<u>14,780,988</u>	<u>78,368</u>
Net change in fund balance	(188,652)	(138,150)	331,035	469,185
Fund balance at beginning of year (restated)	136,678	136,678	136,678	-
Prior year encumbrances appropriated	70,725	70,725	70,725	-
	<u>18,751</u>	<u>69,253</u>	<u>538,438</u>	<u>469,185</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,465,809	\$ 3,251,094	\$ 1,032,001	\$ (2,219,093)
Licenses, permits and fees	8,500	8,500	7,468	(1,032)
Other	1,000	93,700	93,347	(353)
Total revenues	1,475,309	3,353,294	1,132,816	(2,220,478)
Expenditures:				
Current:				
Public safety				
Personal services	161,026	151,026	123,784	27,242
Materials and supplies	83,687	83,687	25,703	57,984
Contractual services	256,042	256,041	194,990	61,051
Capital outlay	161,618	265,726	102,364	163,362
Other	55,538	57,538	29,768	27,770
Total public safety	717,911	814,018	476,609	337,409
Public health and welfare				
Personal services	57,686	57,905	57,905	-
Fringe benefits	8,836	8,836	8,805	31
Materials and supplies	22,892	35,173	18,603	16,570
Capital outlay	1,500	1,500	1,399	101
Total public health and welfare	90,914	103,414	86,712	16,702
General government				
Personal services	189,791	263,636	217,079	46,557
Materials and supplies	8,189	8,189	687	7,502
Contractual services	45,650	73,158	34,651	38,507
Other	-	1,234	704	530
Total general government	243,630	346,217	253,121	93,096
Capital outlay				
Contractual services	458,724	2,331,654	833,946	1,497,708
Total capital outlay	458,724	2,331,654	833,946	1,497,708
Total expenditures	1,511,179	3,595,303	1,650,388	1,944,915
Deficiency of revenues under expenditures	(35,870)	(242,009)	(517,572)	(275,563)
Other financing sources (uses):				
Transfers in	71,254	500,074	500,074	-
Transfers out	(252,630)	(299,061)	(191,777)	107,284
Total other financing sources (uses)	(181,376)	201,013	308,297	107,284
Net change in fund balance	(217,246)	(40,996)	(209,275)	(168,279)
Fund balance at beginning of year (restated)	7,194	7,194	7,194	-
Prior year encumbrances appropriated	210,677	210,677	210,677	-
Fund balance at end of year	\$ 625	\$ 176,875	\$ 8,596	\$ (168,279)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JUSTICE CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 45,859	\$ 45,859	\$ 44,047	\$ (1,812)
Total revenues	<u>45,859</u>	<u>45,859</u>	<u>44,047</u>	<u>(1,812)</u>
Expenditures:				
Debt service				
Principal retirement	10,134,605	10,134,605	10,134,605	-
Interest and fiscal charges	<u>172,290</u>	<u>172,290</u>	<u>172,290</u>	<u>-</u>
Total expenditures	<u>10,306,895</u>	<u>10,306,895</u>	<u>10,306,895</u>	<u>-</u>
Net change in fund balance	(10,261,036)	(10,261,036)	(10,262,848)	(1,812)
Fund balance at beginning of year	<u>10,262,848</u>	<u>10,262,848</u>	<u>10,262,848</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,812</u>	<u>\$ 1,812</u>	<u>\$ -</u>	<u>\$ (1,812)</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,291,300	\$ 7,293,300	\$ 7,795,579	\$ 502,279
Other	84,800	82,800	102,638	19,838
Total revenues.	7,376,100	7,376,100	7,898,217	522,117
Expenses:				
Personal services.	2,435,200	2,478,551	2,468,941	9,610
Fringe benefits.	506,045	506,045	486,608	19,437
Materials and supplies	1,149,249	1,125,083	964,009	161,074
Contractual services	2,955,054	1,953,554	1,668,377	285,177
Utilities	555,874	558,874	411,446	147,428
Capital outlay	50,000	37,683	-	37,683
Other	33,937	28,569	20,986	7,583
Debt service				
Principal retirement	280,000	280,000	280,000	-
Interest and fiscal charges	193,903	193,903	193,903	-
Total expenses	8,159,262	7,162,262	6,494,270	667,992
Excess (deficiency) of revenues over (under) expenses.	(783,162)	213,838	1,403,947	1,190,109
Transfers in	980,000	980,000	980,000	-
Transfers out	(2,242,039)	(2,242,039)	(2,242,039)	-
Net change in fund equity	(2,045,201)	(1,048,201)	141,908	1,190,109
Fund equity at beginning of year	908,410	908,410	908,410	-
Prior year encumbrances appropriated	1,424,359	1,424,359	1,424,359	-
Fund equity at end of year.	<u>\$ 287,568</u>	<u>\$ 1,284,568</u>	<u>\$ 2,474,677</u>	<u>\$ 1,190,109</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 6,489,300	\$ 6,485,300	\$ 7,409,753	\$ 924,453
Intergovernmental	500,000	497,571	292,538	(205,033)
Other	278,265	283,015	281,743	(1,272)
Total revenues.	<u>7,267,565</u>	<u>7,265,886</u>	<u>7,984,034</u>	<u>718,148</u>
Expenses:				
Personal services	1,938,400	1,937,884	1,859,916	77,968
