



**Auditor of State  
Betty Montgomery**



CITY OF MANSFIELD  
RICHLAND COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL 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 general purpose financial statements of the City of Mansfield, Richland, Ohio (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2002-001.

We also noted an immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 20, 2003.

**Internal Control Over Financial Reporting**

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 20, 2003.

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City of Mansfield  
Richland County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

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 20, 2003



## 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 are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2002-002 and 2002-003.

We also noted certain instances of noncompliance that do not require inclusion in this report that we have reported to management of the City in a separate letter dated June 20, 2003.

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### **Internal Control Over Compliance**

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

We noted a certain matter involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2002-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance 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 to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 20, 2003.

### **Schedule of Receipts and Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City as of and for the year ended December 31, 2002, and have issued our report thereon dated June 20, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

June 20, 2003

**CITY OF MANSFIELD  
RICHLAND COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Grant/ Project Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>					
<i>Direct Programs:</i>					
Community Development Block Grants/Entitlement Grants	14.218	N/A	CB-98-MC-39-0017	\$124,806	\$124,806
			CB-99-MC-39-0017	28,231	409,640
			CB-00-MC-39-0017	279,284	280,562
			CB-01-MC-39-0017	450,992	447,756
			CB-02-MC-39-0017	378,605	146,210
Total Community Development Block Grants/Entitlement Grants				1,261,918	1,408,974
HOME Investment Partnerships Program	14.239	N/A	M-98-MC-39-0221	22,346	22,173
			M-99-MC-39-0221	140,419	140,583
			M-00-MC-39-0221	265,114	265,126
			M-01-MC-39-0221	172,329	172,385
			M-02-MC-39-0221	67,742	43,286
Total HOME Investment Partnerships Program				667,950	643,553
Total U.S. Department of Housing and Urban Development				1,929,868	2,052,527
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>					
<i>Direct Programs:</i>					
Local Law Enforcement Block Grants Program	16.592	N/A	1999LBVX2213	0	67,249
			2000LBVX2213	0	143,219
			2001LBVX2213	0	685
			2002LBVX2213	49,132	0
Total Local Law Enforcement Block Grants Program				49,132	211,153
Bulletproof Vest Partnership Program	16.607	N/A	Not Available	3,272	3,272
<i>Passed through the Ohio Department of Youth Services:</i>					
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	Not Available	2000-JV-T50-5032	43,312	43,312
<i>Passed through the Ohio Bureau of Criminal Identification &amp; Investigation, Office of the Attorney General:</i>					
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	Not Available	Not Available	49,454	6,918
Crime Laboratory Improvement_Combined Offender DNA Index System Backlog Reduction	16.564	Not Available	2002-DN-BX-K009	0	1,710
<i>Passed through the Ohio Attorney General's Office:</i>					
Crime Victim Assistance	16.575	Not Available	2002-VADSCE019	19,544	19,544
			2002-VADSCE557	15,498	15,498
			2003-VAGENE019	8,685	8,685
			2003-VADENE557	7,748	7,748
Total Crime Victim Assistance				51,475	51,475
<i>Passed through the Office of Criminal Justice Services:</i>					
Byrne Formula Grant Program	16.579	Not Available	00-DG-A01-7008	2,250	21,663
			01-DG-A01-7008	193,875	211,747
			01-DG-F01-7031	61,895	67,701
Total Byrne Formula Grant Program				258,020	301,111
Total U.S. Department of Justice				454,665	618,951

**CITY OF MANSFIELD  
RICHLAND COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Grant/ Project Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF LABOR</u></b>					
<i>Passed through the Ohio Department of Job &amp; Family Services: Passed through Morrow-Ashland-Richland-Crawford Job Training Office:</i>					
WIA Youth Activities	17.259	Not Available	Not Available	102,965	102,965
<i>Passed through the Ohio Department of Jobs &amp; Family Services: Passed through the Richland County Department of Jobs &amp; Family Services:</i>					
WIA Youth Activities	17.259	Not Available	Not Available Not Available	332,562 301,501	334,229 359,474
				<u>634,063</u>	<u>693,703</u>
Total U.S. Department of Labor/WIA Youth Activities				737,028	796,668
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
<i>Direct Program:</i>					
Airport Improvement Program	20.106	N/A	3-39-0049-16-99 3-39-0049-17-01	39,218 154,887	5,900 155,643
Total Airport Improvement Program				<u>194,105</u>	<u>161,543</u>
<i>Passed through the Ohio Department of Transportation Highway Planning and Construction</i>					
Highway Planning and Construction	20.205	Not Available	Not Available	123,907	123,907
<i>Passed through the Ohio Department of Public Safety - The Governor's Highway Safety Office:</i>					
Highway Safety Cluster: State and Community Highway Safety	20.600	Not Available	2002-ALJ-N/1	30,631	29,687
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	Not Available	2002-J8C-J/6 2002-ALE-N/1	11,152 17,439	11,152 17,439
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants				<u>28,591</u>	<u>28,591</u>
Total Highway Safety Cluster				<u>59,222</u>	<u>58,278</u>
Total U.S. Department of Transportation				377,234	343,728
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
<i>Passed through the Ohio Department of Job &amp; Family Services: Passed through the Richland County Department of Jobs &amp; Family Services:</i>					
Temporary Assistance for Needy Families	93.558	Not Available	901	301,442	301,442
Total U.S. Department of Health and Human Services				<u>301,442</u>	<u>301,442</u>
Total				<u>\$3,800,237</u>	<u>\$4,113,316</u>

The notes to the Schedule of Receipts and Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF MANSFIELD  
RICHLAND COUNTY**

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Receipts and Expenditures of Federal Awards (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, 2002, the gross amount of loans outstanding was \$2,041,194 in Community Development Block Grant Loans; \$665,445 in Economic Development Loans; \$18,517 in Urban Development Action Grant Loans; and \$268,605 in Industrial Development Loans. Delinquent amounts due are \$129,969. During 2002, the City forgave \$187,070 in payments. The City has an allowance for doubtful accounts of \$121,970 at December 31, 2002.

**NOTE D - WORKFORCE INVESTMENT ACT ATTACHMENT SCHEDULES**

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

**NOTE E - MATCHING REQUIREMENTS**

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

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CITY OF MANSFIELD  
RICHLAND COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 §.505  
DECEMBER 31, 2002

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #14.239 – HOME Investment Partnership Program CFDA #16.579 – Byrne Formula Grant CFDA #17.259 – Workforce Investment Act – WIA Youth Activities CFDA #93.558 – Temporary Assistance for Needy Families CFDA #20.205 – Highway Planning and Construction
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

**Noncompliance**

**FINDING NUMBER 2002-001**

**Ohio Rev. Code Section 5705.10** requires that monies paid into any fund be used only for the purposes for which such fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The City had negative cash fund balances in the following funds during the fiscal year.

At October 31, 2002:

General - Safety Town Fund	\$1,799
Special Revenue - Police & Fire Fund	1,464,106
Internal Service - OML Self Insurance Fund	166
Agency - Transient Occupancy Tax Fund	909

At May 31, 2002:

Special Revenue - Police & Fire Fund	\$1,146,404
Special Revenue - Grant Fund	87,299
Internal Service - Data Processing Fund	38,146
Internal Service - Health Insurance Fund	516,155
Agency - Transient Occupancy Tax Fund	3,348

Negative cash fund balances are an indication that revenues from other funds were used to pay obligations of these funds. Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Revised Code.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**Noncompliance Finding and Questioned Cost**

<b>Finding Number</b>	2002-002
<b>CFDA Title and Number</b>	HOME Investment Partnership Program #14.239
<b>Federal Award Number / Year</b>	M-98-MC-39-0221 – 1998 M-99-MC-39-0221 – 1999 M-00-MC-39-0221 – 2000
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	N/A – Direct Program

**Noncompliance Finding and Questioned Cost  
 (Continued)**

**24 C.F.R. Section 92.64(a)(2)(i)** states 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)** any penalties assessed by HUD under Sec. 92.552.

Of the items tested for availability, 44% were not obligated within the required 24 months of the approval of the respective HOME Grants. These items resulted in known questioned costs of \$247,854 and projected questioned costs of \$306,653.

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 Reportable Condition**

<b>Finding Number</b>	2002-003
<b>CFDA Title and Number</b>	HOME Investment Partnership Program #14.239
<b>Federal Award Number / Year</b>	M-00-MC-39-0221 – 2000
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	N/A – Direct Program

**HUD’s “Building HOME, A Home Program Primer” Chapter 10 “Monitoring”** states that the Participating Jurisdiction (the City) is responsible for managing the day-to-day operations of their HOME Programs and ensuring that HOME funds are used in keeping with program requirements. Implementation of HOME Program activities by other entities (state, subrecipients, Community Housing Development Organizations (CHDO) etc.) does not relieve participating jurisdictions of this responsibility.

This chapter provides that participating jurisdictions should develop a monitoring plan at the beginning of each program year in order to match the available resources for monitoring with the needs and capacity of funded entities. A monitoring plan may include the following: objectives of the monitoring plan; standardized procedures for reporting by funding recipients; standardized procedures for review and monitoring; how risk will be identified and addressed; frequency of meetings, monitoring reviews and inspections; pre-monitoring preparation; use of staff and other resources for monitoring; monitoring “checklists”; and sample monitoring letters.

The City has developed a monitoring plan, however, the plan is vague and does not specifically address many of the aforementioned areas. In addition, the City has initiated some project monitoring by utilizing a “Subrecipient Monitoring” form to document on-site visits of various projects. The Community Development Department who administers the grant and is responsible for monitoring the subrecipient provided no documentation to support they followed the guidance outlined within this chapter for monitoring for this audit period.

The failure to perform adequate subrecipient monitoring could result in the temporary or permanent suspension of federal funding.

### **Noncompliance Finding and Reportable Condition (Continued)**

We recommend that the City's Community Development Department designate a staff person to perform this monitoring control and create a monitoring schedule which would include, but not be limited to:

- Establishing a tracking system to assure timely submission of required reporting, such as: financial reports, performance reports, audit reports, on-site monitoring reviews of subrecipients, and timely resolution of audit findings.
- Performing a supervisory review to determine the adequacy of subrecipient monitoring.
- Monitoring subrecipient's compliance with Federal program requirements using such techniques as the following:
  - Issuing timely management decisions for audit and monitoring findings to inform the subrecipient whether the corrective action planned is acceptable.
  - Regular contacts with subrecipients and appropriate inquiries concerning the Federal program.
  - Reviewing subrecipient reports and following-up on areas of concern.
  - Monitoring subrecipient budgets.
- Establishing written policies and procedures which address:
  - Communication of Federal award requirements to subrecipients.
  - Responsibilities for monitoring subrecipients.
  - Process and procedures for monitoring.
  - Methodology for resolving findings of subrecipient noncompliance or weaknesses in internal control.

**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, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-20570-001	24 C.F.R. Section 92.63 – The City paid subrecipient audit costs with HOME funds.	Yes	
2001-20570-002	24 C.F.R. Section 92.64(a)(2)(i) – HOME funds not obligated within the period of availability.	No	Not Corrected. Repeated as Finding #2002-002
2001-20570-003	24 C.F.R. Section 92.504(d)(2) – No sufficient documentation provided that on-site inspections of HOME assisted rental housing were performed.	No	Partially Corrected – Although inspections are performed, a management comment will be made to organize a central filing system.
2001-20570-004	The City did not set up a monitoring plan or risk assess their HOME Grant Subrecipient.	No	Partially Corrected – Revised and repeated as Finding #2002-003

**CITY OF MANSFIELD  
RICHLAND COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 §.315 (c)  
DECEMBER 31, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-002	We will improve monitoring controls over purchasing procedures to determine if obligations are within the period of availability.	Immediately	Cindy Baker
2002-003	We will make a more concerted effort to develop more comprehensive guidelines for overall monitoring and oversight by implementing suggestions made in our annual Assessment Report as well as recommendations from the Auditor of State.	July 1, 2003	Cindy Baker

# **City of Mansfield, Ohio**



**Comprehensive Annual Financial Report  
For The Year Ended December 31, 2002**



*City of Mansfield, Ohio*  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2002*

*Prepared By*  
*Department of Finance*

*Sandra L. Converse*  
*Director of Finance*

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## *INTRODUCTORY SECTION*



**CITY OF MANSFIELD, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

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# **CITY OF MANSFIELD**

30 N. Diamond St.  
Mansfield, Ohio 44902

SANDRA CONVERSE • FINANCE DIRECTOR

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

June 20, 2003

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

*As the Finance Director for the City of Mansfield, I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2002. This CAFR includes financial statements and other financial and statistical data that conforms to Generally Accepted Accounting Principles (GAAP) as applicable to government entities. 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 and account groups of the City of Mansfield. Governmental Accounting Standards Board Statement 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 1A further discusses the reporting entity.*

*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 transmittal letter, the GFOA Certificate of Achievement, a list of elected and principal appointed officials and department heads and the City's organizational chart. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the Independent Accountants' Report on the combined general purpose financial statements. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.*

## **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 and is the county seat. The City is an important industrial and marketing center located strategically between Cleveland and Columbus.*

*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 grand Renaissance Theater, a 1920's grand baroque theater.*

## **ECONOMIC CONDITION AND OUTLOOK**

*Staying with an aggressive economic development position. Mansfield again focused efforts in 2002 to development possibilities. In 2002, assistance in the form of enterprise zone tax abatements was granted to eight projects as incentive for investment in new facilities, equipment, and inventories. Investment in these projects is estimated to be approximately \$10,000,000. The project companies will create 51 new jobs and retain 20 jobs due to the investment.*

*The City of Mansfield will also continue to be aggressive in the future by continuing to administer a revolving loan program. During 2002, the City provided assistance to fifteen companies in the form of revolving loan agreements which totaled \$898,000. These loans leveraged approximately \$5,800,000 in additional investment in the projects, creating 98 new jobs and retaining 248.*

*Four new companies moved into the Airport Industrial Parks during 2002: Lennox Machine, Inc., Quality Telecommunications, Inc., Digital Telecommunications, Inc., and Home Design and Components, LLC. These companies created 65 new full-time jobs. In addition, seven expansion projects were completed by existing companies, which will create 95 new full-time jobs over the next two years. Expansion projects were completed by Newman Technologies, Milark Industries, Ohio Valley Manufacturing, Tri-R-Tooling, M K Metal Products, Skybox, and Discount Auto Parts Exchange.*

*In May of 2002, the City of Mansfield applied for and was granted an "Urban Setting Designation" for an area covering approximately 1,600 acres, which includes the majority of the potential future Brownfield properties as well as our current project sites. Receipt of this designation will aid property owners within the area in controlling Environmental Cleanup costs and will also encourage property owners to participate in the Ohio EPA Voluntary Action Program. Pursuit of the "Urban Setting Designation" was determined to be a key component to cost containment in our current Brownfield Projects which delayed the implementation of our Remedial Work Plans and "No Further Action" application. As of year end, our work plans and "No Further Action" applications are under review for the Johnson Controls and Tenneco projects and approvals should be in hand by the end of the first quarter 2003.*

*Ownership of the former Johnson Control property was transferred to Crane Plumbing during February of 2002. Crane Plumbing is in the process of completing their plans for renovation of the second building site.*

*Moritz International, Inc. has completed the renovations of the former Peabody Barnes office building and has moved into the space. The additional 26,000 square feet of space will double their production capacity and is projected to create an additional 10 new jobs. Their investment in the site is approximately \$250,000. The company will continue to lease the site until the environmental cleanup is complete and will exercise their purchase option at that time and take ownership of the site.*

*The Ohio Brass project has continued through 2002 with ongoing Environmental Assessment and Remediation activities. The City's Remediation Work Plans have been submitted to the Ohio EPA along with our initial "No Further Action" request. Approval is anticipated during the first quarter of 2003.*

## **MAJOR INITIATIVES**

*Plans for the construction of a Justice Center have been put on hold. The City's administration plans to review the economic condition for 2004 before a decision is made to begin construction. A new Justice*

Center would house the Municipal Court, Clerk of Court, and Law Director on the top two levels and a parking garage in the lower level of the building will accommodate approximately 50 parking spaces.

The Mansfield Alliance was formed in 2002 to develop a Revitalization Plan for the City's downtown and the Miracle Mile business area along Park Avenue West. This plan, which will be presented in 2003, will be overseen by the Alliance and unites the downtown and the Miracle Mile in a common effort.

The Route 30 expansion and improvement through the City began in March of 2003. After over forty years, the state finally gave high priority to this long overdue project through the efforts of our coalition of Route 30 stakeholders. Although there will be construction delays and detours with the resulting frustration, the end result will be well worth it.

The Mansfield Motorsports Speedway was completed in the spring of 2003. It will bring national attention to Mansfield as major races are televised. Mansfield will become a destination for race enthusiasts.

North Lake Park improvements and a new pavilion will get underway with grants from the Richland Foundation, the Rupp Foundation, the City of Mansfield, and the Rotary Club. This project will restore one of our oldest parks to its former glory.

## **FINANCIAL INFORMATION**

### *Accounting System and Internal Controls*

The City's records are maintained on a budgetary basis during the year for all fund types. After closing the year, adjusting entries are prepared for the various funds to convert the budget basis records to the modified accrual basis of accounting for governmental and related fiduciary fund types, and to the accrual basis of accounting for proprietary fund types. The modified accrual basis of accounting requires that revenues be recognized when both measurable and available. Expenditures, other than interest and principal on long term debt, are recognized in the accounting period in which the fund liability is incurred. The accrual basis of accounting used for the proprietary funds recognizes revenues when earned and expenses when incurred.

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:

1. The safeguarding of assets against loss from unauthorized use or disposition.
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that 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 accounts for which he/she is responsible. The report details monthly transactions and summarizes the budget balance available to be spent for goods and services.