Fringe benefits	406,153	408,153	384,495	23,658
Materials and supplies	696,232	701,648	687,835	13,813
Contractual services	3,042,083	6,063,651	3,907,845	2,155,806
Utilities	622,815	631,825	606,270	25,555
Capital outlay	3,085,478	50,000	-	50,000
Other	55,254	58,253	40,776	17,477
Debt service				
Principal retirement	2,585,000	2,585,000	2,585,000	-
Interest and fiscal charges	40,068	40,068	39,956	112
Total expenses	<u>12,471,483</u>	<u>12,476,482</u>	<u>10,112,093</u>	<u>2,364,389</u>
Deficiency of revenues under expenses	(5,203,918)	(5,210,596)	(2,128,059)	3,082,537
Proceeds from the sale of notes	2,635,000	2,625,000	2,625,000	-
Sale of note premium	-	11,679	11,679	-
Transfers in	100,000	100,000	100,000	-
Transfers out	(1,653,014)	(1,653,014)	(1,653,014)	-
Net change in fund equity	<u>(4,121,932)</u>	<u>(4,126,931)</u>	<u>(1,044,394)</u>	<u>3,082,537</u>
Fund equity at beginning of year	4,372,348	4,372,348	4,372,348	-
Prior year encumbrances appropriated	592,175	592,175	592,175	-
Fund equity at end of year.	<u>\$ 842,591</u>	<u>\$ 837,592</u>	<u>\$ 3,920,129</u>	<u>\$ 3,082,537</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 1,756,500	\$ 1,743,400	\$ 1,874,898	\$ 131,498
Investment income	2,000	3,000	2,799	(201)
Other	7,900	20,000	19,721	(279)
	<u>1,766,400</u>	<u>1,766,400</u>	<u>1,897,418</u>	<u>131,018</u>
Expenditures:				
Current:				
Transportation				
Personal services.	824,000	774,000	722,267	51,733
Fringe benefits.	189,715	189,715	165,630	24,085
Materials and supplies	302,569	302,569	299,682	2,887
Contractual services	276,552	326,552	286,290	40,262
Debt service				
Principal retirement	15,940	15,940	15,940	-
Interest and fiscal charges	19,489	19,489	19,489	-
	<u>1,628,265</u>	<u>1,628,265</u>	<u>1,509,298</u>	<u>118,967</u>
Total expenditures				
Excess of revenues over expenditures	138,135	138,135	388,120	249,985
Other financing sources (uses):				
Proceeds from the sale of capital assets	500	500	-	(500)
Transfers in	309,200	309,200	309,200	-
Transfers out	(739,389)	(739,389)	(739,389)	-
	<u>(429,689)</u>	<u>(429,689)</u>	<u>(430,189)</u>	<u>(500)</u>
Total other financing sources (uses)				
Net change in fund balance	(291,554)	(291,554)	(42,069)	249,485
Fund balance at beginning of year	85,901	85,901	85,901	-
Prior year encumbrances appropriated	303,433	303,433	303,433	-
	<u>85,901</u>	<u>85,901</u>	<u>85,901</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 97,780</u>	<u>\$ 97,780</u>	<u>\$ 347,265</u>	<u>\$ 249,485</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 150,607	\$ 7,607
Investment income	200	200	225	25
Total revenues	<u>143,200</u>	<u>143,200</u>	<u>150,832</u>	<u>7,632</u>
Expenditures:				
Current:				
Transportation				
Personal services	75,000	75,000	75,000	-
Materials and supplies	<u>242,582</u>	<u>242,582</u>	<u>232,077</u>	<u>10,505</u>
Total expenditures	<u>317,582</u>	<u>317,582</u>	<u>307,077</u>	<u>10,505</u>
Net change in fund balance	(174,382)	(174,382)	(156,245)	18,137
Fund balance at beginning of year	11,482	11,482	11,482	-
Prior year encumbrances appropriated	<u>162,900</u>	<u>162,900</u>	<u>162,900</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,137</u>	<u>\$ 18,137</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NEIGHBORHOOD YOUTH CORP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 270,000	\$ 253,000	\$ 48,139	\$ (204,861)
Intergovernmental	1,930,000	1,923,000	1,415,262	(507,738)
Other	15,000	39,000	35,062	(3,938)
Total revenues	2,215,000	2,215,000	1,498,463	(716,537)
Expenditures:				
Current:				
General government				
Personal services	1,062,900	1,062,900	685,272	377,628
Fringe benefits	188,803	188,803	104,427	84,376
Materials and supplies	121,119	121,119	71,843	49,276
Contractual services	559,218	559,218	451,894	107,324
Capital outlay	20,000	20,000	-	20,000
Other	15,700	15,700	5,654	10,046
Total expenditures	1,967,740	1,967,740	1,319,090	648,650
Excess of revenues over expenditures	247,260	247,260	179,373	(67,887)
Other financing uses:				
Transfers out	(338,109)	(338,109)	(200,318)	137,791
Total other financing uses	(338,109)	(338,109)	(200,318)	137,791
Net change in fund balance	(90,849)	(90,849)	(20,945)	69,904
Fund balance at beginning of year	87,083	87,083	87,083	-
Prior year encumbrances appropriated	40,673	40,673	40,673	-
Fund balance at end of year	\$ 36,907	\$ 36,907	\$ 106,811	\$ 69,904

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, 2004

	<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	\$ 6,000	\$ 6,000	\$ 8,656	\$ 2,656
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>8,656</u>	<u>2,656</u>
Expenditures:				
Current:				
Public safety				
Other	<u>46,917</u>	<u>46,917</u>	<u>440</u>	<u>46,477</u>
Total expenditures	<u>46,917</u>	<u>46,917</u>	<u>440</u>	<u>46,477</u>
Net change in fund balance	(40,917)	(40,917)	8,216	49,133
Fund balance at beginning of year	<u>40,917</u>	<u>40,917</u>	<u>40,917</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,133</u>	<u>\$ 49,133</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, 2004

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Investment income	1,050	1,050	1,233	183
Other	50	50	9	(41)
Total revenues	<u>16,100</u>	<u>16,100</u>	<u>1,242</u>	<u>(14,858)</u>
Expenditures:				
Current:				
Public safety				
Other	<u>89,453</u>	<u>89,453</u>	<u>21,414</u>	<u>68,039</u>
Total expenditures	<u>89,453</u>	<u>89,453</u>	<u>21,414</u>	<u>68,039</u>
Net change in fund balance	(73,353)	(73,353)	(20,172)	53,181
Fund balance at beginning of year	73,149	73,149	73,149	-
Prior year encumbrances appropriated	<u>204</u>	<u>204</u>	<u>204</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,181</u>	<u>\$ 53,181</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 973,765	\$ 973,765	\$ 953,374	\$ (20,391)
Other	59,235	59,235	-	(59,235)
Total revenues	<u>1,033,000</u>	<u>1,033,000</u>	<u>953,374</u>	<u>(79,626)</u>
Expenditures:				
Current:				
Transportation				
Contractual services	1,794,226	1,794,226	713,558	1,080,668
Other	5,431	5,431	5,431	-
Total expenditures	<u>1,799,657</u>	<u>1,799,657</u>	<u>718,989</u>	<u>1,080,668</u>
Net change in fund balance	(766,657)	(766,657)	234,385	1,001,042
Fund balance at beginning of year	705,969	705,969	705,969	-
Prior year encumbrances appropriated	60,688	60,688	60,688	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,001,042</u>	<u>\$ 1,001,042</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 283,053	\$ 226,891	\$ (56,162)
Investment income	8,000	8,000	7,791	(209)
Other	464,200	464,200	263,246	(200,954)
	<u>472,200</u>	<u>755,253</u>	<u>497,928</u>	<u>(257,325)</u>
Expenditures:				
Current:				
General government				
Personal services	32,000	32,000	32,000	-
Materials and supplies	16,093	16,093	15,164	929
Contractual services	1,061,755	1,392,308	992,561	399,747
Other	69,500	22,000	22,000	-
	<u>1,179,348</u>	<u>1,462,401</u>	<u>1,061,725</u>	<u>400,676</u>
Deficiency of revenues under expenditures	<u>(707,148)</u>	<u>(707,148)</u>	<u>(563,797)</u>	<u>143,351</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	10,000	10,000	43,757	33,757
Transfers in	70,000	70,000	70,000	-
Transfers out	(50,000)	(50,000)	(50,000)	-
	<u>30,000</u>	<u>30,000</u>	<u>63,757</u>	<u>33,757</u>
Net change in fund balance	(677,148)	(677,148)	(500,040)	177,108
Fund balance at beginning of year	317,614	317,614	317,614	-
Prior year encumbrances appropriated	406,073	406,073	406,073	-
	<u>46,539</u>	<u>46,539</u>	<u>223,647</u>	<u>177,108</u>
Fund balance at end of year	\$ 46,539	\$ 46,539	\$ 223,647	\$ 177,108

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, 2004

	<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	\$ 40,000	\$ 40,000	\$ 39,740	\$ (260)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>39,740</u>	<u>(260)</u>
Expenditures:				
Current:				
Public safety				
Other	<u>356,777</u>	<u>356,777</u>	<u>14,385</u>	<u>342,392</u>
Total expenditures	<u>356,777</u>	<u>356,777</u>	<u>14,385</u>	<u>342,392</u>
Net change in fund balance	(316,777)	(316,777)	25,355	342,132
Fund balance at beginning of year	<u>317,437</u>	<u>317,437</u>	<u>317,437</u>	<u>-</u>
Fund balance at end of year	<u>\$ 660</u>	<u>\$ 660</u>	<u>\$ 342,792</u>	<u>\$ 342,132</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, 2004