**General Government Functions**

The governmental funds include the General, Special Revenue, Debt Service, and Capital Projects fund types. Governmental revenues totaled \$41,808,258 for the year ended December 31, 2002. The amount of revenues from various sources and a comparison with last year's amounts are shown on the following table:

REVENUE SOURCE	2001	2002	INCREASE (DECREASE)	PERCENT CHANGE
Property taxes	\$ 3,324,866	\$ 2,228,152	\$ (1,096,714)	(33.0)%
Municipal income tax	21,273,925	22,319,628	1,045,703	4.9
Special assessments	66,133	53,288	(12,845)	(19.4)
Intergovernmental	12,896,925	12,346,111	(550,814)	(4.3)
Charges for services	668,471	454,980	(213,491)	(32.0)
Fees, licenses, and permits	688,265	887,891	199,626	29.0
Interest earnings	1,354,661	905,511	(449,150)	(33.2)
Fines and forfeits	2,096,628	2,189,288	92,660	4.4
Miscellaneous	292,049	423,409	131,360	45.0
<b>Total Revenues</b>	<b>\$42,661,923</b>	<b>\$41,808,258</b>	<b>\$ (853,665)</b>	<b>2.0 %</b>

Property taxes decreased in 2002 by 33.0 percent. The taxes collected for the voted general obligation bonds has been completed.

Special assessments decreased by 19.4 percent in 2002. There were less assessments for demolitions in 2002.

Charges for services decreased in 2002 by 32.0 percent. There were more contracts with nongovernmental agencies in 2001 than in 2002.

Fees, licenses and permits increased by 29.0 percent in 2002. In 2002, there was more collected in probation service fees and court cost fees.

Interest earnings decreased in 2002 by 33.2 percent. Interest rates were down in 2002 due to the economy.

Miscellaneous revenue increased by 45.0 percent in 2002. The General fund received a large estate donation in 2002. Also, a large deposit of unclaimed money was moved to the General fund in 2002.

Expenditures for governmental fund operations totaled \$58,591,265 for the year ended December 31, 2002. Comparison of the 2001 and 2002 expenditures for various functions are shown on the following table:

<i>FUNCTION</i>	<i>2001</i>	<i>2002</i>	<i>INCREASE (DECREASE)</i>	<i>PERCENT CHANGE</i>
<i>Public Safety</i>	<i>\$18,992,474</i>	<i>\$ 20,870,709</i>	<i>\$ 1,878,235</i>	<i>9.9 %</i>
<i>Public Health\Welfare</i>	<i>130,533</i>	<i>131,019</i>	<i>486</i>	<i>.4</i>
<i>Leisure Time Activities</i>	<i>1,012,543</i>	<i>835,660</i>	<i>(176,883)</i>	<i>(17.5)</i>
<i>Community Environment</i>	<i>2,130,239</i>	<i>2,326,942</i>	<i>196,703</i>	<i>9.2</i>
<i>Transportation</i>	<i>5,672,129</i>	<i>4,450,234</i>	<i>(1,221,895)</i>	<i>(21.5)</i>
<i>General Government</i>	<i>10,659,930</i>	<i>11,125,210</i>	<i>465,280</i>	<i>4.4</i>
<i>Capital Outlay</i>	<i>4,998,346</i>	<i>5,289,272</i>	<i>290,926</i>	<i>5.8</i>
<i>Debt Principal</i>	<i>9,995,000</i>	<i>12,875,000</i>	<i>2,880,000</i>	<i>28.8</i>
<i>Debt Interest</i>	<i>621,897</i>	<i>551,689</i>	<i>(70,208)</i>	<i>(11.3)</i>
<i>Bond issuance costs</i>	<i>0</i>	<i>135,530</i>	<i>135,530</i>	<i>100.0</i>
<i>Total Expenditures</i>	<i>\$54,213,091</i>	<i>\$ 58,591,265</i>	<i>\$ 4,378,174</i>	<i>8.0 %</i>

*Leisure time activities decreased in 2002 by 17.5 percent. There were larger accruals recorded in 2001 for due to other governments.*

*Transportation decreased by 21.5 percent in 2002. During 2001, there was a large resurfacing project for St Rt 39 and St Rt 42.*

*Debt principal increased in 2002 by 28.8 percent. There was an increase in payments for anticipation notes in 2002.*

*Debt interest decreased by 11.3 percent in 2002. Interest rates on anticipation notes was down in 2002 due to the economy. Also, a general obligation bond issue was completed in 2001.*

*Bond issuance costs increased in 2002 by 100.0 percent. This was a one time expenditure due to the issuance of bonds in 2002.*

#### **ENTERPRISE OPERATIONS**

*The City's Enterprise funds consist of the Water Operating, Sewer Operating, Airport Operating and Parking Garage Funds.*

Financial statements for these funds are included in this report. The Enterprise funds are user fee supported.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Net Loss</u>	<u>Loss on Assets</u>	<u>Loss on Equity</u>
Water Operating	\$ 10,661,789	\$ 5,945,764	\$ (439,429)	(4.12)%	(7.39)%
Sewer Operating	33,478,392	32,646,741	(1,325,482)	(3.96)	(4.06)
Airport Operating	4,646,176	4,526,114	(225,314)	(4.85)	(4.98)
Parking Garage	234,070	234,070	(7,942)	(3.39)	(3.39)

The Water and Sewer Operating funds sustained losses during 2002; however, there were sufficient accumulated earnings to absorb the loss. A graduated rate increase in the next few years should offset this situation.

The Airport Operating fund sustained a loss in 2002; however, the City has a strong commitment to keep the airport a viable asset for the future by allocating monies from municipal income tax collections.

The Parking Garage sustained a loss this year. Repair work was maintained during 2002 to keep the facility in operating condition.

#### INTERNAL SERVICE OPERATIONS

Internal Service funds account for the financing of goods or services provided by one department of the City to another department on a cost reimbursement basis.

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income (Loss)</u>
Garage Operating	\$ 1,413,409	\$ 1,478,533	\$ (65,124)
Data Processing	545,420	529,208	16,212
Utility Collections	1,266,111	1,284,994	(18,883)
Health Insurance	5,450,761	4,964,687	486,074
OML Self Insurance	314,848	315,530	(682)
Workers Compensation	314,027	363,402	(49,375)

The Garage Operating fund accounts for the operation of the municipal vehicle repair garage which performs work for all departments within the City.

The Data Processing fund accounts for the operation of the municipal data processing department which performs work for all departments within the City.

*The Utility Collections fund accounts for the operation of the utility collections department which provides services to the water, sewer, codes and permits, and parking departments. The departments using the utility billing service are charged to cover the cost of the operations.*

*The Health Insurance fund is a self insurance fund established to account for the costs of health and dental claims and administrative costs. The amount of the premium per single and family coverage per employee is calculated for the year and is transferred in from the operating funds that pay employees salaries.*

*The OML Self Insurance fund is a self insurance fund established to account for the costs of the City to participate in the Ohio Municipal League's self insurance plan. This plan provides a program of property and casualty insurance for its member organizations throughout the State of Ohio. Note 12 further discusses the plan.*

*The Workers Compensation fund is a fund to account for the costs associated with the State of Ohio's worker compensation plan.*

#### **DEBT ADMINISTRATION**

*The Debt Service fund relates to the general obligations of the City and is used to accumulate resources for the payment of general obligation debt principal and interest. Revenue for this fund consists primarily of an allocation of property taxes.*

<i>Legal Debt Margin</i>	<i>\$ 70,876,178</i>
<i>Unvoted Debt Margin</i>	<i>\$ 33,747,404</i>
<i>General Obligation Bonds</i>	<i>\$12,200,000</i>

*At December 31, 2002, the City had a number of debt issues outstanding. These issues included \$3,650,000 of General Obligation Water System Bonds, \$3,758 of Special Assessment Bonds, \$1,485,000 of Voted General Obligation Sewer System Refunding Bonds, \$4,565,000 of General Obligation Various Purpose Bonds, \$1,300,000 of General Obligation Ohio Police & Fire Pension Internal Bonds, \$1,200,000 of General Obligation Health Care Internal Bonds, and \$11,041,677 of Long Term Notes Payable. The City carries an "A3" rating from Moody's Investors Service. The City has one outstanding capital lease agreement that began in 1998 and will be paid off in 2003. Note 14 further discusses obligations under lease agreements.*

#### **CASH MANAGEMENT**

*The City had deposits of \$8,269,623 as of December 31, 2002. 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 2002 totaled \$905,511. The notes to the combined 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 aviation liability, vehicle liability, building and contents/boiler & machinery and inland marine with a \$1,000 deductible, and law enforcement liability with a \$10,000 deductible. All other liability claims fall under general liability. 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 12 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 2002 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 General Purpose Financial Statements. The City also had a "single audit," which includes all federally funded programs administered by the City, performed for 2002 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 Financial Report (CAFR) for the year ended December 31, 2001. 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. The contents of this report must conform to program standards and must satisfy both Generally Accepted Accounting Principles 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 seventeen years (years ended 1985 - 2001). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.*

**ACKNOWLEDGMENTS**

*A special thank you is extended to Debra A. Keller who prepared the CAFR for 2002. Also I would like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.*

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

  
Sandra Converse  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



President

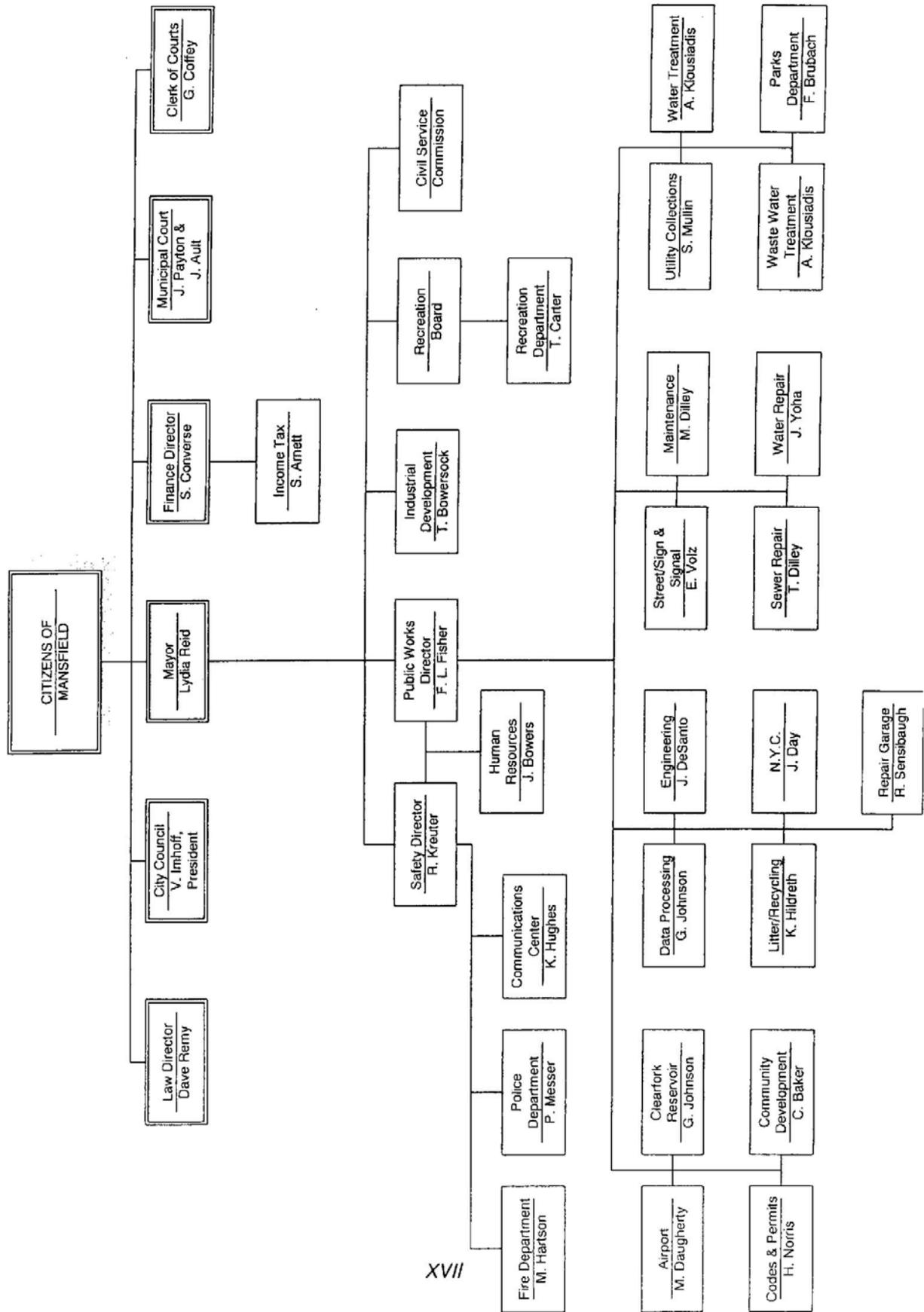
Executive Director

*City of Mansfield, Ohio  
List of Principal Officials*

	<i>Years of Incumbency</i>	<i>Total number years service with City</i>	<i>Private Vocation</i>
<b><i>Elected Officials</i></b>			
<i>Executive:</i>			
<b><i>Mayor</i></b>			
<i>Lydia J. Reid</i>	10	18	<i>Full Time Position</i>
<b><i>Director of Finance</i></b>			
<i>Sandra L. Converse</i>	10	25	<i>Full Time Position</i>
<b><i>Director of Law</i></b>			
<i>David L. Remy</i>	1	9	<i>Full Time Position</i>
 <i>Legislative:</i>			
<b><i>President of Council</i></b>			
<i>Virginia M. Imhoff</i>	7	15	<i>Retired</i>
<b><i>Members of Council</i></b>			
<i>C. David Robinson</i>	7	15	<i>Adult Education Teacher</i>
<i>Donald R. Culliver</i>	15	15	<i>Maintenance</i>
<i>Walden A. Jefferson</i>	5	5	<i>Refractory Specialist</i>
<i>Deanna Torrance</i>	2	2	<i>Administrator</i>
<i>Gary L. Utt</i>	7	7	<i>Laborer</i>
<i>Darren B. Jackson</i>	9	9	<i>Teacher</i>
<i>Douglas P. Versaw</i>	19	19	<i>Engineer</i>
<i>Michael N. Hill</i>	7	7	<i>Data Processing</i>

	<i>Years of Incumbency</i>	<i>Total number years service with City</i>	<i>Private Vocation</i>
<b><i>Appointed Officials</i></b>			
<b><i>Director of Service and Safety</i></b> <i>Ronald S. Kreuter</i>	3	3	<i>Full Time Position</i>
<b><i>Public Works Director</i></b> <i>Francis L. Fisher</i>	23	31	<i>Full Time Position</i>
<b><i>Director of Community Development</i></b> <i>Timothy R. Bowersock</i>	4	4	<i>Full Time Position</i>
<b><i>Chief of Police</i></b> <i>Philip Messer</i>	5 mo.	26	<i>Full Time Position</i>
<b><i>Chief of Fire</i></b> <i>Michael L. Hartson</i>	8 mo.	28	<i>Full Time Position</i>

*The present terms of the executive branch and the President of Council will expire November 30, 2003. The present terms of the legislative branch will expire November 30, 2003 or November 30, 2005. 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 general purpose financial statements of the City of Mansfield, Richland County, Ohio, (the City) as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types 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 20, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

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We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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 20, 2003

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**City of Mansfield, Ohio**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 2002**