	<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	\$ 325,000	\$ 325,000	\$ 287,011	\$ (37,989)
Other	1,000	1,000	-	(1,000)
Total revenues	<u>326,000</u>	<u>326,000</u>	<u>287,011</u>	<u>(38,989)</u>
Expenditures:				
Current:				
General government				
Personal services	39,292	41,742	41,676	66
Materials and supplies	392,319	189,869	35,687	154,182
Contractual services	15,000	15,000	11,148	3,852
Total expenditures	<u>446,611</u>	<u>246,611</u>	<u>88,511</u>	<u>158,100</u>
Net change in fund balance	(120,611)	79,389	198,500	119,111
Fund balance at beginning of year	120,451	120,451	120,451	-
Prior year encumbrances appropriated	160	160	160	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 319,111</u>	<u>\$ 119,111</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 19,631	\$ 34,600	\$ 34,600	\$ -
Investment income	3,000	3,000	3,056	56
Other	50	50	-	(50)
Total revenues	<u>22,681</u>	<u>37,650</u>	<u>37,656</u>	<u>6</u>
Expenditures:				
Current:				
Public safety				
Capital outlay	86,225	95,495	95,495	-
Other	46,080	31,810	14,855	16,955
Total expenditures	<u>132,305</u>	<u>127,305</u>	<u>110,350</u>	<u>16,955</u>
Net change in fund balance	(109,624)	(89,655)	(72,694)	16,961
Fund balance at beginning of year	51,330	51,330	51,330	-
Prior year encumbrances appropriated	58,294	58,294	58,294	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 19,969</u>	<u>\$ 36,930</u>	<u>\$ 16,961</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 150,000	\$ 150,000	\$ 156,408	\$ 6,408
Other	3,000	3,000	4,123	1,123
Total revenues	<u>153,000</u>	<u>153,000</u>	<u>160,531</u>	<u>7,531</u>
Expenditures:				
Current:				
General government				
Contractual services	217,107	217,107	14,872	202,235
Total expenditures	<u>217,107</u>	<u>217,107</u>	<u>14,872</u>	<u>202,235</u>
Net change in fund balance	(64,107)	(64,107)	145,659	209,766
Fund balance at beginning of year	63,782	63,782	63,782	-
Prior year encumbrances appropriated	<u>325</u>	<u>325</u>	<u>325</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,766</u>	<u>\$ 209,766</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COSTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 250,000	\$ 250,000	\$ 245,794	\$ (4,206)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>245,794</u>	<u>(4,206)</u>
Expenditures:				
Current:				
General government				
Other	122,474	122,474	-	122,474
Debt service				
Principal retirement	125,396	125,396	125,396	-
Interest and fiscal charges	2,130	2,130	2,130	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>127,526</u>	<u>122,474</u>
Net change in fund balance	-	-	118,268	118,268
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>\$ 118,268</u>	<u>\$ 118,268</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 9,000	\$ 7,900	\$ 2,414	\$ (5,486)
Special assessments	900	900	417	(483)
Investment income	-	1,100	1,086	(14)
	<u>9,900</u>	<u>9,900</u>	<u>3,917</u>	<u>(5,983)</u>
Expenditures:				
Current:				
General government				
Other	378,766	378,766	378,766	-
Debt service				
Principal retirement	566,585	566,585	566,585	-
Interest and fiscal charges	98,781	98,781	98,781	-
	<u>1,044,132</u>	<u>1,044,132</u>	<u>1,044,132</u>	<u>-</u>
Net change in fund balance	(1,034,232)	(1,034,232)	(1,040,215)	(5,983)
Fund balance at beginning of year	<u>2,982,961</u>	<u>2,982,961</u>	<u>2,982,961</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,948,729</u>	<u>\$ 1,948,729</u>	<u>\$ 1,942,746</u>	<u>\$ (5,983)</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ 239,000	\$ 122,088	\$ (116,912)
Total revenues	-	239,000	122,088	(116,912)
Expenditures:				
Capital outlay	4,685,464	4,685,464	4,222,733	462,731
Total expenditures	4,685,464	4,685,464	4,222,733	462,731
Deficiency of revenues under expenditures	(4,685,464)	(4,446,464)	(4,100,645)	345,819
Other financing sources:				
Transfers in	3,323,963	3,084,963	3,212,770	127,807
Total other financing sources	3,323,963	3,084,963	3,212,770	127,807
Net change in fund balance	(1,361,501)	(1,361,501)	(887,875)	473,626
Fund balance at beginning of year	788,344	788,344	788,344	-
Prior year encumbrances appropriated	603,027	603,027	603,027	-
Fund balance at end of year.	<u>\$ 29,870</u>	<u>\$ 29,870</u>	<u>\$ 503,496</u>	<u>\$ 473,626</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 430,400	\$ 1,859,227	\$ 309,775	\$ (1,549,452)
Total revenues	<u>430,400</u>	<u>1,859,227</u>	<u>309,775</u>	<u>(1,549,452)</u>
Expenditures:				
Capital outlay	<u>783,827</u>	<u>2,283,827</u>	<u>518,502</u>	<u>1,765,325</u>
Total expenditures	<u>783,827</u>	<u>2,283,827</u>	<u>518,502</u>	<u>1,765,325</u>
Net change in fund balance	(353,427)	(424,600)	(208,727)	215,873
Fund balance at beginning of year	369,897	369,897	369,897	
Prior year encumbrances appropriated	<u>54,703</u>	<u>54,703</u>	<u>54,703</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,173</u>	<u>\$ -</u>	<u>\$ 215,873</u>	<u>\$ 215,873</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 5,000	\$ 5,000	\$ 2,991	\$ (2,009)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,991</u>	<u>(2,009)</u>
Expenditures:				
Capital outlay	<u>1,197,591</u>	<u>1,197,391</u>	<u>29,079</u>	<u>1,168,312</u>
Total expenditures	<u>1,197,591</u>	<u>1,197,391</u>	<u>29,079</u>	<u>1,168,312</u>
Deficiency of revenues under expenditures	<u>(1,192,591)</u>	<u>(1,192,391)</u>	<u>(26,088)</u>	<u>1,166,303</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
Total other financing uses	<u>-</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
Net change in fund balance	(1,192,591)	(1,192,591)	(26,088)	1,166,503
Fund balance at beginning of year	1,187,127	1,187,127	1,187,127	-
Prior year encumbrances appropriated	10,394	10,394	10,394	-
Fund balance at end of year.	<u>\$ 4,930</u>	<u>\$ 4,930</u>	<u>\$ 1,171,433</u>	<u>\$ 1,166,503</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 155,100	\$ 155,100	\$ 128,561	\$ (26,539)
Other	1,500	1,500	762	(738)
Total revenues	<u>156,600</u>	<u>156,600</u>	<u>129,323</u>	<u>(27,277)</u>
Expenses:				
Personal services	204,735	208,785	206,729	2,056
Fringe benefits	41,874	41,874	41,410	464
Materials and supplies	26,250	26,250	24,513	1,737
Contractual services	19,411	19,411	-	19,411
Utilities	63,228	63,228	55,090	8,138
Other	26,173	26,173	25,155	1,018
Total expenses	<u>381,671</u>	<u>385,721</u>	<u>352,897</u>	<u>32,824</u>
Deficiency of revenues under expenses	<u>(225,071)</u>	<u>(229,121)</u>	<u>(223,574)</u>	<u>5,547</u>
Transfers in	265,000	265,000	265,000	-
Transfers out	<u>(132,286)</u>	<u>(128,236)</u>	<u>(95,461)</u>	<u>32,775</u>
Net change in fund equity	(92,357)	(92,357)	(54,035)	38,322
Fund equity at beginning of year	65,002	65,002	65,002	-
Prior year encumbrances appropriated	<u>31,301</u>	<u>31,301</u>	<u>31,301</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,946</u>	<u>\$ 3,946</u>	<u>\$ 42,268</u>	<u>\$ 38,322</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARKING GARAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 43,000	\$ 43,000	\$ 32,607	\$ (10,393)
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>32,607</u>	<u>(10,393)</u>
Expenses:				
Contractual services	<u>116,158</u>	<u>116,158</u>	<u>28,794</u>	<u>87,364</u>
Total expenses	<u>116,158</u>	<u>116,158</u>	<u>28,794</u>	<u>87,364</u>
Excess (deficiency) of revenues over (under) expenses	<u>(73,158)</u>	<u>(73,158)</u>	<u>3,813</u>	<u>76,971</u>
Transfers out	<u>(14,607)</u>	<u>(14,607)</u>	<u>(14,607)</u>	<u>-</u>
Net change in fund equity	<u>(87,765)</u>	<u>(87,765)</u>	<u>(10,794)</u>	<u>76,971</u>
Fund equity at beginning of year	<u>59,224</u>	<u>59,224</u>	<u>59,224</u>	<u>-</u>
Prior year encumbrances appropriated	<u>28,541</u>	<u>28,541</u>	<u>28,541</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,971</u>	<u>\$ 76,971</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,500	\$ 1,500	\$ 2,171	\$ 671
Total revenues.	<u>1,500</u>	<u>1,500</u>	<u>2,171</u>	<u>671</u>
Expenses:				
Personal services.	347,372	347,372	314,486	32,886
Fringe benefits.	76,129	76,129	68,770	7,359
Materials and supplies	671,933	671,933	557,524	114,409
Contractual services	37,924	37,924	37,924	-
Utilities	70,000	70,000	65,110	4,890
Capital outlay	71,198	71,198	71,198	-
Total expenses	<u>1,274,556</u>	<u>1,274,556</u>	<u>1,115,012</u>	<u>159,544</u>
Deficiency of revenues under expenses	<u>(1,273,056)</u>	<u>(1,273,056)</u>	<u>(1,112,841)</u>	<u>160,215</u>
Transfers in	1,156,051	1,156,051	1,084,549	(71,502)
Transfers out	<u>(186,029)</u>	<u>(186,029)</u>	<u>(186,029)</u>	<u>-</u>
Net change in fund equity	(303,034)	(303,034)	(214,321)	88,713
Fund equity at beginning of year	376,501	376,501	376,501	-
Prior year encumbrances appropriated	<u>302,697</u>	<u>302,697</u>	<u>302,697</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 376,164</u>	<u>\$ 376,164</u>	<u>\$ 464,877</u>	<u>\$ 88,713</u>