*Governmental Fund Types*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<i>Assets and other debits</i>				
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 585,080	\$ 4,600,572	\$ 3,683,029	\$14,590,597
<i>Investments</i>	-	-	3,758	-
<i>Cash and cash equivalents with fiscal and escrow agent</i>	-	2,890	-	43,780
<i>Receivables (net of allowance for uncollectibles)</i>				
<i>Accounts</i>	-	-	-	-
<i>Accrued interest</i>	45,217	32,900	-	-
<i>Taxes</i>	2,325,890	3,034,091	131	528,079
<i>Loans</i>	-	2,993,761	-	-
<i>Special assessments</i>	1,829	-	16,512	-
<i>Due from other funds</i>	101,742	63,537	-	-
<i>Due from other governments</i>	1,993,298	5,160,776	-	-
<i>Advance to other funds</i>	-	-	-	-
<i>Inventory of supplies</i>	44,397	283,531	-	7,598
<i>Restricted assets:</i>				
<i>Cash and cash equivalents</i>	-	-	-	-
<i>Property, plant and equipment</i>				
<i>Land</i>	-	-	-	-
<i>Buildings</i>	-	-	-	-
<i>Improvements other than buildings</i>	-	-	-	-
<i>Equipment</i>	-	-	-	-
<i>Less: accumulated depreciation</i>	-	-	-	-
<i>Construction in progress</i>	-	-	-	-
<i>Net property, plant and equipment</i>	-	-	-	-
<i>Other debits:</i>				
<i>Amount available in debt service fund</i>	-	-	-	-
<i>Amount to be provided for retirement of general long-term obligations</i>	-	-	-	-
 <i>Total assets and other debits</i>	 <u>\$ 5,097,453</u>	 <u>\$16,172,058</u>	 <u>\$ 3,703,430</u>	 <u>\$15,170,054</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 4,054,209	\$ 832,935	\$ 725,525	\$ -	\$ -	\$ 29,071,947
2,500,000	-	205,000	-	-	2,708,758
13,897	-	163,004	-	-	223,571
2,129,031	-	-	-	-	2,129,031
-	-	-	-	-	78,117
90,103	-	9,801	-	-	5,988,095
-	-	-	-	-	2,993,761
54,909	-	-	-	-	73,250
-	-	5,554	-	-	170,833
272,230	-	-	-	-	7,426,304
1,000,000	-	-	-	-	1,000,000
142,932	41,508	-	-	-	519,966
940,194	-	-	-	-	940,194
2,164,307	-	-	3,671,996	-	5,836,303
12,863,213	-	-	13,147,873	-	26,011,086
27,330,346	-	-	1,318,195	-	28,648,541
48,890,174	9,548,264	-	9,355,193	-	67,793,631
(53,741,115)	(6,704,605)	-	-	-	(60,445,720)
315,997	-	-	1,337,158	-	1,653,155
<u>37,822,922</u>	<u>2,843,659</u>	<u>-</u>	<u>28,830,415</u>	<u>-</u>	<u>69,496,996</u>
-	-	-	-	3,686,787	3,686,787
-	-	-	-	20,948,719	20,948,719
<u>\$ 49,020,427</u>	<u>\$ 3,718,102</u>	<u>\$ 1,108,884</u>	<u>\$ 28,830,415</u>	<u>\$ 24,635,506</u>	<u>\$ 147,456,329</u>

continued

City of Mansfield, Ohio  
 Combined Balance Sheet - All Fund Types and Account Groups  
 (continued)  
 December 31, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities, equity and other credits</i>				
<i>Liabilities:</i>				
Accounts payable	\$ 196,792	\$ 223,925	\$ -	\$ -
Contracts payable	5,336	321,150	-	723,792
Contracts payable-retained percentage	-	2,890	-	43,780
Accrued wages and benefits	141,097	543,827	-	-
Payable from restricted assets				
General obligation bonds payable	-	-	-	-
Accrued general obligation bond interest	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	449,322	1,337,955	-	-
Due to individuals	-	-	-	-
Unapportioned monies	-	-	-	-
Deferred revenue	3,996,623	6,507,535	16,643	293,057
Advance from other funds	-	400,000	-	-
General obligation bonds payable	-	-	-	-
Special assessment bonds payable	-	-	-	-
Notes payable	-	-	-	2,535,000
Claims and judgements payable	10,000	-	-	-
Compensated absences payable	70,820	219,082	-	-
Accrued police and fire pension	-	-	-	-
Obligation under capital lease	-	-	-	-
<b>Total liabilities</b>	<b>4,869,990</b>	<b>9,556,364</b>	<b>16,643</b>	<b>3,595,629</b>
<i>Equity and other credits:</i>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings (deficit):				
Reserved for replacement and improvement	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for encumbrances	109,331	853,954	-	353,392
Reserved for inventory	44,397	283,531	-	7,598
Reserved for loans	-	2,993,761	-	-
Reserved for debt service	-	-	3,686,787	-
Unreserved and undesignated	73,735	2,484,448	-	11,213,435
<b>Total equity and other credits</b>	<b>227,463</b>	<b>6,615,694</b>	<b>3,686,787</b>	<b>11,574,425</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 5,097,453</b>	<b>\$16,172,058</b>	<b>\$ 3,703,430</b>	<b>\$15,170,054</b>

See accompanying notes to the general purpose financial statements.

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		<i>Total (Memorandum Only)</i>
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>General Fixed Assets</i>	<i>General Long-Term Obligations</i>	
\$ 305,025	\$ 61,797	\$ 1,234	\$ -	\$ -	\$ 788,773
36,477	231	-	-	-	1,086,986
13,897	-	-	-	-	60,567
172,315	44,194	-	-	-	901,433
270,000	-	-	-	-	270,000
17,303	-	-	-	-	17,303
-	-	170,833	-	-	170,833
320,117	88,750	199,418	-	-	2,395,562
-	-	97,139	-	-	97,139
-	-	599,207	-	-	599,207
112,990	-	-	-	-	10,926,848
-	600,000	-	-	-	1,000,000
3,380,000	-	-	-	8,550,000	11,930,000
-	-	-	-	3,758	3,758
159,953	-	-	-	10,881,724	13,576,677
-	483,522	-	-	-	493,522
879,661	269,147	-	-	3,825,047	5,263,757
-	-	-	-	1,374,977	1,374,977
-	38,711	-	-	-	38,711
<u>5,667,738</u>	<u>1,586,352</u>	<u>1,067,831</u>	<u>-</u>	<u>24,635,506</u>	<u>50,996,053</u>
-	-	-	28,830,415	-	28,830,415
39,876,168	3,073,404	-	-	-	42,949,572
940,194	-	-	-	-	940,194
2,536,327	(941,654)	-	-	-	1,594,673
-	-	-	-	-	1,316,677
-	-	-	-	-	335,526
-	-	-	-	-	2,993,761
-	-	-	-	-	3,686,787
-	-	41,053	-	-	13,812,671
<u>43,352,689</u>	<u>2,131,750</u>	<u>41,053</u>	<u>28,830,415</u>	<u>-</u>	<u>96,460,276</u>
<u>\$ 49,020,427</u>	<u>\$ 3,718,102</u>	<u>\$ 1,108,884</u>	<u>\$ 28,830,415</u>	<u>\$24,635,506</u>	<u>\$ 147,456,329</u>

**City of Mansfield, Ohio**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances -**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Year Ended December 31, 2002**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<i>Revenues:</i>			
Property taxes	\$ 1,838,251	\$ 367,713	\$ 22,188
Municipal income tax	950,614	18,277,326	-
Special assessments	23,209	-	30,079
Intergovernmental	4,283,047	7,649,966	-
Charges for services	43,029	411,951	-
Fees, licenses and permits	405,754	482,137	-
Interest earnings	606,488	119,816	-
Fines and forfeits	1,514,788	674,500	-
Miscellaneous	190,020	232,742	38
<i>Total revenues</i>	<u>9,855,200</u>	<u>28,216,151</u>	<u>52,305</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Public safety	1,060,921	19,809,788	-
Public health and welfare	30,057	100,962	-
Leisure time activities	835,660	-	-
Community environment	553,081	1,773,861	-
Transportation	-	4,450,234	-
General government	7,844,231	3,280,979	-
Capital outlay	-	673,633	-
<i>Debt service:</i>			
Principal retirement	-	-	555,000
Interest and fiscal charges	-	-	80,122
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>10,323,950</u>	<u>30,089,457</u>	<u>635,122</u>
<i>Deficiency of revenues under expenditures</i>	<u>(468,750)</u>	<u>(1,873,306)</u>	<u>(582,817)</u>
<i>Other financing sources (uses):</i>			
Operating transfers in	343,148	4,588,071	761,998
Operating transfers out	(3,470,942)	(1,812,232)	-
Proceeds of notes	-	-	-
Proceeds of bonds	-	-	-
Proceeds of internal bonds	2,500,000	-	-
Sale of fixed assets	-	118,144	-
<i>Total other financing sources (uses)</i>	<u>(627,794)</u>	<u>2,893,983</u>	<u>761,998</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(1,096,544)</u>	<u>1,020,677</u>	<u>179,181</u>
<i>Fund balances at beginning of year</i>	1,330,588	5,852,095	3,507,606
<i>(Decrease) in reserve for inventory</i>	(6,581)	(257,078)	-
<i>Fund balances at end of year</i>	<u>\$ 227,463</u>	<u>\$ 6,615,694</u>	<u>\$ 3,686,787</u>

See accompanying notes to the general purpose financial statements.

<u>Capital Projects</u>	<u>Fiduciary Fund Type</u>  <u>Expendable Trust</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ -	\$ 2,228,152
3,091,688	-	22,319,628
-	-	53,288
413,098	-	12,346,111
-	-	454,980
-	-	887,891
179,207	-	905,511
-	-	2,189,288
609	11,568	434,977
<u>3,684,602</u>	<u>11,568</u>	<u>41,819,826</u>
-	-	20,870,709
-	-	131,019
-	-	835,660
-	-	2,326,942
-	-	4,450,234
-	116,704	11,241,914
4,615,639	-	5,289,272
12,320,000	-	12,875,000
471,567	-	551,689
135,530	-	135,530
<u>17,542,736</u>	<u>116,704</u>	<u>58,707,969</u>
<u>(13,858,134)</u>	<u>(105,136)</u>	<u>(16,888,143)</u>
429,635	-	6,122,852
(977,782)	-	(6,260,956)
10,000,000	-	10,000,000
4,568,855	-	4,568,855
-	-	2,500,000
-	-	118,144
<u>14,020,708</u>	<u>-</u>	<u>17,048,895</u>
162,574	(105,136)	160,752
11,417,465	146,189	22,253,943
(5,614)	-	(269,273)
<u>\$11,574,425</u>	<u>\$ 41,053</u>	<u>\$ 22,145,422</u>

City of Mansfield, Ohio  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP) Budget Basis  
 All Governmental Fund Types  
 For the Year Ended December 31, 2002

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Property taxes	\$ 1,838,720	\$ 1,838,251	\$ (469)
Special assessments	25,000	23,209	(1,791)
Intergovernmental	4,352,481	4,295,669	(56,812)
Charges for services	45,500	43,029	(2,471)
Fees, licenses and permits	422,100	408,044	(14,056)
Interest earnings	666,405	625,826	(40,579)
Fines and forfeits	1,588,050	1,513,135	(74,915)
Miscellaneous	330,130	324,923	(5,207)
<i>Total revenues</i>	<i>9,268,386</i>	<i>9,072,086</i>	<i>(196,300)</i>
<i>Expenditures:</i>			
<i>Current:</i>			
Public safety	1,184,107	1,163,780	20,327
Public health and welfare	43,500	38,557	4,943
Leisure time activities	939,474	877,911	61,563
Community environment	571,984	568,701	3,283
Transportation	-	-	-
General government	7,487,483	7,304,152	183,331
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<i>10,226,548</i>	<i>9,953,101</i>	<i>273,447</i>
<i>Deficiency of revenues under expenditures</i>	<i>(958,162)</i>	<i>(881,015)</i>	<i>77,147</i>
<i>Other financing sources (uses):</i>			
Operating transfers in	2,172,210	2,297,119	124,909
Operating transfers out	(5,348,028)	(5,254,028)	94,000
Proceeds of notes	-	-	-
Proceeds of bonds	-	-	-
Proceeds of internal bonds	2,500,000	2,500,000	-
Sale of fixed assets	-	-	-
<i>Total other financing sources (uses)</i>	<i>(675,818)</i>	<i>(456,909)</i>	<i>218,909</i>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<i>(1,633,980)</i>	<i>(1,337,924)</i>	<i>296,056</i>
<i>Fund balances at beginning of year as restated (Note 24)</i>	<i>1,401,016</i>	<i>1,401,016</i>	<i>-</i>
<i>Expenditures against prior year encumbrances</i>	<i>234,275</i>	<i>234,275</i>	<i>-</i>
<i>Fund balances at end of year</i>	<i>\$ 1,311</i>	<i>\$ 297,367</i>	<i>\$ 296,056</i>

Special Revenue Funds

Debt Service Fund

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 350,600	\$ 349,770	\$ (830)	\$ 10,672	\$ 40,131	\$ 29,459
-	-	-	24,328	33,469	9,141
10,856,772	7,277,242	(3,579,530)	-	-	-
169,900	169,286	(614)	-	-	-
205,300	215,084	9,784	-	-	-
114,600	106,499	(8,101)	-	-	-
1,028,651	939,164	(89,487)	-	-	-
1,068,066	738,103	(329,963)	-	-	-
<u>13,793,889</u>	<u>9,795,148</u>	<u>(3,998,741)</u>	<u>35,000</u>	<u>73,600</u>	<u>38,600</u>
18,649,749	17,828,303	821,446	-	-	-
104,571	101,384	3,187	-	-	-
-	-	-	-	-	-
4,946,965	2,551,503	2,395,462	-	-	-
4,270,182	3,852,385	417,797	-	-	-
4,831,979	3,865,631	966,348	-	-	-
815,468	376,620	438,848	-	-	-
-	-	-	13,135,000	13,135,000	-
-	-	-	790,783	772,214	18,569
-	-	-	-	-	-
<u>33,618,914</u>	<u>28,575,826</u>	<u>5,043,088</u>	<u>13,925,783</u>	<u>13,907,214</u>	<u>18,569</u>
(19,825,025)	(18,780,678)	1,044,347	(13,890,783)	(13,833,614)	57,169
23,413,637	22,532,275	(881,362)	14,357,874	13,272,092	(1,085,782)
(6,951,180)	(6,114,375)	836,805	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
176,000	113,494	(62,506)	-	-	-
<u>16,638,457</u>	<u>16,531,394</u>	<u>(107,063)</u>	<u>14,357,874</u>	<u>13,272,092</u>	<u>(1,085,782)</u>
(3,186,568)	(2,249,284)	937,284	467,091	(561,522)	(1,028,613)
2,987,226	2,987,226	-	4,261,414	4,261,414	-
2,563,476	2,563,476	-	-	-	-
<u>\$ 2,364,134</u>	<u>\$ 3,301,418</u>	<u>\$ 937,284</u>	<u>\$ 4,728,505</u>	<u>\$ 3,699,892</u>	<u>\$ (1,028,613)</u>

continued

City of Mansfield, Ohio  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 (Non-GAAP) Budget Basis  
 All Governmental Fund Types (continued)  
 For the Year Ended December 31, 2002

Capital Projects Funds

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Intergovernmental	918,430	413,098	(505,332)
Charges for services	-	-	-
Fees, licenses and permits	-	-	-
Interest earnings	166,623	169,118	2,495
Fines and forfeits	-	-	-
Miscellaneous	650	674	24
<i>Total revenues</i>	<u>1,085,703</u>	<u>582,890</u>	<u>(502,813)</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Public safety	-	-	-
Public health and welfare	-	-	-
Leisure time activities	-	-	-
Community environment	-	-	-
Transportation	-	-	-
General government	-	-	-
Capital outlay	14,675,362	5,588,401	9,086,961
<i>Debt service:</i>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	39,873	39,873	-
<i>Total expenditures</i>	<u>14,715,235</u>	<u>5,628,274</u>	<u>9,086,961</u>
<i>Deficiency of revenues under expenditures</i>	<u>(13,629,532)</u>	<u>(5,045,384)</u>	<u>8,584,148</u>
<i>Other financing sources (uses):</i>			
Operating transfers in	3,731,778	3,681,303	(50,475)
Operating transfers out	(13,025,919)	(13,007,351)	18,568
Proceeds of notes	12,535,000	12,535,000	-
Proceeds of bonds	4,303,917	4,568,856	264,939
Proceeds of internal bonds	-	-	-
Sale of fixed assets	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,544,776</u>	<u>7,777,808</u>	<u>233,032</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(6,084,756)</u>	<u>2,732,424</u>	<u>8,817,180</u>
<i>Fund balances at beginning of year as restated (Note 24)</i>	8,954,790	8,954,790	-
<i>Expenditures against prior year encumbrances</i>	2,091,983	2,091,983	-
<i>Fund balances at end of year</i>	<u>\$ 4,962,017</u>	<u>\$13,779,197</u>	<u>\$ 8,817,180</u>

See accompanying notes to the general purpose financial statements.

**City of Mansfield, Ohio**  
**Combined Statement of Revenues, Expenses and**  
**Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2002**

	<i>Enterprise</i>	<i>Internal Service</i>	<i>Total (Memorandum Only)</i>
<i>Operating revenues:</i>			
<i>Charges for services</i>	\$ 11,625,709	\$ 9,304,576	\$ 20,930,285
<i>Total operating revenues</i>	11,625,709	9,304,576	20,930,285
<i>Operating expenses:</i>			
<i>Personal services</i>	4,014,808	1,235,351	5,250,159
<i>Fringe benefits</i>	775,196	234,859	1,010,055
<i>Materials and supplies</i>	1,216,516	664,991	1,881,507
<i>Utilities</i>	917,526	84,523	1,002,049
<i>Depreciation</i>	2,326,486	349,590	2,676,076
<i>Contractual services</i>	4,895,508	2,093,452	6,988,960
<i>Claims expense</i>	-	4,273,189	4,273,189
<i>Other operating</i>	42,789	399	43,188
<i>Total operating expenses</i>	14,188,829	8,936,354	23,125,183
<i>Operating income (loss)</i>	(2,563,120)	368,222	(2,194,898)
<i>Nonoperating revenues (expenses):</i>			
<i>Other nonoperating revenue</i>	16,678	191,305	207,983
<i>Municipal income tax</i>	560,835	-	560,835
<i>Tap and license fees</i>	67,932	-	67,932
<i>Interest expense and fiscal charges</i>	(220,596)	(3,301)	(223,897)
<i>Loss on disposal of fixed assets</i>	-	(9,014)	(9,014)
<i>Total nonoperating revenues (expenses)</i>	424,849	178,990	603,839
<i>Net income (loss) before operating transfers</i>	(2,138,271)	547,212	(1,591,059)
<i>Operating transfers in</i>	245,008	-	245,008
<i>Operating transfers out</i>	(104,904)	(2,000)	(106,904)
<i>Net income (loss)</i>	(1,998,167)	545,212	(1,452,955)
<i>Retained earnings (deficit) at beginning of year</i>	6,920,994	(1,411,647)	5,509,347
<i>Residual equity transfer out</i>	(1,446,306)	(75,219)	(1,521,525)
<i>Retained earnings (deficit) at end of year</i>	\$ 3,476,521	\$ (941,654)	\$ 2,534,867

See accompanying notes to the general purpose financial statements.

**City of Mansfield, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2002**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<i>Increase (decrease) in cash and cash equivalents</i>			
<i>Cash flows from operating activities:</i>			
<i>Cash received from customers</i>	\$ 12,121,914	\$ -	\$ 12,121,914
<i>Cash received from quasi-external operating transactions with other funds</i>	-	9,307,124	9,307,124
<i>Cash paid to employees</i>	(3,707,082)	(1,181,439)	(4,888,521)
<i>Cash paid to suppliers</i>	(7,203,711)	(2,909,236)	(10,112,947)
<i>Cash paid for claims</i>	-	(4,448,381)	(4,448,381)
<i>Other operating expenses</i>	(903,452)	(298,252)	(1,201,704)
<i>Cash from other sources</i>	605,345	191,305	796,650
<i>Net cash provided by operating activities</i>	<u>913,014</u>	<u>661,121</u>	<u>1,574,135</u>
<i>Cash flows from noncapital financing activities:</i>			
<i>Operating transfers in</i>	245,008	-	245,008
<i>Operating transfers out</i>	(104,904)	(2,000)	(106,904)
<i>Advances to other funds</i>	(600,000)	-	(600,000)
<i>Advances from other funds</i>	-	600,000	600,000
<i>Receipt on advances to other funds</i>	900,000	-	900,000
<i>Payment on advances from other funds</i>	-	(800,000)	(800,000)
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>440,104</u>	<u>(202,000)</u>	<u>238,104</u>
<i>Cash flows from capital and related financing activities:</i>			
<i>Acquisition/construction of capital assets</i>	(601,101)	(9,993)	(611,094)
<i>Interest paid on general obligation debt</i>	(220,525)	-	(220,525)
<i>Principal paid on general obligation debt</i>	(260,000)	-	(260,000)
<i>Interest paid on equipment contract</i>	-	(3,301)	(3,301)
<i>Principal paid on equipment contract</i>	-	(44,277)	(44,277)
<i>Interest paid on notes</i>	(1,145)	-	(1,145)
<i>Principal paid on notes</i>	(49,594)	-	(49,594)
<i>Net cash (used for) capital and related financing activities</i>	<u>(1,132,365)</u>	<u>(57,571)</u>	<u>(1,189,936)</u>
<i>Cash flows from investing activities:</i>			
<i>Purchase of Mansfield City internal bonds</i>	(2,500,000)	-	(2,500,000)
<i>Net cash (used for) investing activities</i>	<u>(2,500,000)</u>	<u>-</u>	<u>(2,500,000)</u>
<i>Net increases (decreases) in cash and cash equivalents</i>	(2,279,247)	401,550	(1,877,697)
<i>Cash and cash equivalents at beginning of year</i>	<u>7,287,547</u>	<u>431,385</u>	<u>7,718,932</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 5,008,300</u>	<u>\$ 832,935</u>	<u>\$ 5,841,235</u>

*continued*

City of Mansfield, Ohio  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 (continued)  
 For the Year Ended December 31, 2002

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>			
Operating income (loss)	\$ (2,563,120)	\$ 368,222	\$ (2,194,898)
<i>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</i>			
Depreciation	2,326,486	349,590	2,676,076
Other nonoperating revenue	16,678	191,305	207,983
Municipal income tax	560,835	-	560,835
Tap and license fees	67,932	-	67,932
<i>Changes in assets and liabilities:</i>			
Decrease in accounts receivable	370,402	-	370,402
(Increase) in taxes receivable	(90,103)	-	(90,103)
Decrease in special assessment receivable	7,844	-	7,844
Decrease in due from other funds	-	2,548	2,548
Decrease in due from other governments	132,042	-	132,042
(Increase) in inventory of supplies	(21,240)	(3,555)	(24,795)
(Decrease) in accounts payable	(25,176)	(44,394)	(69,570)
(Decrease) in contracts payable	(126,191)	(18,441)	(144,632)
Increase in accrued wages and benefits	46,083	9,805	55,888
(Decrease) in due to other governments	(87,021)	(62,874)	(149,895)
(Decrease) in claims and judgements payable	-	(175,192)	(175,192)
Increase in deferred revenue	35,920	-	35,920
Increase in compensated absences payable	261,643	44,107	305,750
Total adjustments	<u>3,476,134</u>	<u>292,899</u>	<u>3,769,033</u>
Net cash provided by operating activities	<u>\$ 913,014</u>	<u>\$ 661,121</u>	<u>\$ 1,574,135</u>

*Noncash investing, capital and financing activities:*

*During the year the general fixed assets account group contributed fixed assets to the proprietary fund types. The contribution of the related assets totaled \$3,945,479.*

*See accompanying notes to the general purpose financial statements.*

**City of Mansfield, Ohio**  
**Combined Statement of Revenues, Expenses and**  
**Changes in Fund Equity - Budget and Actual**  
**(Non-GAAP) Budget Basis**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2002**

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Charges for services	\$11,783,044	\$12,168,219	\$ 385,175
Other	218,764	219,231	467
<i>Total revenues</i>	<u>12,001,808</u>	<u>12,387,450</u>	<u>385,642</u>
<i>Expenses:</i>			
Personal services	3,843,839	3,709,109	134,730
Fringe benefits	923,576	862,958	60,618
Contractual services	3,195,693	2,593,330	602,363
Utilities	994,500	982,458	12,042
Materials and supplies	1,515,577	1,398,434	117,143
Other	141,333	118,576	22,757
Capital outlay	444,754	429,144	15,610
<i>Total expenses</i>	<u>11,059,272</u>	<u>10,094,009</u>	<u>965,263</u>
<i>Excess (deficiency) of revenues over (under) expenses</i>	<u>942,536</u>	<u>2,293,441</u>	<u>1,350,905</u>
Operating transfers in	1,656,097	1,653,436	(2,661)
Operating transfers out	(5,044,281)	(5,011,821)	32,460
Purchase of internal bonds	(2,500,000)	(2,500,000)	-
<i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	<u>(4,945,648)</u>	<u>(3,564,944)</u>	<u>1,380,704</u>
<i>Fund equity at beginning of year</i>	5,437,599	5,437,599	-
<i>Expenses against prior year encumbrances</i>	1,703,703	1,703,703	-
<i>Fund equity at end of year</i>	<u>\$ 2,195,654</u>	<u>\$ 3,576,358</u>	<u>\$ 1,380,704</u>

See accompanying notes to the general purpose financial statements.

*Internal Service Funds*

<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
\$ -	\$ -	\$ -
305,642	575,602	269,960
305,642	575,602	269,960
1,198,806	1,181,439	17,367
319,970	280,806	39,164
6,653,366	6,290,524	362,842
60,000	57,599	2,401
821,582	731,756	89,826
800	399	401
380,097	81,191	298,906
9,434,621	8,623,714	810,907
(9,128,979)	(8,048,112)	1,080,867
10,162,412	9,650,913	(511,499)
(1,362,951)	(1,362,951)	-
-	-	-
(329,518)	239,850	569,368
144,178	144,178	-
287,155	287,155	-
\$ 101,815	\$ 671,183	\$ 569,368

CITY OF MANSFIELD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2002

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NOTE 1  
REPORTING ENTITY AND BASIS OF PRESENTATION

*The City of Mansfield 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.*

*The accompanying financial statements of the City are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards and other recognized authoritative sources. Under the guidelines of GASB Statement No. 20, the City has not elected to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989, to its proprietary activities.*

A. REPORTING ENTITY

*In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments, and organizations making up the City of Mansfield and its potential component units consistent with GASB Statement No. 14 "The Financial Reporting Entity."*

*The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, whether debt is secured by general obligations of the City, the obligation of the City to finance any deficits that may occur, and supervision over the accounting functions. 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 parks 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.*

*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.

## **B. BASIS OF PRESENTATION - FUND ACCOUNTING**

The City's accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate reporting entity. The operation of each fund is accounted for within a separate set of self-balancing accounts recording cash and other financial resources, together with all related liabilities, balances, and changes therein, which are segregated for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City uses the following fund types and account groups:

### *Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary and fiduciary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

*General Fund:* To account for all financial resources except those required to be accounted for in another fund. It is the general operating fund of the City. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the City charter and/or the laws of Ohio.

*Special Revenue Funds:* To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*Debt Service Fund:* To account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest.

*Capital Projects Funds:* To account for financial resources to be used for the construction or acquisition of capital facilities, other than those financed by proprietary and trust funds.

### *Proprietary Funds*

The proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon determination of net income or (loss), financial position, and changes in cash flows. The following are the City's proprietary fund types:

*Enterprise Funds:* To account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

**NOTE 1: REPORTING ENTITY AND BASIS OF PRESENTATION (continued)**

*Internal Service Funds: To account for the financing of goods or services provided by one department of the City to another department on a cost reimbursement basis.*

*Fiduciary Funds*

*Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City's fiduciary funds are:*

*Expendable Trust Funds: To be accounted for in essentially the same manner as governmental funds.*

*Agency Funds: Purely custodial in nature, assets equal liabilities, and does not involve the measurement of results of operation.*

*Account Groups*

*To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used.*

*General Fixed Assets Account Group: The general fixed assets account group is used to account for fixed assets other than those accounted for in the proprietary funds.*

*General Long-Term Obligations Account Group: The general long-term obligations account group is used to account for all unmatured long-term obligations of the City that are not a specific liability of the proprietary funds.*

**NOTE 2  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF ACCOUNTING**

*The modified accrual basis of accounting is utilized for reporting purposes by the governmental and expendable trust funds. Under this method of accounting, the City recognizes revenue when it becomes both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 31 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due.*

*Revenues accrued at the end of the year include 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.*

Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers, and miscellaneous revenue are recognized when received in cash because they are generally not measurable until actually received. Special assessments are recorded as deferred revenue. Property taxes measurable as of December 31, 2002 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance 2002 activities, have also been recorded as deferred revenue as further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Unbilled sewer and water utility receivables are recorded at year end. Agency fund assets and liabilities are recognized on the modified accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within 31 days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal 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. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6) Revenue from grants, entitlements, and donations is recognized in the fiscal 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 fiscal 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.

## **B. 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 governmental funds are required to be reported. The following are the procedures used by the City in establishing the budgetary data reported in the combined financial statements.

### *Budget*

A tax budget of estimated revenues and expenditures for all funds other than agency funds is submitted to the County Auditor as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

### *Estimated Resources*

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

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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 in the final amended Certificate of Estimated Resources issued in 2002.*

### *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 2002.*

### *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 final amounts appropriated for 2002.*

### *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.*

## **C. CASH AND CASH EQUIVALENTS**

*Cash received by the City is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. Investments are in accordance with the City's Investment Policy. The policy includes certificates of deposit, U.S. Treasury Securities, Repurchase Agreements, eligible*

*Agency Securities (per Investment Policy), and the State Treasurer's Investment Pool (STAR Ohio). 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 nonnegotiable certificates of deposit are reported at cost. Interest earned on all deposits and investments is distributed to the general fund, special revenue funds, and capital projects funds. The City has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which 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, 2002.*

*For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments with an original maturity of three months or less and cash and investments in the cash management pool are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments. See Note 4, Deposits and Investments.*

#### **D. CASH AND CASH EQUIVALENTS WITH FISCAL AND ESCROW AGENT**

*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.*

#### **E. INVENTORY OF SUPPLIES**

*Inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventory in the governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Recorded inventories in the governmental fund types 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. Inventory in the proprietary funds is reported on a consumption basis.*

#### **F. 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 fixed assets. Monies which represent debt proceeds are also restricted for use in constructing enterprise fund assets.*

*As of December 31, 2002, the total restricted cash in the enterprise funds was \$940,194. It is in the Sewer Operating 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.*

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)**

**G. FIXED ASSETS AND DEPRECIATION**

Fixed assets which are acquired or constructed for general governmental purposes are reported as expenditures in the governmental fund that finances the asset acquisition. When purchased, such assets are capitalized (recorded and accounted for) at historical cost in the general fixed assets account group. Infrastructure fixed assets such as streets, bridges, storm sewers, and drains are not capitalized by the City and are not reported as part of the general fixed assets account group. Fund fixed assets are capitalized at historical cost in the proprietary fund in which they are utilized. Donated fixed assets are capitalized at their fair market value on the date donated.

The City has elected not to record depreciation in the general fixed assets account group. Depreciation for the proprietary funds is determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated lives are as follows:

Buildings	25 years
Improvements other than buildings	
Land improvements	7 to 25 years
Water and sewer lines	30 to 50 years
Equipment	2 to 50 years

**H. CAPITALIZATION OF INTEREST**

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the construction project and the interest earned from the temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. Capitalization of interest did not occur in 2002.

**I. CONTRIBUTED CAPITAL**

Contributions of capital assets to the proprietary funds are credited directly to contributed capital. These include grants restricted for capital construction, donations by developers, contributions made by the City, and assets whose construction was financed through special assessments. Depreciation expense on assets acquired through restricted grants is not closed to contributed capital.

**J. RESERVATIONS OF FUND EQUITY**

*Fund Balance (Governmental Funds)*

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventory, loans, and debt service.

*Retained Earnings (Proprietary Funds)*

*Retained earnings are reserved pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities.*

**K. INTERFUND TRANSACTIONS**

*During the normal course of operations, the City has numerous transactions between funds. These transactions include charges for services provided by an internal service fund to other funds, interfund reimbursements, and operating transfers.*

*The internal service funds record charges for services to all City funds, departments, and other governmental units as operating revenue. Both governmental and enterprise funds record these payments to the internal service funds as operating expenditures/expenses.*

*Transactions that constitute reimbursements of a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses, as appropriate, in the reimbursing fund and as reductions of the expenditure/expense in the fund that is reimbursed.*

*Residual equity transfers are nonrecurring or nonroutine transfers of equity between funds. During 2002, the City recorded residual equity transfers out of the proprietary funds for fixed assets transferred to other proprietary funds and the general fixed assets account group. In accordance with GASB Codification, Section 1800.107, the residual equity transfers to proprietary funds are reported as direct increases to contributed capital rather than as residual equity transfers. In addition, those from proprietary funds are reported as reductions of retained earnings. As a result, residual equity transfers out do not balance with any residual equity transfers in. The residual equity transfers out are as follows:*

*Enterprise Fund*

<i>Water Operating</i>	<i>\$498,113</i>
<i>Sewer Operating</i>	<i>914,316</i>
<i>Airport Operating</i>	<i>33,877</i>

*Internal Service Fund*

<i>Utility Collections</i>	<i>75,219</i>
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*Operating transfers represent transfers of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as operating transfers in (out) in proprietary funds.*

**L. INTERGOVERNMENTAL REVENUES**

*In governmental funds, federal grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal grants awarded on a reimbursement basis are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.*

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*In proprietary funds, grants restricted for the construction of capital assets are recorded as contributed capital when measurable and earned.*

### **M. COMPENSATED ABSENCES**

*Vacation benefits are accrued as a liability as the benefits are earned by the employee. Sick leave benefits are accrued as a liability using the vesting method. 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.*

*In governmental funds, the current portion of unpaid compensated absences is that amount expected to be paid using expendable available resources. These amounts are recorded as fund liabilities to the extent payable in 31 days, while the balance of the liability is recorded as compensated absences payable in the general long-term obligations account group. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.*

*At December 31, 2002, the total liability of the City for compensated absences was \$5,263,757 which will be paid from the General fund, Street Construction Maintenance and Repair fund, Neighborhood Youth Corp fund, Community Development fund, Police and Fire fund, Court Computerization fund, Local Law Enforcement Block Grant fund, Grant fund, Water Operating fund, Sewer Operating fund, Airport Operating fund, Garage Operating fund, Data Processing fund, and Utility Collections fund.*

#### *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 \$623,699 will accrue on January 1, 2003 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 accompanying combined 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.*

#### *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.*

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.

#### **N. SELF INSURANCE FUND**

The City has created a self-insurance internal service fund for the purpose of paying employee health and dental benefits. Contributions to the fund are made in lieu of insurance premium payments.

#### **O. TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS**

Total columns on the Combined Statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation since interfund eliminations have not been made in the aggregation of this data.

### **NOTE 3 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 Combined Statement of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity - Budget and Actual (Non-GAAP) Budget Basis for All Governmental Fund Types and for All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures/Expenses 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/expenses (budget basis) rather than as a reservation of fund balance for governmental funds and as a note disclosure for proprietary funds (GAAP basis).
- (d) Debt retirement is recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

**NOTE 3: BUDGETARY BASIS OF ACCOUNTING (continued)**

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements by fund type.