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DATA PROCESSING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenses:				
Personal services	\$ 194,412	\$ 194,412	\$ 190,434	\$ 3,978
Fringe benefits	31,392	31,392	29,907	1,485
Materials and supplies	38,493	38,493	28,315	10,178
Contractual services	267,470	267,470	238,605	28,865
Capital outlay	37,510	37,510	36,898	612
Total expenses	<u>569,277</u>	<u>569,277</u>	<u>524,159</u>	<u>45,118</u>
Deficiency of revenues under expenses	<u>(569,277)</u>	<u>(569,277)</u>	<u>(524,159)</u>	<u>45,118</u>
Transfers in	579,311	579,311	579,311	-
Transfers out	<u>(82,556)</u>	<u>(82,556)</u>	<u>(82,556)</u>	<u>-</u>
Net change in fund equity	(72,522)	(72,522)	(27,404)	45,118
Fund equity at beginning of year	1,198	1,198	1,198	-
Prior year encumbrances appropriated	<u>71,324</u>	<u>71,324</u>	<u>71,324</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,118</u>	<u>\$ 45,118</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 3,050	\$ 3,050	\$ 4,084	\$ 1,034
Total revenues.	<u>3,050</u>	<u>3,050</u>	<u>4,084</u>	<u>1,034</u>
Expenses:				
Personal services.	590,660	590,660	583,673	6,987
Fringe benefits.	134,904	134,904	121,061	13,843
Materials and supplies	219,124	216,124	200,776	15,348
Contractual services	18,861	21,861	20,639	1,222
Total expenses	<u>963,549</u>	<u>963,549</u>	<u>926,149</u>	<u>37,400</u>
Deficiency of revenues under expenses	<u>(960,499)</u>	<u>(960,499)</u>	<u>(922,065)</u>	<u>38,434</u>
Transfers in	1,332,000	1,332,000	1,332,000	-
Transfers out	<u>(405,955)</u>	<u>(405,955)</u>	<u>(405,955)</u>	<u>-</u>
Net change in fund equity	(34,454)	(34,454)	3,980	38,434
Fund equity at beginning of year	13,593	13,593	13,593	-
Prior year encumbrances appropriated	20,963	20,963	20,963	-
Fund equity at end of year.	<u>\$ 102</u>	<u>\$ 102</u>	<u>\$ 38,536</u>	<u>\$ 38,434</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 360,000	\$ 360,000	\$ 653,575	\$ 293,575
Total revenues.	<u>360,000</u>	<u>360,000</u>	<u>653,575</u>	<u>293,575</u>
Expenses:				
Contractual services	<u>6,697,788</u>	<u>6,697,788</u>	<u>6,042,210</u>	<u>655,578</u>
Total expenses	<u>6,697,788</u>	<u>6,697,788</u>	<u>6,042,210</u>	<u>655,578</u>
Deficiency of revenues under expenses	<u>(6,337,788)</u>	<u>(6,337,788)</u>	<u>(5,388,635)</u>	<u>949,153</u>
Transfers in	7,291,000	7,291,000	6,437,848	(853,152)
Transfers out	<u>(980,000)</u>	<u>(980,000)</u>	<u>(980,000)</u>	<u>-</u>
Net change in fund equity	(26,788)	(26,788)	69,213	96,001
Fund equity at beginning of year	<u>26,788</u>	<u>26,788</u>	<u>26,788</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,001</u>	<u>\$ 96,001</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ 7,075	\$ 7,075	\$ -
Total revenues.	-	7,075	7,075	-
Expenses:				
Contractual services	450,002	450,002	437,638	12,364
Total expenses	450,002	450,002	437,638	12,364
Deficiency of revenues under expenses	(450,002)	(442,927)	(430,563)	12,364
Transfers in	418,137	418,139	418,139	-
Net change in fund equity	(31,865)	(24,788)	(12,424)	12,364
Fund equity at beginning of year	<u>31,865</u>	<u>31,865</u>	<u>31,865</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ 7,077</u>	<u>\$ 19,441</u>	<u>\$ 12,364</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ 10,000	\$ 17,299	\$ 7,299
Total revenues.	-	10,000	17,299	7,299
Expenses:				
Contractual services	700,000	700,000	686,088	13,912
Total expenses	700,000	700,000	686,088	13,912
Deficiency of revenues under expenses	(700,000)	(690,000)	(668,789)	21,211
Transfers in	615,419	615,420	615,420	-
Net change in fund equity	(84,581)	(74,580)	(53,369)	21,211
Fund equity at beginning of year	<u>84,703</u>	<u>84,703</u>	<u>84,703</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 122</u>	<u>\$ 10,123</u>	<u>\$ 31,334</u>	<u>\$ 21,211</u>

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Statistical Section

STATISTICAL SECTION

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

CITY OF MANSFIELD, OHIO

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Public Safety	\$ 668	\$ 794	\$ 884	\$ 902	\$ 1,119	\$ 1,120	\$ 1,262	\$ 1,061	\$ 928	\$ 898
Public Health and Welfare	28	28	29	28	28	30	30	30	59	42
Leisure Time Activities	883	831	862	841	968	1,064	1,012	836	528	391
Community Environment	438	485	463	511	582	545	595	553	467	390
General Government	6,506	6,086	6,663	6,592	7,786	7,999	8,347	7,844	6,274	6,649
Interest	-	-	-	-	-	-	-	-	-	44
Total	<u>\$ 8,523</u>	<u>\$ 8,224</u>	<u>\$ 8,901</u>	<u>\$ 8,874</u>	<u>\$ 10,483</u>	<u>\$ 10,758</u>	<u>\$ 11,246</u>	<u>\$ 10,324</u>	<u>\$ 8,256</u>	<u>\$ 8,414</u>

(1) Includes only the general fund.

Source: Finance Department; City of Mansfield, Ohio

CITY OF MANSFIELD, OHIO

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Property and Other Taxes	\$ 1,401	\$ 1,401	\$ 1,532	\$ 1,580	\$ 1,554	\$ 1,685	\$ 1,955	\$ 1,838	\$ 1,941	\$ 1,976
Municipal Income Taxes	596	224	892	445	457	430	446	951	395	743
Special Assessments	8	7	12	16	13	20	30	23	46	25
Intergovernmental	3,592	3,511	3,828	4,883	4,799	5,418	4,754	4,283	4,516	4,528
Charges for Services	57	46	43	32	44	40	40	43	36	82
Licenses, Permits and Fees	325	362	348	415	475	419	419	406	456	684
Fines and Forfeitures	1,672	1,494	1,520	1,588	1,495	1,532	1,543	1,515	1,375	1,319
Investment Income	1,190	1,099	1,085	1,151	991	1,785	1,034	606	446	263
Other	5	35	58	43	89	83	40	190	161	89
Total	\$ 8,846	\$ 8,179	\$ 9,318	\$ 10,153	\$ 9,917	\$ 11,412	\$ 10,261	\$ 9,855	\$ 9,372	\$ 9,709

(1) Includes only the general fund.

Source: Finance Department; City of Mansfield, Ohio

CITY OF MANSFIELD, OHIO

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

Collection Year	Billed (1)	Collected (2)	% Collected	Delinquent	
				Current	Accumulated
2004	\$ 2,004,286	\$ 2,002,840	99.9%	\$ 266,966	\$ 2,324,311
2003	1,900,247	1,715,056	90.2%	262,544	2,057,345
2002 (3)	1,868,997	1,636,801	87.5%	243,604	1,794,801
2001	2,671,096	2,634,667	98.6%	316,140	1,551,197
2000	2,709,006	2,649,291	97.8%	251,848	1,514,768
1999	2,277,372	2,572,404	112.9%	412,503	1,455,053
1998	2,337,323	2,337,330	100.0%	105,217	1,101,247
1997	2,313,875	2,131,475	92.1%	206,922	1,141,254
1996	2,257,715	2,182,732	96.7%	183,992	958,854
1995	2,300,180	2,293,825	99.7%	243,319	857,852

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

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

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

Source: Richland County Auditor

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

CITY OF MANSFIELD, OHIO

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

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>% Collected</u>	<u>Delinquent</u>	
				<u>Current</u>	<u>Accumulated</u>
2004	\$ 495,186	\$ 487,072	98.4%	\$ 8,114	\$ 113,825
2003	429,084	421,587	98.2%	7,497	127,004
2002 (2)	435,686	427,099	98.0%	8,587	119,507
2001	454,467	446,200	98.2%	8,267	110,290
2000	633,510	615,018	97.0%	18,492	102,023
1999	614,053	579,394	94.4%	34,658	83,351
1998	558,658	534,485	95.7%	36,688	48,692
1997	548,516	566,082	103.2%	34,717	59,236
1996	514,259	510,123	99.2%	4,403	42,085
1995	425,264	417,658	98.2%	7,606	36,224

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

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

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

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

Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
2004	\$ 553,471,750	\$ 1,581,347,857	\$ 145,331,157	\$ 631,874,595
2003	547,450,210	1,564,143,457	135,796,578	565,819,075
2002 (3)	516,602,240	1,474,320,690	135,757,108	543,028,432
2001	508,185,870	1,451,959,430	132,414,802	529,659,208
2000	512,865,440	1,465,329,830	138,798,968	555,195,870
1999 (4)	425,438,580	1,215,538,800	123,722,561	494,890,244
1998	418,068,420	1,194,481,200	124,742,880	498,971,520
1997	412,653,410	1,179,009,743	103,856,310	415,425,240
1996 (3)	389,147,450	1,111,849,857	87,458,330	349,833,320
1995	386,054,030	1,103,011,514	86,120,223	344,480,892

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update Year

(4) Reappraisal Year

Source: Richland County Auditor

Public Utility (2)		Totals		Assessed Value as a percent of Estimated Actual Value
Assessed	Estimated Actual	Assessed	Estimated Actual	
\$ 22,170,430	\$ 63,344,086	\$ 720,973,337	\$ 2,276,566,538	31.67%
22,535,120	64,386,057	705,781,908	2,194,348,589	32.16%
22,651,870	64,719,630	675,011,218	2,082,068,752	32.42%
29,414,430	84,041,230	670,015,102	2,065,659,868	32.44%
32,355,880	92,445,400	684,020,288	2,112,971,100	32.37%
31,699,550	90,570,143	580,860,691	1,800,999,187	32.25%
34,050,070	97,285,914	576,861,370	1,790,738,634	32.21%
35,051,420	100,146,914	551,561,140	1,694,581,897	32.55%
36,865,250	105,329,286	513,471,030	1,567,012,463	32.77%
39,941,590	114,118,829	512,115,843	1,561,611,235	32.79%

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
2004	\$ 3.00	\$ 0.60	\$ -	\$ 3.60	\$ 11.40	\$ 66.05	\$ 81.05
2003	3.00	0.60	-	3.60	9.00	66.15	78.75
2002	3.00	0.60	-	3.60	9.00	66.15	78.75
2001	3.00	0.60	1.50	5.10	9.00	66.15	80.25
2000	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1999	3.00	0.60	1.50	5.10	9.00	66.15	80.25
1998	3.00	0.60	1.50	5.10	11.00	59.05	75.15
1997	3.00	0.60	1.70	5.30	11.00	59.35	75.65
1996	3.00	0.60	1.70	5.30	11.00	60.15	76.45
1995	3.00	0.60	1.80	5.40	8.50	59.95	73.85

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

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

(3) Includes Mansfield Township portion.