<i>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types</i>				
	<i>General Fund</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
GAAP basis (as reported)	\$ (1,096,544)	\$ 1,020,677	\$ 179,181	\$ 162,574
Adjustments:				
Revenue accruals	1,170,857	(481,449)	12,531,389	2,684,957
Expenditure accruals	(1,230,840)	(1,861,377)	-	934,484
Encumbrances	(181,397)	(927,135)	-	(1,049,591)
Debt retirement	-	-	(13,272,092)	-
Budget basis	<u>\$ (1,337,924)</u>	<u>\$ (2,249,284)</u>	<u>\$ (561,522)</u>	<u>\$ 2,732,424</u>

<i>Net Income (Loss)/Excess (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers All Proprietary Fund Types</i>		
	<i>Enterprise</i>	<i>Internal Service</i>
	<u>          </u>	<u>          </u>
GAAP basis (as reported)	\$ (1,998,167)	\$ 545,212
Adjustments:		
Revenue accruals	1,524,724	730,634
Expense accruals	(1,780,907)	(874,246)
Encumbrances	(1,310,594)	(161,750)
Budget basis	<u>\$ (3,564,944)</u>	<u>\$ 239,850</u>

**NOTE 4  
DEPOSITS AND INVESTMENTS**

*Cash on Hand*

At December 31, 2002, the City had \$81,967 in undeposited cash on hand which is categorized on the

Combined Balance Sheet as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At year end, the carrying amount of the City's deposits was \$8,269,623 and the bank balance was \$8,662,010. Of the bank balance, \$201,086 was covered by federal depository insurance, \$61,101 was covered by the national credit union agency, and \$8,399,823 was uninsured and uncollateralized. However, the \$8,399,823 was covered by collateral held by third party trustees in collateral pools securing all public funds on deposit with the specific depository institution. The \$8,399,823 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 treasurer or deposited with a qualified trustee pursuant to Section 135.18, 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	\$ 6,881,527	\$ -	\$ 6,920,294	\$ 6,920,294
Section 108 Repurchase Agreements	-	513,268	513,268	513,268
State and Local Ohio Securities	3,758	-	3,758	3,758
Investment in Mansfield City Internal Bonds	2,500,000	-	2,500,000	2,500,000
Investments in State Treasurers Investment Pool (Star Ohio)			14,655,560	14,655,560
			<u>\$24,592,880</u>	<u>\$24,592,880</u>

**NOTE 4: DEPOSITS AND INVESTMENTS (continued)**

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 30,235,712	\$ 2,708,758
Investments:		
U.S. Treasury/Federal Securities	(6,920,294)	6,920,294
Section 108 Repurchase Agreements	(513,268)	513,268
Certificates of Deposit	205,000	(205,000)
State Treasurers Investment Pool	(14,655,560)	14,655,560
GASB Statement No. 3	<u>\$ 8,351,590</u>	<u>\$ 24,592,880</u>

**NOTE 5  
COMPLIANCE AND ACCOUNTABILITY**

*A. Fund Deficits*

Fund balances/retained earnings at December 31, 2002 included the following individual fund deficits which arose as a result of recognition of expenditures on modified accrual and accrual basis of accounting.

Special Revenue Funds

Police and Fire	\$ 139,334
Grant Fund	216,443

Capital Projects

WWTP Improvements	5,107
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Enterprise Funds

Airport Operating	2,654,240
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Internal Service Funds

Data Processing	2,865
Utility Collections	106,749
Health Insurance	1,033,797

*The General Fund is liable for any deficit in these funds and provides operating transfers/advances when cash is required, not when accruals occur.*

*B. Legal Compliance*

*There were no budgetary violations for 2002.*

**NOTE 6  
PROPERTY TAXES**

*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 2002 are levied after October 1, 2001 on the assessed value listed as of January 1, 2001, the lien date. Assessed values are established by State law at 35% of appraised market value. All property is required to be revalued every six years. 2002 real property taxes are collected in and intended to finance 2003. Public utility property taxes are assessed on tangible personal property at 100% of true (market) value and on land and improvements at 35% of true value. Public utilities property taxes paid in 2002 became a lien December 31, 2001, were levied after October 1, 2000, and were collected in 2002 with real property taxes. 2002 tangible personal property taxes were levied on or after October 1, 2001 on the value listed as of December 31, 2001. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2002 taxes were collected was \$675,011,218. The full tax rate for all City operations for the fiscal year ended December 31, 2002 was \$3.60 per \$1,000 of assessed valuation.*

*Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.*

*Tangible personal property taxes are also payable annually or semi-annually. If paid annually, payment is due April 30. If paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Multi-county corporations may pay the entire tax due in one payment by September 20.*

*The County Treasurer collects property tax on behalf of all taxing districts within the county. The County Auditor periodically remits the collections to the City.*

*Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2002. 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 2002 operations. The receivable is therefore offset by a credit to deferred revenue.*

**NOTE 7  
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, and again in May 1999. It is scheduled to expire December 31, 2003.

As of December 31, 2002, the City had income taxes receivable of \$3,150,957 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$236,337 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the General fund, the Street Construction Maintenance and Repair fund, the Police and Fire fund, the Street Resurfacing fund, and the Airport Operating fund.

**NOTE 8  
RECEIVABLES**

Receivables at December 31, 2002 consisted of taxes, accounts (billing for user charged services, including unbilled utility services), intergovernmental receivables arising from grants, entitlements, or shared revenues, special assessments, loans and interest on investments. Allowances for uncollectible accounts represent estimates of uncollectible receivables in the accounts classification. Taxes receivable are reported based on amounts certified as collectible by the Richland County Auditor. Special assessments are recorded as fully collectible due to available foreclosure procedures. Also, special assessments receivable includes \$29,880 in delinquencies. Interest and intergovernmental receivables are deemed collectible in full. For a summary of intergovernmental receivables, see Note 23.

<i>Fund Type</i>	<i>Gross Receivables</i>	<i>Allowance for Uncollectibles</i>	<i>Net Receivables</i>
<i>General</i>	<i>\$ 4,366,234</i>	<i>\$ -</i>	<i>\$ 4,366,234</i>
<i>Special Revenue</i>	<i>11,343,498</i>	<i>121,970</i>	<i>11,221,528</i>
<i>Debt Service</i>	<i>16,643</i>	<i>-</i>	<i>16,643</i>
<i>Capital Projects</i>	<i>528,079</i>	<i>-</i>	<i>528,079</i>
<i>Enterprise</i>	<i>2,567,555</i>	<i>21,282</i>	<i>2,546,273</i>
<i>Agency</i>	<i>9,801</i>	<i>-</i>	<i>9,801</i>
<i>Total Receivables</i>	<i>\$ 18,831,810</i>	<i>\$ 143,252</i>	<i>\$ 18,688,558</i>

**NOTE 9  
FIXED ASSETS**

A summary of proprietary fund fixed assets at December 31, 2002 follows:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total Proprietary</u>
Land	\$ 2,164,307	\$ -	\$ 2,164,307
Buildings	12,863,213	-	12,863,213
Improvements other than buildings	27,330,346	-	27,330,346
Equipment	48,890,174	9,548,264	58,438,438
Construction in progress	315,997	-	315,997
<b>Totals</b>	<u>91,564,037</u>	<u>9,548,264</u>	<u>101,112,301</u>
Accumulated depreciation	(53,741,115)	(6,704,605)	(60,445,720)
<b>Net</b>	<u>\$ 37,822,922</u>	<u>\$ 2,843,659</u>	<u>\$ 40,666,581</u>

A summary of changes in general fixed assets follows:

	<u>January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2002</u>
Land	\$ 4,369,537	\$ 341,320	\$1,038,861	\$ 3,671,996
Buildings	12,748,940	398,933	-	13,147,873
Improvements other than buildings	711,418	610,173	3,396	1,318,195
Equipment	13,209,767	669,224	4,523,798	9,355,193
Construction in progress	1,429,859	950,492	1,043,193	1,337,158
<b>Totals</b>	<u>\$ 32,469,521</u>	<u>\$2,970,142</u>	<u>\$6,609,248</u>	<u>\$ 28,830,415</u>

Additions and deletions include \$144,421 of interfund transfers of property within the general fixed assets. The deletions also include \$4,009,617 of equipment transferred to the internal service fund from general fixed assets for the creation of a city wide vehicle/equipment motor pool.

## **NOTE 10**

### **DEFINED BENEFIT PENSION PLANS**

#### *Ohio Public Employees Retirement System*

*Contributions are made to the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established and amended by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS(7377).*

*Employer and employee contributions are established by the Ohio Revised Code. The contribution rates are determined actuarially. The plan members contribution was 8.50% of their annual covered salary and the City's contribution rate was 13.55% of covered payroll, 5.10% was used to fund health care for the year 2002.*

*Contributions by the City to OPERS for the years ended December 31, 2000, 2001, and 2002 were \$1,490,498, \$1,980,880, and \$2,012,614, respectively. The full amount has been contributed for 2000 and 2001. 75.10% has been contributed for 2002 with the remainder being reported as a liability in the respective funds.*

#### *Ohio Police and Fire Pension Fund*

*The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the 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 information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.*

*Police officers and firefighters are required to contribute 10% of their annual covered salary to fund pension obligations. The City is required to contribute 19.50% for police officers and 24.00% for firefighters. Contributions are authorized by state statute. Contributions by the City to the Ohio Police and Fire Pension Fund for police officers for the years ended December 31, 2000, 2001, and 2002 were \$875,910, \$944,752, and \$963,430, respectively, for firefighters the contributions were \$1,088,949, \$1,158,301, and \$1,187,515, respectively. The full amount has been contributed for 2000 and 2001. For police officers and firefighters, 75.30% and 75.40% have been contributed for 2002 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, 2002, the unfunded liability of the City was \$1,374,977 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 in the general long-term obligations account group.*

## **NOTE 11**

### **POSTEMPLOYMENT BENEFITS**

#### *Ohio Public Employees Retirement System*

*The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credits. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The employer contribution rate was 13.55% for 2002; 5.00% was the portion that was used to fund health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.*

*OPEB's are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, 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 6.30% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.*

*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.*

*The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$742,655. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.*

*Since 2000, OPERS has returned to an actuarially pre-funded type of disclosure because it is a better presentation of OPERS's actual funding methodology. From 1997 to 1999, disclosures had been based on a pay-as-you-go funding basis.*

*In December 2001, the Ohio Public Retirement Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.*

*The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.*

## **NOTE 11: POSTEMPLOYMENT BENEFITS (continued)**

### *Ohio Police and Fire Pension Fund*

*The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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 eighteen whether or not the child is attending school or under the age of twenty two if attending school full-time or on a two thirds basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the OP&F's board of trustees to provide health care coverage and states that health care cost paid from OP&F shall be included in the contribution rate.*

*The contribution rate for Police officers is 19.50% and Firefighters is 24.00% of covered payroll, a percentage of covered payroll is applied to the postemployment health care program. The Board defined allocation is 7.50% and 7.75% of covered payroll in 2001 and 2002, respectively. Health care funding and accounting is on a pay-as-you-go basis. 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.*

*The number of participants eligible to receive health care benefits statewide as of December 31, 2001 (the latest information available) was 13,174 police officers and 10,239 firefighters. The City's actual contributions for 2002 that were used to fund postemployment benefits was \$382,482 for police officers and \$383,567 for firefighters. The Fund's total health care expenses for the year ending December 31, 2001 (the latest information available) was \$122,298,771, which was net of member contributions of \$6,874,699.*

## **NOTE 12 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 & omissions, law enforcement liability, property liability, automobile liability, inland marine liability, EMS liability, auto physical damage, and airport liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has not been a reduction in coverage.*

*Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to build the Pool's retained earning account to fund the activities of the Pool. During 2001 and 2002, the City made contributions in the amounts of \$239,199 and \$283,977, and surplus contributions to the Pool in the amounts of \$26,578 and \$31,553, 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 (\$200,000 from November 1, 1992 to October 31, 1993). From November 1, 1991 to October 31, 1992, the Pool was generally reinsured for casualty losses in excess of \$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. Since November 1, 1990, the Pool is limited to an annual aggregated loss pursuant to formula, approximately \$300,000 (\$150,000 prior to November 1, 1990).*

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

*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 State 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, F.O.P., and I.A.F.F.). 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 Canada Life Assurance 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. 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 \$329 single coverage and \$800 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.*

**NOTE 12: RISK MANAGEMENT (continued)**

The liability for unpaid claims costs of \$483,522 reported in the internal service funds at December 31, 2002 is based on the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. Estimates for unpaid claims are based on available information. Changes in the fund's claims liability amount for 2001 and 2002 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2001	\$708,986	\$3,757,363	\$3,807,635	\$658,714
2002	\$658,714	\$4,273,189	\$4,448,381	\$483,522

**NOTE 13  
CONTRIBUTED CAPITAL**

During 2002, contributed capital increased by the following amounts:

<i>Enterprise Funds</i>	<i>Contributed Capital January 1</i>	<i>Additions</i>	<i>Contributed Capital December 31</i>
<i>Water Operating</i>	\$ 481,268	\$ -	\$ 481,268
<i>Sewer Operating</i>	32,212,913	1,633	32,214,546
<i>Airport Operating</i>	7,180,354	-	7,180,354
<i>Total Enterprise Funds</i>	\$ 39,874,535	\$ 1,633	\$ 39,876,168

<i>Internal Service Funds</i>	<i>Contributed Capital January 1</i>	<i>Additions</i>	<i>Contributed Capital December 31</i>
<i>Garage Operating</i>	\$ 2,443	\$ 2,937,728	\$ 2,940,171
<i>Data Processing</i>	20,231	-	20,231
<i>Utility Collections</i>	31,834	-	31,834
<i>Health Insurance</i>	81,168	-	81,168
<i>Total Internal Service Funds</i>	\$ 135,676	\$ 2,937,728	\$ 3,073,404

The additions to contributed capital are due to transfers in from the general fixed asset account group and other proprietary funds.

**NOTE 14  
LEASES**

*Capital Leases*

*In November 1998, the City entered into a capitalized lease for data processing equipment plus extended maintenance with costs totaling \$208,832 and a remaining present value of future minimum lease payments of \$38,711 at December 31, 2002. Transactions for this capital lease are reported entirely within the proprietary funds. Accumulated amortization on proprietary fund assets acquired by this capital lease as of December 31, 2002 is \$96,278, and the original cost of these assets is \$143,896. Amortization expense for the year has been included with depreciation for presentation purposes. The following is a schedule of future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of December 31, 2002:*

<i>Year Ended December 31</i>	<i>Amount</i>
<hr/>	<hr/>
2003	\$ 39,649
<i>Total minimum lease payments</i>	<hr/> 39,649
<i>Less: amount representing interest at 5.25%</i>	(938)
<i>Present value of future minimum lease payments</i>	<hr/> <hr/> \$ 38,711

*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 general purpose financial statements. Total costs for such leases were \$224,576 for the year ended December 31, 2002. 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, 2002:*

<i>Year Ended December 31</i>	<i>Amount</i>
<hr/>	<hr/>
2003	\$ 114,611
2004	98,443
2005	31,571
<i>Total minimum payments required</i>	<hr/> <hr/> \$ 244,625

**NOTE 15**  
**LONG-TERM OBLIGATIONS**

Long-term obligations of the City as of December 31, 2002 are as follows:

<u>Enterprise Fund</u>	<u>Balance 1/1/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/02</u>
<i>General Obligation Water System Bonds:</i>				
1993 2.85% to 9.65%	\$ 2,095,000	\$ -	\$ (135,000)	\$ 1,960,000
1992 3.00% to 6.20%	1,815,000	-	(125,000)	1,690,000
<b>Total</b>	<b>\$ 3,910,000</b>	<b>\$ -</b>	<b>\$ (260,000)</b>	<b>\$ 3,650,000</b>
<b>Notes Payable</b>	<b>\$ 209,547</b>	<b>\$ -</b>	<b>\$ (49,594)</b>	<b>\$ 159,953</b>
<b>Total Enterprise Fund</b>	<b>\$ 4,119,547</b>	<b>\$ -</b>	<b>\$ (309,594)</b>	<b>\$ 3,809,953</b>
<i>Internal Service Fund</i>				
<b>Obligation Under Capital Lease</b>	<b>\$ 82,988</b>	<b>\$ -</b>	<b>\$ (44,277)</b>	<b>\$ 38,711</b>
<b>Total Internal Service Fund</b>	<b>\$ 82,988</b>	<b>\$ -</b>	<b>\$ (44,277)</b>	<b>\$ 38,711</b>
<i>General Long-Term Obligations Account Group</i>				
<i>Special Assessment Bonds:</i>				
1983 9.375% Central Business District Improvement	\$ 30,000	\$ -	\$ (30,000)	\$ -

<i>General Long-Term Obligations Account Group</i>	<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance 12/31/02</i>
<i>1992 Superior Street Improvement</i>	7,148	-	(3,390)	3,758
<i>Total Special Assessment Bonds</i>	\$ 37,148	\$ -	\$ (33,390)	\$ 3,758
<i>Voted General Obligation Bonds:</i>				
<i>1998 3.35% to 4.00% Sewer System Refunding</i>	\$ 2,010,000	\$ -	\$ (525,000)	\$ 1,485,000
<i>Unvoted General Obligation Bonds:</i>				
<i>2002 2.05% to 5.00% Various Purpose Bonds</i>	-	4,565,000	-	4,565,000
<i>2002 1.95% Ohio Police &amp; Fire Pension Internal Bonds</i>	-	1,300,000	-	1,300,000
<i>2002 1.95% Health Care Internal Bonds</i>	-	1,200,000	-	1,200,000
<i>Total General Obligation Bonds</i>	\$ 2,010,000	\$ 7,065,000	\$ (525,000)	\$ 8,550,000
<i>Compensated Absences</i>	\$ 3,646,230	\$ 178,817	\$ -	\$ 3,825,047
<i>Notes Payable</i>	13,207,155	10,000,000	(12,325,431)	10,881,724
<i>Police &amp; Fire Pension Liability</i>	1,394,401	-	(19,424)	1,374,977
<i>Total General Long-Term Obligation Account Group</i>	\$ 20,294,934	\$ 17,243,817	\$ (12,903,245)	\$ 24,635,506
<i>Total All Types</i>	\$ 24,497,469	\$ 17,243,817	\$ (13,257,116)	\$ 28,484,170

**NOTE 15: LONG-TERM OBLIGATIONS (continued)**

*Enterprise funds bonds payable are general obligation bonds paid from revenues of the enterprise operation for which the improvements were made. Special assessment bonds are payable from assessments levied against the benefitted 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 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 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 Various Purpose Bonds issued in 2002 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.*

*During 2002, the City declared it necessary to issue internal bonds 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 starting with June 1, 2003.*

*In 2002, bond anticipation notes were issued in the amount of \$10,000,000. They are due to mature on April 30, 2003 bearing an interest rate of 2.65%. \$2,000,000 of the notes was issued for the purpose of constructing, furnishing, and equipping a municipal justice center building. \$8,000,000 was issued to pay the outstanding principal and interest on notes issued in 2001 which were also for constructing, furnishing, and equipping the municipal justice center building.*

*The bond anticipation notes were refinanced prior to the issuance of the financial statements and have a maturity date that extends beyond the next fiscal year's end. Therefore, the notes have been presented in the general long-term obligation account group. See Note 18, Subsequent Event.*

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2002 are as follows:

Year	Special Assessment Bonds	General Obligation Bonds	Police and Fire Pension	Notes Payable
2003	\$ 3,758	\$ 1,726,280	\$ 78,482	\$ 10,164,870
2004	-	1,680,368	78,482	143,162
2005	-	1,651,840	78,482	138,157
2006	-	1,156,068	78,482	133,159
2007	-	1,156,563	78,482	125,452
2008-2012	-	5,768,508	392,410	537,412
2013-2017	-	1,707,403	392,410	227,853
2018-2022	-	1,476,438	392,410	-
2023-2027	-	-	392,410	-
2028-2032	-	-	392,410	-
2033-2035	-	-	192,678	-
<b>Total</b>	<b>\$ 3,758</b>	<b>\$ 16,323,468</b>	<b>\$ 2,547,138</b>	<b>\$ 11,470,065</b>

The City's legal voted and unvoted debt margin was \$70,876,178 at December 31, 2002.

**NOTE 16  
SHORT-TERM OBLIGATIONS**

During 2002, bond anticipation notes were issued in the amount of \$2,535,000 for the improvement of the City's wastewater treatment plant. These bond anticipation notes are due to mature on August 28, 2003 bearing an interest rate of 1.95%.

**NOTE 17  
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 general long-term obligation account group. As of December 31, 2002, \$1,485,000 of bonds are considered defeased.

**NOTE 18  
SUBSEQUENT EVENT**

On February 18, 2003, the City authorized the issuance of bond anticipation notes totaling \$10,260,000. These notes are to pay the \$10,000,000 in outstanding bond anticipation notes issued in 2002. The notes are for the constructing, furnishing, and equipping a municipal justice center building, acquiring real estate, demolition, and improving the site.

**NOTE 19  
CONTINGENCIES**

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.

**NOTE 20  
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 judgement against the City would not have a material adverse effect on the City's financial position.

**NOTE 21  
INTERFUND ASSETS AND LIABILITIES**

Long-term interfund loans are presented in the advance to/from accounts. Short-term interfund loans are represented by interfund receivables/payables. The due to/from accounts represent unpaid charges for services or allocations to be made from agency funds. Individual fund interfund assets and liabilities balances as of December 31, 2002 are as follows:

<u>Fund Type</u>	<u>Advance To</u>	<u>Advance From</u>
Special Revenue Funds:		
Police and Fire	-	300,000
Industrial Development	-	100,000
 Total Special Revenue	 \$ -	 \$ 400,000

<i>Enterprise Funds:</i>		
<i>Water Operating</i>	600,000	-
<i>Sewer Operating</i>	400,000	-
<i>Total Enterprise</i>	<u>\$ 1,000,000</u>	<u>\$ -</u>
<i>Internal Service Funds:</i>		
<i>Health Insurance</i>	-	600,000
<i>Total Internal Service</i>	<u>\$ -</u>	<u>\$ 600,000</u>
<i>Total All Funds</i>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
<i>Fund Type</i>	<i>Due To</i>	<i>Due From</i>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>General Fund</i>	\$ -	\$ 101,742
<i>Special Revenue Funds:</i>		
<i>Police and Fire</i>	-	6,686
<i>Indigent Drvr Alc Trtmnt</i>	-	982
<i>Court Computerization</i>	-	26,820
<i>Grant Fund</i>	-	671
<i>Probation Services</i>	-	8,357
<i>Court Costs</i>	-	20,021
<i>Total Special Revenue</i>	<u>\$ -</u>	<u>\$ 63,537</u>
<i>Agency Funds:</i>		
<i>OSP Fines</i>	-	5,554
<i>Municipal Court</i>	170,343	
<i>Transient Occupancy Tax</i>	490	-
<i>Total Agency</i>	<u>\$ 170,833</u>	<u>\$ 5,554</u>
 <i>Total All Funds</i>	 <u>\$ 170,833</u>	 <u>\$ 170,833</u>

**NOTE 22**  
**SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City which are financed primarily by user charges are water treatment and distribution, sanitary sewer, airport and parking. The key financial information for the year ended December 31, 2002 these non-similar enterprises activities is as follows:

	Water Operating	Sewer Operating	Airport Operating
	<u>          </u>	<u>          </u>	<u>          </u>
Operating revenues	\$ 6,120,456	\$ 5,300,947	\$ 154,925
Operating expenses:			
Depreciation	\$ 452,438	\$ 1,569,563	\$ 293,959
Other	5,954,985	5,274,709	585,852
Operating (loss)	\$ <u>(286,967)</u>	\$ <u>(1,543,325)</u>	\$ <u>(724,886)</u>
Operating transfers in	\$ <u>29,063</u>	\$ <u>215,945</u>	\$ <u>-</u>
Operating transfers out	\$ <u>(41,750)</u>	\$ <u>-</u>	\$ <u>(63,154)</u>
Municipal income tax	\$ <u>-</u>	\$ <u>-</u>	\$ <u>560,835</u>
Net (loss)	\$ <u>(439,429)</u>	\$ <u>(1,325,482)</u>	\$ <u>(225,314)</u>
Current capital contributions	\$ <u>-</u>	\$ <u>1,633</u>	\$ <u>-</u>
Property, plant and equipment:			
Additions	\$ 437,842	\$ 353,120	\$ 2,700
Deletions	1,807,725	2,141,469	514,614
Net working capital	\$ <u>4,687,885</u>	\$ <u>4,375,509</u>	\$ <u>170,266</u>
Total assets	\$ <u>10,661,789</u>	\$ <u>33,478,392</u>	\$ <u>4,646,176</u>
Bonds, and other long-term liabilities payable from operating revenues	\$ 4,050,487	\$ 340,457	\$ 28,670
Total equity	\$ <u>5,945,764</u>	\$ <u>32,646,741</u>	\$ <u>4,526,114</u>
Outstanding encumbrances at December 31, 2002	\$ <u>981,010</u>	\$ <u>273,265</u>	\$ <u>27,763</u>

<i>Parking Garage</i>	<i>Totals</i>
\$ 49,381	\$ 11,625,709
\$ 10,526 46,797	\$ 2,326,486 11,862,343
\$ (7,942)	\$ (2,563,120)
\$ -	\$ 245,008
\$ -	\$ (104,904)
\$ -	\$ 560,835
\$ (7,942)	\$ (1,998,167)
\$ -	\$ 1,633
\$ - -	\$ 793,662 4,463,808
\$ 62,830	\$ 9,296,490
\$ 234,070	\$ 49,020,427
\$ -	\$ 4,419,614
\$ 234,070	\$ 43,352,689
\$ 28,556	\$ 1,310,594

**NOTE 23****A SUMMARY OF INTERGOVERNMENTAL RECEIVABLES FOLLOWS:**

<i>Fund Type</i>	<i>Intergovernmental Receivables</i>
<i>General Fund:</i>	
<i>Local government funds</i>	\$ 1,734,195
<i>Estate and inheritance tax</i>	46,599
<i>Richland County share of judges' salary</i>	128,766
<i>Public defenders reimbursement</i>	20,737
<i>State liquor permit fees</i>	62,883
<i>Homestead/rollback and trailer tax</i>	118
<i>Total General Fund</i>	\$ 1,993,298
<i>Special Revenue Funds:</i>	
<i>Gasoline tax</i>	\$ 544,460
<i>Motor vehicle registration</i>	202,258
<i>Permissive sales tax</i>	510,860
<i>Reimbursements for services</i>	48,600
<i>Indigent alcohol fees</i>	12,325
<i>City school contracts</i>	165,159
<i>Police and Fire Department grants</i>	282,580
<i>Neighborhood Youth Corp grants</i>	381,158
<i>Litter Control grant</i>	8,183
<i>Department of Development grant</i>	139,675
<i>Municipal Court grants</i>	95,200
<i>Park grant</i>	67,837
<i>Boat facilities grant</i>	23,020
<i>Airport grant</i>	445,074
<i>CDBG and Home grants</i>	2,234,387
<i>Total Special Revenue Funds</i>	\$ 5,160,776
<i>Enterprise Funds:</i>	
<i>Village of Ontario sewer agreements</i>	\$ 114,275
<i>County water samples</i>	4,648
<i>Reimbursement of Clearfork Reservoir fees</i>	2,315
<i>User sewer charges - Richland County</i>	150,992
<i>Total Enterprise Funds</i>	\$ 272,230
<i>Total All Funds</i>	\$ 7,426,304

**NOTE 24**  
**PRIOR PERIOD ADJUSTMENTS**

*Fund balances at the beginning of year changed on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP) Budget Basis of All Governmental Fund Types because certain cash adjustments were not properly recorded as of December 31, 2001.*

*The effect for 2002 was as follows:*

	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Fund balance beginning of year as previously reported</i>	\$ 2,932,622	\$ 3,499,416	\$ 9,440,159
<i>Effect of adjustment</i>	54,604	761,998	(485,369)
<i>Fund balance beginning of year as restated</i>	<u>\$ 2,987,226</u>	<u>\$ 4,261,414</u>	<u>\$ 8,954,790</u>

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**FINANCIAL STATEMENTS AND SCHEDULES OF  
INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

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**GENERAL FUND**

*To account for government resources which are not accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of the State of Ohio.*

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Property taxes	\$ 1,838,720	\$ 1,838,251	\$ (469)
Special assessments	25,000	23,209	(1,791)
Intergovernmental	4,352,481	4,295,669	(56,812)
Charges for services	45,500	43,029	(2,471)
Fees, licenses and permits	422,100	408,044	(14,056)
Interest earnings	666,405	625,826	(40,579)
Fines and forfeits	1,588,050	1,513,135	(74,915)
Miscellaneous	330,130	324,923	(5,207)
Total revenues	<u>9,268,386</u>	<u>9,072,086</u>	<u>(196,300)</u>
<i>Expenditures:</i>			
<i>Public safety</i>			
<i>Safety town</i>			
Materials and supplies	11,528	11,528	-
Street lighting			
Contractual services	295,000	274,673	20,327
Housing of prisoners			
Contractual services	877,579	877,579	-
Total public safety expenditures	<u>1,184,107</u>	<u>1,163,780</u>	<u>20,327</u>
<i>Public health and welfare</i>			
<i>Human relations</i>			
Other	500	57	443
Indigent burial			
Other	13,000	8,500	4,500
Dog warden			
Other	30,000	30,000	-
Total public health and welfare expenditures	<u>43,500</u>	<u>38,557</u>	<u>4,943</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
(continued)  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Leisure time activities</i>			
<i>Parks</i>			
<i>Personal services</i>	577,785	570,834	6,951
<i>Contractual services</i>	120,000	94,277	25,723
<i>Materials and supplies</i>	77,020	69,285	7,735
<i>Capital outlay</i>	44,128	37,570	6,558
<i>Fringe benefits</i>	4,100	3,822	278
<i>Adopt-a-park</i>			
<i>Other</i>	14,764	664	14,100
<i>Recreation</i>			
<i>Personal services</i>	84,034	83,896	138
<i>Contractual services</i>	11,643	11,604	39
<i>Materials and supplies</i>	6,000	5,959	41
 <i>Total leisure time activities expenditures</i>	 <u>939,474</u>	 <u>877,911</u>	 <u>61,563</u>
 <i>Community environment:</i>			
<i>Codes and permits</i>			
<i>Personal services</i>	395,745	392,870	2,875
<i>Contractual services</i>	126,050	125,902	148
<i>Materials and supplies</i>	15,913	15,913	-
<i>Capital outlay</i>	1,023	1,002	21
<i>Fringe benefits</i>	2,400	2,178	222
<i>Other</i>	853	836	17
<i>Regional planning</i>			
<i>Other</i>	30,000	30,000	-
 <i>Total community environment expenditures</i>	 <u>571,984</u>	 <u>568,701</u>	 <u>3,283</u>

*continued*

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 General Fund  
 (continued)  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<i>General government:</i>			
<i>Council</i>			
<i>Personal services</i>	130,935	130,935	-
<i>Materials and supplies</i>	1,674	1,402	272
<i>Other</i>	2,780	2,436	344
<i>Human resource director</i>			
<i>Personal services</i>	190,520	190,510	10
<i>Contractual services</i>	52,982	52,886	96
<i>Materials and supplies</i>	10,300	10,266	34
<i>Capital outlay</i>	49	49	-
<i>Other</i>	43,515	43,515	-
<i>Mayor</i>			
<i>Personal services</i>	167,710	167,702	8
<i>Materials and supplies</i>	23,441	23,441	-
<i>Other</i>	1,509	1,470	39
<i>Finance director</i>			
<i>Personal services</i>	441,399	435,072	6,327
<i>Contractual services</i>	155,500	134,383	21,117
<i>Materials and supplies</i>	18,500	18,101	399
<i>Other</i>	2,600	2,532	68
<i>Law director</i>			
<i>Personal services</i>	467,106	464,337	2,769
<i>Contractual services</i>	29,000	24,593	4,407
<i>Materials and supplies</i>	63,282	54,859	8,423
<i>Other</i>	72,065	60,918	11,147
<i>Municipal court</i>			
<i>Personal services</i>	886,850	882,023	4,827
<i>Contractual services</i>	278,824	278,678	146
<i>Materials and supplies</i>	24,058	23,867	191
<i>Other</i>	1,889	1,889	-
<i>Clerk of court</i>			
<i>Personal services</i>	699,689	697,335	2,354
<i>Materials and supplies</i>	74,685	73,220	1,465
<i>Other</i>	315	175	140

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
(continued)  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Judicial</i>			
Other	17,000	17,000	-
<i>Civil service commission</i>			
Personal services	19,500	19,500	-
Contractual services	40,306	40,306	-
<i>Safety/service director</i>			
Personal services	78,613	78,613	-
Contractual services	16,235	14,147	2,088
Materials and supplies	3,000	2,219	781
<i>Engineering</i>			
Personal services	437,289	434,215	3,074
Contractual services	6,461	4,011	2,450
Materials and supplies	10,813	10,813	-
Capital outlay	10,000	9,869	131
Other	9,405	8,106	1,299
<i>City building and public lands</i>			
Personal services	186,200	179,457	6,743
Contractual services	305,836	280,231	25,605
Materials and supplies	83,639	58,513	25,126
Other	1,406	1,270	136
<i>Income tax administration</i>			
Personal services	394,399	393,890	509
Contractual services	20,050	19,090	960
Materials and supplies	45,224	42,749	2,475
Other	1,000	921	79
<i>Miscellaneous</i>			
Fringe benefits	1,097,257	1,074,980	22,277
Contractual services	544,777	538,593	6,184
Grants in aid	180,000	180,000	-
Festivals	32,250	32,250	-
Other	31,000	15,930	15,070

*continued*

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 General Fund  
 (continued)  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Humane society</i>			
<i>Other</i>	9,000	9,000	-
<i>Drug education and prevention</i>			
<i>Other</i>	40,000	40,000	-
<i>CCEDC</i>			
<i>Other</i>	20,000	20,000	-
<i>Special assessments</i>			
<i>Special assessments</i>	5,646	1,885	3,761
 <i>Total general government expenditures</i>	 <u>7,487,483</u>	 <u>7,304,152</u>	 <u>183,331</u>
 <i>Total expenditures</i>	 <u>10,226,548</u>	 <u>9,953,101</u>	 <u>273,447</u>
 <i>Deficiency of revenues under expenditures</i>	 <u>(958,162)</u>	 <u>(881,015)</u>	 <u>77,147</u>
 <i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	2,172,210	2,297,119	124,909
<i>Operating transfers out</i>	(5,348,028)	(5,254,028)	94,000
<i>Proceeds from internal bonds</i>	2,500,000	2,500,000	-
 <i>Total other financing sources (uses)</i>	 <u>(675,818)</u>	 <u>(456,909)</u>	 <u>218,909</u>
 <i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	 <u>(1,633,980)</u>	 <u>(1,337,924)</u>	 <u>296,056</u>
 <i>Fund balance at beginning of year</i>	 1,401,016	 1,401,016	 -
 <i>Expenditures against prior year encumbrances</i>	 234,275	 234,275	 -
 <i>Fund balance at end of year</i>	 <u>\$ 1,311</u>	 <u>\$ 297,367</u>	 <u>\$ 296,056</u>

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## **SPECIAL REVENUE FUNDS**

*To account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditure for specified purposes.*

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### **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. Individual programs and grant activity are controlled by separate program numbers.*

### **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.*

### **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.*

### **Police and Fire:**

*To account for monies collected for police and fire department operations.*

**Permissive Sales Tax:**

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

**Industrial Development:**

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

**Indigent Drivers Alcohol Treatment:**

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

**Court Computerization:**

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

**Local Law Enforcement Block Grant:**

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

**Grant Fund:**

*To account for monies received on various grants. FAA Improvements, DARE, Litter Control, Emergency Medical Services, Metrich Enforcement, Marine Patrol, TIDE, Community Corrections Act, Drug Treatment Court, Crime Victims Assistance, Operation Happy Holidays, Cops in Shop, Forensic DNA Program, DNA Backlog Reduction Program, and ASORT Communications.*

**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.*

*City of Mansfield, Ohio  
Combining Balance Sheet  
All Special Revenue Funds  
December 31, 2002*