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>Percent Collected</u>	<u>Accumulated Delinquent</u>
2004	\$ 74,549	\$ 37,359	50%	\$ 652,365
2003	132,315	61,697	47%	615,175
2002	109,960	66,195	60%	632,062
2001	119,085	85,266	72%	588,297
2000	85,800	67,600	79%	554,478
1999	80,410	65,350	81%	536,278
1998	148,265	98,550	66%	521,218
1997	101,770	88,486	87%	471,476
1996	97,519	94,942	97%	458,192
1995	115,151	109,824	95%	455,615

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

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
(DOLLAR AMOUNTS IN 000'S)

Year	Population (1)	Assessed Value (3)	Gross General Obligation Bonded Debt (2,4)	Less Debt Service Fund Balance (4)	Less Debt Payable from Enterprise Revenues
2004	51,600	\$ 720,973	\$ 7,835	\$ 1,946	\$ 3,100
2003	51,600	705,782	11,090	2,987	3,380
2002	51,600	675,011	12,200	3,687	3,650
2001	51,600	670,015	5,920	3,508	3,910
2000	51,600	684,020	6,955	2,946	4,230
1999	50,627	580,860	8,030	1,938	4,893
1998	50,627	576,861	9,230	2,497	5,287
1997	50,627	551,561	10,295	2,369	5,300
1996	50,627	513,471	11,405	2,226	5,710
1995	50,627	512,116	12,560	2,018	6,110

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

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

(3) Source: Richland County Auditor

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

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

Less Debt Payable from Municipal Income Taxes	Net General Obligation Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$ -	\$ 2,789	0.39%	\$ 54.05
-	4,723	0.67%	91.53
-	4,863	0.72%	94.24
-	(1,498) (5)	0.00%	-
-	(221) (5)	0.00%	-
-	1,199	0.21%	23.68
-	1,446	0.25%	28.56
-	2,626	0.48%	51.87
-	3,469	0.68%	68.52
-	4,432	0.87%	87.54

CITY OF MANSFIELD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5 1/2%)
AT DECEMBER 31, 2004**

COMPUTATION OF UNVOTED LEGAL DEBT MARGIN

Assessed Value		<u>\$ 720,973,337</u>
Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation		39,653,534
Total Unvoted Debt Outstanding at December 31, 2004	\$ 7,358,139	
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues	(3,100,000)	
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>(3,139)</u>	
Debt Within 5 1/2 Percent Limitation	4,255,000	
Less: Debt Service Fund Balance	<u>(1,945,879)</u>	
Net Debt Subject to 5 1/2 Percent Limitation		<u>2,309,121</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u>\$ 37,344,413</u>

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
VOTED AND UNVOTED DEBT LIMIT (10 1/2%)
AT DECEMBER 31, 2004**

COMPUTATION OF OVERALL LEGAL DEBT MARGIN

Assessed Value		<u>\$ 720,973,337</u>
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation		75,702,200
Total Voted and Unvoted Debt Outstanding at December 31, 2004	\$ 7,838,139	
Less: Exempt Debt Unvoted General Obligation Bonds to be paid from Water system revenues	(3,100,000)	
Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments	<u>(3,139)</u>	
Debt Within 10 1/2 Percent Limitation	4,735,000	
Less: Debt Service Fund Balance	<u>(1,945,879)</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>2,789,121</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u>\$ 72,913,079</u>

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2004

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable to City (2)</u>	<u>City's Share</u>
Direct:			
City of Mansfield	\$ 2,789,000	100.00%	\$ 2,789,000
Overlapping Debt:			
Richland County	30,713,550	34.03%	10,451,821
Mansfield City School District	19,629,801	68.19%	13,385,561
Crestview Local School District	4,729,617	13.06%	617,688
Lexington Local School District	250,000	43.63%	109,075
Madison Local School District	805,000	52.51%	422,706
Ontario Local School District	16,814,984	48.65%	8,180,490
Pioneer Career and Technology Center	560,000	32.69%	183,064
Mansfield-Richland County Library	975,000	38.92%	379,470
Total Direct and Overlapping Debt	<u>\$ 77,266,952</u>		<u>\$ 36,518,875</u>

(1) Source: Richland County Auditor. Amount of debt does not include any balances in debt service funds of the City.

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

CITY OF MANSFIELD, OHIO

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

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Expenditures
2004	\$ 705,000	\$ 227,200	\$ 932,200	\$ 8,414,262	11.08%
2003	840,000	408,648	1,248,648	8,256,114	15.12%
2002	525,000	77,310	602,310	10,323,950	5.83%
2001	715,000	108,475	823,475	11,246,487	7.32%
2000	720,000	138,790	858,790	10,757,675	7.98%
1999	855,000	187,970	1,042,970	10,482,912	9.95%
1998	525,000	194,765	719,765	8,873,861	8.11% (2)
1997	765,000	379,085	1,144,085	8,900,721	12.85%
1996	745,000	425,525	1,170,525	8,224,979	14.23%
1995	730,000	470,150	1,200,150	8,522,943	14.08%

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

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

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

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

Year	Operating Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (1)			Coverage %
				Principal	Interest	Total	
<u>Water</u>							
2004	\$ 7,952,678	\$ 6,885,565	\$ 1,067,113	\$ 280,000	\$ 193,903	\$ 473,903	2.25
2003	7,439,411	6,573,158	866,253	270,000	207,633	477,633	1.81
2002	6,120,456	5,954,985	165,471	260,000	220,525	480,525	0.34
2001	6,764,421	5,493,767	1,270,654	245,000	232,340	477,340	2.66
2000	6,691,283	5,260,934	1,430,349	230,000	249,810	479,810	2.98
1999	6,071,535	4,889,865	1,181,670	250,000	272,340	522,340	2.26
1998	5,795,163	4,149,921	1,645,242	240,000	283,098	523,098	3.15
1997	5,584,303	4,691,555	892,748	255,000	294,385	549,385	1.62
1996	5,335,803	4,047,749	1,288,054	245,000	304,798	549,798	2.34
1995	4,730,146	4,264,281	465,865	265,000	316,273	581,273	0.80
<u>Sewer</u>							
2004	\$ 7,863,166	\$ 6,345,814	\$ 1,517,352	\$ -	\$ -	\$ -	-
2003	6,788,952	5,735,172	1,053,780	-	-	-	-
2002	5,300,947	5,274,709	26,238	-	-	-	-
2001	5,302,102	5,457,321	(155,219)	75,000	4,031	79,031	-
2000	5,105,072	5,282,641	(177,569)	95,000	9,313	104,313	-
1999	5,178,065	4,356,216	821,849	95,000	14,594	109,594	7.50
1998	5,440,364	4,931,726	508,638	130,000	22,000	152,000	3.35
1997	4,929,424	4,567,078	362,346	155,000	30,719	185,719	1.95
1996	4,814,818	4,788,439	26,379	155,000	39,438	194,438	0.14
1995	4,752,243	4,538,698	213,545	205,000	51,531	256,531	0.83

(1) Current year only.

(2) Net of depreciation expense.

Source: City of Mansfield, Ohio; Finance Department

CITY OF MANSFIELD, OHIO

DEMOGRAPHIC STATISTICS
DECEMBER 31, 2004

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

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

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

<u>Unemployment Rates</u>			
<u>Year</u>	<u>City of Mansfield</u>	<u>State of Ohio</u>	<u>United States</u>
2004	7.1%	6.1%	5.4%
2003	7.9%	6.2%	5.7%
2002	6.7%	5.2%	6.0%
2001	6.9%	4.5%	5.4%
2000	7.1%	4.1%	4.0%

Source: U.S. Bureau of Labor Services

CITY OF MANSFIELD, OHIO

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Year	Commercial Construction		Residential Construction		Bank Deposits (1,2)	Assessed Property Value (3)		
	Number of Units	Value	Number of Units	Value		Commercial/Industrial	Residential/Agriculture	Nontaxable
2004	108	\$ 26,975,415	209	\$ 13,576,835	\$ 386,652	\$ 168,674,990	\$ 385,723,970	\$ 181,768,980
2003	99	12,163,425	111	11,199,171	861,673	164,463,110	382,987,000	159,429,790
2002	93	15,928,570	197	11,421,898	858,312	167,490,150	348,388,550	156,332,510
2001	97	51,410,100	107	9,210,255	828,782	161,299,780	346,749,920	153,733,650
2000	117	42,086,297	226	9,976,497	768,325	166,013,230	346,725,290	149,263,330
1999	392	43,048,998	186	6,840,548	774,137	166,140,150	346,725,290	149,263,330
1998	123	26,720,533	211	7,956,786	746,517	147,651,220	271,851,010	128,364,160
1997	129	27,117,882	200	6,651,672	685,174	148,358,570	269,709,850	126,303,570
1996	81	14,069,914	191	7,471,295	1,013,018	145,934,840	266,718,970	121,622,070
1995	110	17,229,910	193	6,047,133	882,161	145,697,990	243,449,460	117,278,470

(1) Figures reflect totals for Richland County

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

(3) Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

REAL AND TANGIBLE PERSONAL PROPERTY
PRINCIPAL TAXPAYERS
DECEMBER 31, 2004

Real: Excluding Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Newman Technology	Manufacturing	\$ 4,300,880	0.78%
Sprint	Communications	3,572,750	0.65%
Willard Rental Properties	Rentals	2,316,360	0.42%
AK Steel Corporation	Steel and Steel Products	2,310,070	0.42%
Jay Industries	Manufacturing	1,975,630	0.36%
Shiloh Corporation	Tool & Die	1,918,800	0.35%
Gorman Rupp Company	Pumps and Pumping Units	1,814,870	0.33%
Stimens Apartments	Rentals	1,571,860	0.28%
Therm-O-Disc	Thermostats	1,554,810	0.28%
Triad Senior Living	Assisted Living	1,463,580	0.26%
Totals		<u>\$ 22,799,610</u>	<u>4.13%</u>

Tangible Personal: Excluding Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Newman Technology	Manufacturing	\$ 29,036,560	19.98%
AK Steel Corporation	Steel and Steel Products	15,842,550	10.90%
Jay Industries	Manufacturing	9,276,100	6.38%
Gorman Rupp Company	Pumps and Pumping Units	8,453,200	5.82%
Therm-O-Disc	Thermostats	6,489,310	4.47%
Shiloh Corporation	Tool & Die	3,510,410	2.42%
Ideal Electric	Electric Motors, Generators	2,715,760	1.87%
Graham Chevrolet Company	Car Dealership	2,094,960	1.44%
Gannett Company Inc.	Newspaper/Publishing	1,950,200	1.34%
Time Warner Entertainment	Cable Company	1,936,100	1.33%
Totals		<u>\$ 81,305,150</u>	<u>55.95%</u>

Public Utility

<u>Name of Taxpayer</u>	<u>Nature of Utility</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Sprint	Telephones	\$ 7,334,250	33.08%
Ohio Edison	Electric	5,857,540	26.42%
American Transmissions	Electric	3,992,190	18.01%
Columbia Gas Company	Natural Gas	1,937,500	8.74%
Totals		<u>\$ 19,121,480</u>	<u>86.25%</u>

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2004

Date of incorporation	1857
Form of government	Council/Mayor
Area - square miles	29.02
Miles of streets	295
Fire Protection:	
Number of stations	5
Number of sworn firemen	93
Police Protection:	
Number of stations	1
Number of sworn policemen	87
Municipal Water Department:	
Number of customers	20,152
Average daily consumption (gallons)	10,000,000
Miles of water mains	250
Municipal Sewage System:	
Miles of sanitary sewer	200
Mansfield Parks System:	
Number of parks	28
Area (number of acres)	435
Transportation:	
Air	
Number of airports	1
Land	
Number of trucking firms	16
Interstate bus lines	1
Local bus lines	1
Rail	
Number of railroad systems	2
Education (students)	
Ohio State University - Mansfield Branch	1,628
North Central State College	3,497



**Auditor of State
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CITY OF MANSFIELD

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 8, 2005**