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway</u>	<u>Neighborhood Youth Corp</u>	<u>Community Development</u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 251,990	\$ 95,330	\$ 350,375	\$ 136,711
<i>Cash and cash equivalents with fiscal and escrow agent</i>	1,343	-	-	-
<i>Receivables (net of allowance for uncollectibles)</i>				
<i>Accrued interest</i>	-	-	-	29,886
<i>Taxes</i>	90,102	-	-	-
<i>Loans</i>	-	-	-	2,725,156
<i>Due from other funds</i>	-	-	-	-
<i>Due from other governments</i>	690,712	56,005	546,317	2,234,388
<i>Inventory of supplies</i>	231,774	-	-	739
 <i>Total assets</i>	 <u>\$ 1,265,921</u>	 <u>\$ 151,335</u>	 <u>\$ 896,692</u>	 <u>\$ 5,126,880</u>
 <i>Liabilities:</i>				
<i>Accounts payable</i>	\$ 20,661	\$ -	\$ 7,482	\$ 32,361
<i>Contracts payable</i>	196	-	-	-
<i>Contracts payable-retained percentage</i>	1,343	-	-	-
<i>Accrued wages and benefits</i>	55,118	-	29,574	7,788
<i>Due to other governments</i>	91,611	-	73,606	37,598
<i>Deferred revenue</i>	624,254	46,562	437,832	2,224,732
<i>Advance from other funds</i>	-	-	-	-
<i>Compensated absences payable</i>	17,592	-	8,815	4,150
 <i>Total liabilities</i>	 <u>810,775</u>	 <u>46,562</u>	 <u>557,309</u>	 <u>2,306,629</u>
 <i>Fund equity:</i>				
<i>Fund balances (deficit)</i>				
<i>Reserved for encumbrances</i>	97,002	-	12,328	7,060
<i>Reserved for inventory</i>	231,774	-	-	739
<i>Reserved for loans</i>	-	-	-	2,725,156
<i>Unreserved and undesignated</i>	126,370	104,773	327,055	87,296
 <i>Total fund equity (deficit)</i>	 <u>455,146</u>	 <u>104,773</u>	 <u>339,383</u>	 <u>2,820,251</u>
 <i>Total liabilities and fund equity</i>	 <u>\$ 1,265,921</u>	 <u>\$ 151,335</u>	 <u>\$ 896,692</u>	 <u>\$ 5,126,880</u>

<i>Drug Law Enforcement</i>	<i>Law Enforcement</i>	<i>Police and Fire</i>	<i>Permissive Sales Tax</i>	<i>Industrial Development</i>
\$ 34,810	\$ 90,885	\$ 786,201	\$ 357,132	\$ 768,836
-	-	-	-	1,547
-	-	-	-	3,014
-	-	2,943,989	-	-
-	-	-	-	268,605
-	-	6,686	-	-
-	-	-	559,460	139,675
-	-	35,954	-	-
<u>\$ 34,810</u>	<u>\$ 90,885</u>	<u>\$ 3,772,830</u>	<u>\$ 916,592</u>	<u>\$ 1,181,677</u>
\$ -	\$ 1,681	\$ 46,441	\$ 2,808	\$ 59,522
-	-	835	-	-
-	-	-	-	1,547
-	-	440,849	-	2,097
-	-	1,105,268	6,868	-
-	-	1,831,895	477,746	-
-	-	300,000	-	100,000
-	-	186,876	-	-
<u>-</u>	<u>1,681</u>	<u>3,912,164</u>	<u>487,422</u>	<u>163,166</u>
-	-	3,874	63,828	596,440
-	-	35,954	-	-
-	-	-	-	268,605
34,810	89,204	(179,162)	365,342	153,466
<u>34,810</u>	<u>89,204</u>	<u>(139,334)</u>	<u>429,170</u>	<u>1,018,511</u>
<u>\$ 34,810</u>	<u>\$ 90,885</u>	<u>\$ 3,772,830</u>	<u>\$ 916,592</u>	<u>\$ 1,181,677</u>

*continued*

City of Mansfield, Ohio  
Combining Balance Sheet  
All Special Revenue Funds  
(continued)  
December 31, 2002

	<i>Indigent Drivers Alcohol Treatment</i>	<i>Court Computerization</i>	<i>Local Law Enforcement Block Grant</i>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Assets:</i>			
<i>Equity in pooled cash and cash equivalents</i>	\$ 317,930	\$ 158,504	\$ 215,099
<i>Cash and cash equivalents with fiscal and escrow agent</i>	-	-	-
<i>Receivables (net of allowance for uncollectibles)</i>	-	-	-
<i>Accrued interest</i>	-	-	-
<i>Taxes</i>	-	-	-
<i>Loans</i>	-	-	-
<i>Due from other funds</i>	982	26,820	-
<i>Due from other governments</i>	12,325	-	-
<i>Inventory of supplies</i>	-	4,955	-
 <i>Total assets</i>	 <u>\$ 331,237</u>	 <u>\$ 190,279</u>	 <u>\$ 215,099</u>
 <i>Liabilities:</i>			
<i>Accounts payable</i>	\$ 16,987	\$ 5,053	\$ 6,476
<i>Contracts payable</i>	-	-	-
<i>Contracts payable-retained percentage</i>	-	-	-
<i>Accrued wages and benefits</i>	-	1,017	1,377
<i>Due to other governments</i>	-	-	-
<i>Deferred revenue</i>	-	-	-
<i>Advance from other funds</i>	-	-	-
<i>Compensated absences payable</i>	-	1,090	220
 <i>Total liabilities</i>	 <u>16,987</u>	 <u>7,160</u>	 <u>8,073</u>
 <i>Fund equity:</i>			
<i>Fund balances (deficit)</i>			
<i>Reserved for encumbrances</i>	-	39,000	15,599
<i>Reserved for inventory</i>	-	4,955	-
<i>Reserved for loans</i>	-	-	-
<i>Unreserved and undesignated</i>	314,250	139,164	191,427
 <i>Total fund equity (deficit)</i>	 <u>314,250</u>	 <u>183,119</u>	 <u>207,026</u>
 <i>Total liabilities and fund equity</i>	 <u>\$ 331,237</u>	 <u>\$ 190,279</u>	 <u>\$ 215,099</u>

<u>Grant Fund</u>	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
\$ 88,909	\$ 112,841	\$ 835,019	\$ 4,600,572
-	-	-	2,890
-	-	-	32,900
-	-	-	3,034,091
-	-	-	2,993,761
671	8,357	20,021	63,537
921,894	-	-	5,160,776
10,109	-	-	283,531
<u>\$ 1,021,583</u>	<u>\$ 121,198</u>	<u>\$ 855,040</u>	<u>\$ 16,172,058</u>
\$ 24,043	\$ 410	\$ -	\$ 223,925
320,119	-	-	321,150
-	-	-	2,890
6,007	-	-	543,827
23,004	-	-	1,337,955
864,514	-	-	6,507,535
-	-	-	400,000
339	-	-	219,082
<u>1,238,026</u>	<u>410</u>	<u>-</u>	<u>9,556,364</u>
18,823	-	-	853,954
10,109	-	-	283,531
-	-	-	2,993,761
(245,375)	120,788	855,040	2,484,448
<u>(216,443)</u>	<u>120,788</u>	<u>855,040</u>	<u>6,615,694</u>
<u>\$ 1,021,583</u>	<u>\$ 121,198</u>	<u>\$ 855,040</u>	<u>\$ 16,172,058</u>

City of Mansfield, Ohio  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
All Special Revenue Funds  
For the Year Ended December 31, 2002

	Street Construction Maintenance and Repair	State Highway	Neighborhood Youth Corp	Community Development
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income tax	1,426,714	-	-	-
Intergovernmental	1,547,239	125,453	1,823,233	1,892,923
Charges for services	238,600	-	173,351	-
Fees, licenses and permits	-	-	-	-
Interest earnings	1,167	95	-	101,344
Fines and forfeits	-	-	-	-
Miscellaneous	6,514	-	2,553	60,471
<i>Total revenues</i>	<u>3,220,234</u>	<u>125,548</u>	<u>1,999,137</u>	<u>2,054,738</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Public safety	-	-	-	-
Public health and welfare	-	-	-	-
Community environment	-	-	-	1,773,861
Transportation	3,335,807	50,000	-	-
General government	-	-	1,843,273	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,335,807</u>	<u>50,000</u>	<u>1,843,273</u>	<u>1,773,861</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(115,573)</u>	<u>75,548</u>	<u>155,864</u>	<u>280,877</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	365,940	-	-	-
Operating transfers out	-	-	-	(250,000)
Sale of fixed assets	29,951	-	-	-
<i>Total other financing sources (uses)</i>	<u>395,891</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	280,318	75,548	155,864	30,877
<i>Fund balances (deficit) at beginning of year</i>	418,776	37,940	184,038	2,790,105
<i>Increase (decrease) in reserve for inventory</i>	(243,948)	(8,715)	(519)	(731)
<i>Fund balances (deficit) at end of year</i>	<u>\$ 455,146</u>	<u>\$ 104,773</u>	<u>\$ 339,383</u>	<u>\$ 2,820,251</u>

<i>Drug Law Enforcement</i>	<i>Law Enforcement</i>	<i>Police and Fire</i>	<i>Permissive Sales Tax</i>	<i>Industrial Development</i>
\$ -	\$ -	\$ 367,713	\$ -	\$ -
-	-	16,437,805	-	412,807
-	-	60,880	1,063,461	139,675
-	-	-	-	-
-	-	110,383	-	-
-	985	-	-	10,147
16,849	27,069	227,735	-	-
-	-	63,295	-	43,386
<u>16,849</u>	<u>28,054</u>	<u>17,267,811</u>	<u>1,063,461</u>	<u>606,015</u>
-	51,933	19,116,602	-	-
-	-	-	-	-
-	-	-	1,064,427	-
-	-	-	-	1,086,135
-	-	-	-	-
<u>-</u>	<u>51,933</u>	<u>19,116,602</u>	<u>1,064,427</u>	<u>1,086,135</u>
16,849	(23,879)	(1,848,791)	(966)	(480,120)
-	-	3,390,861	-	-
-	-	(116,329)	(538,000)	-
-	-	4,650	-	83,543
<u>-</u>	<u>-</u>	<u>3,279,182</u>	<u>(538,000)</u>	<u>83,543</u>
16,849	(23,879)	1,430,391	(538,966)	(396,577)
17,961	113,083	(1,566,384)	968,136	1,415,088
-	-	(3,341)	-	-
<u>\$ 34,810</u>	<u>\$ 89,204</u>	<u>\$ (139,334)</u>	<u>\$ 429,170</u>	<u>\$ 1,018,511</u>

*continued*

City of Mansfield, Ohio  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
All Special Revenue Funds  
(continued)  
For the Year Ended December 31, 2002

	Indigent Drivers Alcohol Treatment	Court Computerization	Local Law Enforcement Block Grant
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Municipal income tax	-	-	-
Intergovernmental	43,638	-	49,132
Charges for services	-	-	-
Fees, licenses and permits	-	-	-
Interest earnings	-	-	6,078
Fines and forfeits	10,871	391,976	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>54,509</u>	<u>391,976</u>	<u>55,210</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Public safety	17,337	-	276,832
Public health and welfare	-	-	-
Community environment	-	-	-
Transportation	-	-	-
General government	-	151,550	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>17,337</u>	<u>151,550</u>	<u>276,832</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>37,172</u>	<u>240,426</u>	<u>(221,622)</u>
<i>Other financing sources (uses):</i>			
Operating transfers in	-	-	86,729
Operating transfers out	-	(500,000)	-
Sale of fixed assets	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(500,000)</u>	<u>86,729</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>37,172</u>	<u>(259,574)</u>	<u>(134,893)</u>
<i>Fund balances (deficit) at beginning of year</i>	277,078	442,644	341,919
<i>Increase (decrease) in reserve for inventory</i>	-	49	-
<i>Fund balances (deficit) at end of year</i>	<u>\$ 314,250</u>	<u>\$ 183,119</u>	<u>\$ 207,026</u>

<u>Grant Fund</u>	<u>Probation Services</u>	<u>Court Costs</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 367,713
-	-	-	18,277,326
904,332	-	-	7,649,966
-	-	-	411,951
7,998	101,171	262,585	482,137
-	-	-	119,816
-	-	-	674,500
55,452	1,071	-	232,742
<u>967,782</u>	<u>102,242</u>	<u>262,585</u>	<u>28,216,151</u>
347,084	-	-	19,809,788
100,962	-	-	100,962
-	-	-	1,773,861
-	-	-	4,450,234
196,853	3,168	-	3,280,979
673,633	-	-	673,633
<u>1,318,532</u>	<u>3,168</u>	<u>-</u>	<u>30,089,457</u>
(350,750)	99,074	262,585	(1,873,306)
244,541	-	500,000	4,588,071
(157,903)	-	(250,000)	(1,812,232)
-	-	-	118,144
<u>86,638</u>	<u>-</u>	<u>250,000</u>	<u>2,893,983</u>
(264,112)	99,074	512,585	1,020,677
47,305	21,951	342,455	5,852,095
364	(237)	-	(257,078)
<u>\$ (216,443)</u>	<u>\$ 120,788</u>	<u>\$ 855,040</u>	<u>\$ 6,615,694</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Street Construction Maintenance and Repair Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 1,530,000	\$ 1,538,347	\$ 8,347
<i>Interest earnings</i>	5,000	1,167	(3,833)
<i>Miscellaneous</i>	13,600	6,851	(6,749)
<i>Total revenues</i>	<u>1,548,600</u>	<u>1,546,365</u>	<u>(2,235)</u>
<i>Expenditures:</i>			
<i>Transportation</i>			
<i>Personal services</i>	1,483,405	1,455,320	28,085
<i>Fringe benefits</i>	386,497	383,263	3,234
<i>Contractual services</i>	452,906	352,059	100,847
<i>Materials and supplies</i>	294,477	229,071	65,406
<i>Capital outlay</i>	90,130	90,130	-
<i>Total transportation expenditures</i>	<u>2,707,415</u>	<u>2,509,843</u>	<u>197,572</u>
<i>Deficiency of revenues under expenditures</i>	<u>(1,158,815)</u>	<u>(963,478)</u>	<u>195,337</u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	2,038,848	1,978,848	(60,000)
<i>Operating transfers out</i>	(1,180,844)	(1,180,844)	-
<i>Sale of fixed assets</i>	30,000	29,951	(49)
<i>Total other financing sources (uses)</i>	<u>888,004</u>	<u>827,955</u>	<u>(60,049)</u>
<i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	<u>(270,811)</u>	<u>(135,523)</u>	<u>135,288</u>
<i>Fund balance at beginning of year</i>	20,724	20,724	-
<i>Expenditures against prior year encumbrances</i>	250,087	250,087	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ 135,288</u>	<u>\$ 135,288</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 State Highway Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 123,000	\$ 124,731	\$ 1,731
<i>Interest earnings</i>	500	95	(405)
 <i>Total revenues</i>	 <u>123,500</u>	 <u>124,826</u>	 <u>1,326</u>
 <i>Expenditures:</i>			
<i>Transportation</i>			
<i>Personal services</i>	50,000	50,000	-
<i>Materials and supplies</i>	94,005	-	94,005
 <i>Total transportation expenditures</i>	 <u>144,005</u>	 <u>50,000</u>	 <u>94,005</u>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 <u>(20,505)</u>	 <u>74,826</u>	 <u>95,331</u>
 <i>Fund balance at beginning of year</i>	 20,505	 20,505	 -
<i>Expenditures against prior year encumbrances</i>	-	-	-
 <i>Fund balance at end of year</i>	 <u>\$ -</u>	 <u>\$ 95,331</u>	 <u>\$ 95,331</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Neighborhood Youth Corp Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 1,697,100	\$ 1,794,555	\$ 97,455
<i>Charges for services</i>	169,900	169,286	(614)
<i>Miscellaneous</i>	7,000	5,869	(1,131)
 <i>Total revenues</i>	 <u>1,874,000</u>	 <u>1,969,710</u>	 <u>95,710</u>
 <i>Expenditures:</i>			
<i>General government</i>			
<i>Personal services</i>	1,206,934	1,206,618	316
<i>Fringe benefits</i>	268,648	190,048	78,600
<i>Contractual services</i>	266,030	263,351	2,679
<i>Materials and supplies</i>	62,639	46,945	15,694
<i>Other</i>	10,000	9,013	987
 <i>Total general government expenditures</i>	 <u>1,814,251</u>	 <u>1,715,975</u>	 <u>98,276</u>
 <i>Excess of revenues over expenditures</i>	 <u>59,749</u>	 <u>253,735</u>	 <u>193,986</u>
 <i>Other financing uses:</i>			
<i>Operating transfers out</i>	(152,692)	(150,093)	2,599
 <i>Total other financing uses</i>	 <u>(152,692)</u>	 <u>(150,093)</u>	 <u>2,599</u>
 <i>Excess (deficiency) of revenues over (under) expenditures and other financing uses</i>	 <u>(92,943)</u>	 <u>103,642</u>	 <u>196,585</u>
 <i>Fund balance at beginning of year as restated</i>	 <u>224,369</u>	 <u>224,369</u>	 <u>-</u>
 <i>Expenditures against prior year encumbrances</i>	 <u>5,525</u>	 <u>5,525</u>	 <u>-</u>
 <i>Fund balance at end of year</i>	 <u>\$ 136,951</u>	 <u>\$ 333,536</u>	 <u>\$ 196,585</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Community Development Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 4,450,400	\$ 1,929,868	\$ (2,520,532)
<i>Interest earnings</i>	91,000	90,573	(427)
<i>Miscellaneous</i>	371,600	370,524	(1,076)
<i>Total revenues</i>	<u>4,913,000</u>	<u>2,390,965</u>	<u>(2,522,035)</u>
<i>Expenditures:</i>			
<i>Community environment</i>			
<i>Personal services</i>	312,500	310,818	1,682
<i>Fringe benefits</i>	142,692	120,526	22,166
<i>Contractual services</i>	3,309,718	1,085,981	2,223,737
<i>Materials and supplies</i>	28,153	21,423	6,730
<i>Other</i>	1,153,902	1,012,755	141,147
<i>Total community environment expenditures</i>	<u>4,946,965</u>	<u>2,551,503</u>	<u>2,395,462</u>
<i>Deficiency of revenues under expenditures</i>	<u>(33,965)</u>	<u>(160,538)</u>	<u>(126,573)</u>
<i>Other financing uses:</i>			
<i>Operating transfers out</i>	(262,961)	(259,218)	3,743
<i>Total other financing uses</i>	<u>(262,961)</u>	<u>(259,218)</u>	<u>3,743</u>
<i>Deficiency of revenues under expenditures and other financing uses</i>	<u>(296,926)</u>	<u>(419,756)</u>	<u>(122,830)</u>
<i>Fund balance at beginning of year</i>	406,399	406,399	-
<i>Expenditures against prior year encumbrances</i>	142,319	142,319	-
<i>Fund balance at end of year</i>	<u>\$ 251,792</u>	<u>\$ 128,962</u>	<u>\$ (122,830)</u>

*City of Mansfield, Ohio*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*Drug Law Enforcement Fund*  
*(Non-GAAP) Budget Basis*  
*For the Year Ended December 31, 2002*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Fines and forfeits</i>	\$ 17,500	\$ 16,849	\$ (651)
<i>Total revenues</i>	<u>17,500</u>	<u>16,849</u>	<u>(651)</u>
<i>Expenditures:</i>			
<i>Public safety</i>			
<i>Other</i>	20,460	-	20,460
<i>Total public safety expenditures</i>	<u>20,460</u>	<u>-</u>	<u>20,460</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,960)</u>	<u>16,849</u>	<u>19,809</u>
<i>Fund balance at beginning of year</i>	17,961	17,961	-
<i>Fund balance at end of year</i>	<u>\$ 15,001</u>	<u>\$ 34,810</u>	<u>\$ 19,809</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Law Enforcement Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 35,200	\$ 27,069	\$ (8,131)
<i>Interest earnings</i>	3,600	985	(2,615)
<i>Miscellaneous</i>	200	-	(200)
 <i>Total revenues</i>	 <u>39,000</u>	 <u>28,054</u>	 <u>(10,946)</u>
 <i>Expenditures:</i>			
<i>Public safety</i>			
<i>Other</i>	95,000	52,033	42,967
 <i>Total public safety expenditures</i>	 <u>95,000</u>	 <u>52,033</u>	 <u>42,967</u>
 <i>Deficiency of revenues under expenditures</i>	 <u>(56,000)</u>	 <u>(23,979)</u>	 <u>32,021</u>
 <i>Fund balance at beginning of year</i>	 113,245	 113,245	 -
<i>Fund balance at end of year</i>	<u>\$ 57,245</u>	<u>\$ 89,266</u>	<u>\$ 32,021</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Police and Fire Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Revenues:</i>			
Property taxes	\$ 350,600	\$ 349,770	\$ (830)
Intergovernmental	96,800	95,794	(1,006)
Fees, licenses and permits	111,500	110,323	(1,177)
Fines and forfeits	230,250	228,282	(1,968)
Miscellaneous	109,566	91,866	(17,700)
	<u>898,716</u>	<u>876,035</u>	<u>(22,681)</u>
<i>Expenditures:</i>			
Public safety			
Personal services	12,403,504	12,355,921	47,583
Fringe benefits	4,081,103	4,044,597	36,506
Contractual services	317,060	275,322	41,738
Materials and supplies	183,346	174,703	8,643
Capital outlay	152,488	121,530	30,958
Other	166,885	164,004	2,881
	<u>17,304,386</u>	<u>17,136,077</u>	<u>168,309</u>
Deficiency of revenues under expenditures	(16,405,670)	(16,260,042)	145,628
<i>Other financing sources (uses):</i>			
Operating transfers in	20,118,712	19,309,350	(809,362)
Operating transfers out	(2,970,708)	(2,970,708)	-
	<u>17,148,004</u>	<u>16,338,642</u>	<u>(809,362)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	742,334	78,600	(663,734)
Fund balance at beginning of year	75,537	75,537	-
Expenditures against prior year encumbrances	254,990	254,990	-
Fund balance at end of year	<u>\$ 1,072,861</u>	<u>\$ 409,127</u>	<u>\$ (663,734)</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Permissive Sales Tax Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 827,840	\$ 857,840	\$ 30,000
<i>Miscellaneous</i>	125,000	123,907	(1,093)
<i>Total revenues</i>	<u>952,840</u>	<u>981,747</u>	<u>28,907</u>
<i>Expenditures:</i>			
<i>Transportation</i>			
<i>Contractual services</i>	1,413,331	1,287,111	126,220
<i>Other</i>	5,431	5,431	-
<i>Total transportation expenditures</i>	<u>1,418,762</u>	<u>1,292,542</u>	<u>126,220</u>
<i>Deficiency of revenues under expenditures</i>	<u>(465,922)</u>	<u>(310,795)</u>	<u>155,127</u>
<i>Other financing uses:</i>			
<i>Operating transfers out</i>	(538,000)	(538,000)	-
<i>Total other financing uses</i>	<u>(538,000)</u>	<u>(538,000)</u>	<u>-</u>
<i>Deficiency of revenues under expenditures and other financing uses</i>	<u>(1,003,922)</u>	<u>(848,795)</u>	<u>155,127</u>
<i>Fund balance at beginning of year</i>	282,443	282,443	-
<i>Expenditures against prior year encumbrances</i>	856,849	856,849	-
<i>Fund balance at end of year</i>	<u>\$ 135,370</u>	<u>\$ 290,497</u>	<u>\$ 155,127</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Industrial Development Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 329,674	\$ -	\$ (329,674)
<i>Interest earnings</i>	8,500	7,601	(899)
<i>Miscellaneous</i>	436,800	136,336	(300,464)
<i>Total revenues</i>	<u>774,974</u>	<u>143,937</u>	<u>(631,037)</u>
<i>Expenditures:</i>			
<i>General government</i>			
<i>Personal services</i>	26,000	26,000	-
<i>Contractual services</i>	1,252,255	771,934	480,321
<i>Materials and supplies</i>	12,750	9,022	3,728
<i>Other</i>	1,102,100	948,445	153,655
<i>Total general government expenditures</i>	<u>2,393,105</u>	<u>1,755,401</u>	<u>637,704</u>
<i>Deficiency of revenues under expenditures</i>	<u>(1,618,131)</u>	<u>(1,611,464)</u>	<u>6,667</u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	412,807	412,807	-
<i>Operating transfers out</i>	(50,000)	(50,000)	-
<i>Sale of fixed assets</i>	146,000	83,543	(62,457)
<i>Total other financing sources (uses)</i>	<u>508,807</u>	<u>446,350</u>	<u>(62,457)</u>
<i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	<u>(1,109,324)</u>	<u>(1,165,114)</u>	<u>(55,790)</u>
<i>Fund balance at beginning of year</i>	473,381	473,381	-
<i>Expenditures against prior year encumbrances</i>	842,927	842,927	-
<i>Fund balance at end of year</i>	<u>\$ 206,984</u>	<u>\$ 151,194</u>	<u>\$ (55,790)</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Indigent Drivers Alcohol Treatment Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Fines and forfeits</i>	\$ 40,001	\$ 42,108	\$ 2,107
<i>Total revenues</i>	<u>40,001</u>	<u>42,108</u>	<u>2,107</u>
<i>Expenditures:</i>			
<i>Public safety</i>			
<i>Other</i>	319,828	4,005	315,823
<i>Total public safety expenditures</i>	<u>319,828</u>	<u>4,005</u>	<u>315,823</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(279,827)</u>	<u>38,103</u>	<u>317,930</u>
<i>Fund balance at beginning of year</i>	279,827	279,827	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ 317,930</u>	<u>\$ 317,930</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Court Computerization Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Fines and forfeits</i>	\$ 498,900	\$ 392,121	\$ (106,779)
<i>Miscellaneous</i>	1,100	1,094	(6)
<i>Total revenues</i>	<u>500,000</u>	<u>393,215</u>	<u>(106,785)</u>
<i>Expenditures:</i>			
<i>General government</i>			
<i>Personal services</i>	42,871	39,192	3,679
<i>Contractual services</i>	57,937	5,300	52,637
<i>Materials and supplies</i>	212,089	172,105	39,984
<i>Total general government expenditures</i>	<u>312,897</u>	<u>216,597</u>	<u>96,300</u>
<i>Excess of revenues over expenditures</i>	<u>187,103</u>	<u>176,618</u>	<u>(10,485)</u>
<i>Other financing uses:</i>			
<i>Operating transfers out</i>	(500,000)	(500,000)	-
<i>Total other financing uses</i>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<i>Deficiency of revenues under expenditures and other financing uses</i>	<u>(312,897)</u>	<u>(323,382)</u>	<u>(10,485)</u>
<i>Fund balance at beginning of year</i>	321,274	321,274	-
<i>Expenditures against prior year encumbrances</i>	119,717	119,717	-
<i>Fund balance at end of year</i>	<u>\$ 128,094</u>	<u>\$ 117,609</u>	<u>\$ (10,485)</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Local Law Enforcement Block Grant Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 105,000	\$ 49,132	\$ (55,868)
<i>Interest earnings</i>	6,000	6,078	78
<i>Miscellaneous</i>	1,000	-	(1,000)
 <i>Total revenues</i>	112,000	55,210	(56,790)
 <i>Expenditures:</i>			
<i>Public safety</i>			
<i>Capital outlay</i>	217,737	214,371	3,366
<i>Other</i>	89,242	89,242	-
 <i>Total public safety expenditures</i>	306,979	303,613	3,366
 <i>Deficiency of revenues under expenditures</i>	(194,979)	(248,403)	(53,424)
 <i>Other financing sources:</i>			
<i>Operating transfers in</i>	86,729	86,729	-
 <i>Total other financing sources</i>	86,729	86,729	-
 <i>Deficiency of revenues and other financing sources under expenditures</i>	(108,250)	(161,674)	(53,424)
 <i>Fund balance at beginning of year</i>	353,027	353,027	-
 <i>Expenditures against prior year encumbrances</i>	1,978	1,978	-
 <i>Fund balance at end of year</i>	\$ 246,755	\$ 193,331	\$ (53,424)

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Grant Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 1,661,758	\$ 859,906	\$ (801,852)
<i>Fees, licenses and permits</i>	5,000	7,327	2,327
<i>Miscellaneous</i>	1,000	585	(415)
<i>Total revenues</i>	<u>1,667,758</u>	<u>867,818</u>	<u>(799,940)</u>
<i>Expenditures:</i>			
<i>Public safety</i>			
<i>Personal services</i>	58,196	47,066	11,130
<i>Contractual services</i>	248,919	193,912	55,007
<i>Materials and supplies</i>	72,411	18,899	53,512
<i>Capital outlay</i>	182,460	58,053	124,407
<i>Other</i>	41,110	14,645	26,465
<i>Total public safety expenditures</i>	<u>603,096</u>	<u>332,575</u>	<u>270,521</u>
<i>Public health and welfare</i>			
<i>Personal services</i>	56,675	56,616	59
<i>Fringe benefits</i>	14,236	14,236	-
<i>Materials and supplies</i>	32,165	29,883	2,282
<i>Capital outlay</i>	1,495	649	846
<i>Total public health and welfare expenditures</i>	<u>104,571</u>	<u>101,384</u>	<u>3,187</u>
<i>General government</i>			
<i>Personal services</i>	166,777	120,405	46,372
<i>Fringe benefits</i>	9,357	6,822	2,535
<i>Materials and supplies</i>	29,243	9,235	20,008
<i>Contractual services</i>	61,035	36,077	24,958
<i>Capital outlay</i>	7,060	1,873	5,187
<i>Other</i>	769	-	769
<i>Total general government expenditures</i>	<u>274,241</u>	<u>174,412</u>	<u>99,829</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Grant Fund  
 (continued)  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Capital outlay</i>			
<i>Contractual services</i>	815,468	376,620	438,848
	<u>815,468</u>	<u>376,620</u>	<u>438,848</u>
<i>Total capital outlay expenditures</i>			
	<u>815,468</u>	<u>376,620</u>	<u>438,848</u>
	<u>1,797,376</u>	<u>984,991</u>	<u>812,385</u>
<i>Deficiency of revenues under expenditures</i>	(129,618)	(117,173)	12,445
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	256,541	244,541	(12,000)
<i>Operating transfers out</i>	(228,760)	(215,512)	13,248
	<u>27,781</u>	<u>29,029</u>	<u>1,248</u>
<i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	(101,837)	(88,144)	13,693
<i>Fund balance at beginning of year as restated</i>	55,834	55,834	-
<i>Expenditures against prior year encumbrances</i>	89,084	89,084	-
<i>Fund balance at end of year</i>	<u>\$ 43,081</u>	<u>\$ 56,774</u>	<u>\$ 13,693</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Probation Services Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Fees, licenses and permits</i>	\$ 88,800	\$ 97,434	\$ 8,634
<i>Miscellaneous</i>	1,200	1,071	(129)
<i>Total revenues</i>	<u>90,000</u>	<u>98,505</u>	<u>8,505</u>
 <i>Expenditures:</i>			
<i>General government</i>			
<i>Contractual services</i>	37,485	3,246	34,239
<i>Total general government expenditures</i>	<u>37,485</u>	<u>3,246</u>	<u>34,239</u>
 <i>Excess of revenues over expenditures</i>	 <u>52,515</u>	 <u>95,259</u>	 <u>42,744</u>
 <i>Fund balance at beginning of year</i>	 17,485	 17,485	 -
<i>Fund balance at end of year</i>	<u>\$ 70,000</u>	<u>\$ 112,744</u>	<u>\$ 42,744</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Court Costs Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Fees, licenses and permits</i>	\$ 242,000	\$ 259,804	\$ 17,804
<i>Total revenues</i>	<u>242,000</u>	<u>259,804</u>	<u>17,804</u>
<i>Expenditures:</i>			
<i>General government</i>			
<i>Other</i>	-	-	-
<i>Total general government expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues over expenditures</i>	<u>242,000</u>	<u>259,804</u>	<u>17,804</u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	500,000	500,000	-
<i>Operating transfers out</i>	(1,067,215)	(250,000)	817,215
<i>Total other financing sources (uses)</i>	<u>(567,215)</u>	<u>250,000</u>	<u>817,215</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	(325,215)	509,804	835,019
 <i>Fund balance at beginning of year</i>	 325,215	 325,215	 -
 <i>Fund balance at end of year</i>	 <u>\$ -</u>	 <u>\$ 835,019</u>	 <u>\$ 835,019</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Total All Special Revenue Funds  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Property taxes	\$ 350,600	\$ 349,770	\$ (830)
Intergovernmental	10,856,772	7,277,242	(3,579,530)
Charges for services	169,900	169,286	(614)
Fees, licenses and permits	205,300	215,084	9,784
Interest earnings	114,600	106,499	(8,101)
Fines and forfeits	1,028,651	939,164	(89,487)
Miscellaneous	1,068,066	738,103	(329,963)
<i>Total revenues</i>	<u>13,793,889</u>	<u>9,795,148</u>	<u>(3,998,741)</u>
<i>Expenditures:</i>			
<i>Current</i>			
Public safety	18,649,749	17,828,303	821,446
Public health and welfare	104,571	101,384	3,187
Community environment	4,946,965	2,551,503	2,395,462
Transportation	4,270,182	3,852,385	417,797
General government	4,831,979	3,865,631	966,348
Capital outlay	815,468	376,620	438,848
<i>Total expenditures</i>	<u>33,618,914</u>	<u>28,575,826</u>	<u>5,043,088</u>
<i>Deficiency of revenues under expenditures</i>	<u>(19,825,025)</u>	<u>(18,780,678)</u>	<u>1,044,347</u>
<i>Other financing sources (uses):</i>			
Operating transfers in	23,413,637	22,532,275	(881,362)
Operating transfers out	(6,951,180)	(6,114,375)	836,805
Sale of fixed assets	176,000	113,494	(62,506)
<i>Total other financing sources (uses)</i>	<u>16,638,457</u>	<u>16,531,394</u>	<u>(107,063)</u>
<i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	<u>(3,186,568)</u>	<u>(2,249,284)</u>	<u>937,284</u>
<i>Fund balance at beginning of year as restated (Note 24)</i>	2,987,226	2,987,226	-
<i>Expenditures against prior year encumbrances</i>	2,563,476	2,563,476	-
<i>Fund balance at end of year</i>	<u>\$ 2,364,134</u>	<u>\$ 3,301,418</u>	<u>\$ 937,284</u>

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## ***DEBT SERVICE FUND***

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

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*Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.*

## **CAPITAL PROJECTS FUNDS**

*To account for financial resources to be used for the acquisition of construction of major capital facilities, other than those financed by proprietary or trust funds.*

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### **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.*

### **1998 Improvement:**

*To account for the construction of a Service Department building and improvements and equipment for the Fire Department.*

### **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.*

### **Justice Center:**

*To account for the construction of a new Justice Center.*

### **WWTP Improvement:**

*To account for improvements to the City's wastewater treatment plant.*

City of Mansfield, Ohio  
Combining Balance Sheet  
All Capital Projects Funds  
December 31, 2002

	<u>Street Resurfacing</u>	<u>Issue II Improvement</u>	<u>1998 Improvement</u>
<i>Assets:</i>			
<i>Equity in pooled cash and cash equivalents</i>	\$ 1,613,918	\$ 19,636	\$ 17,729
<i>Cash and cash equivalents with fiscal and escrow agent</i>	36,487	-	-
<i>Taxes receivable</i>	528,079	-	-
<i>Inventory of supplies</i>	7,598	-	-
 <i>Total assets</i>	 <u>\$ 2,186,082</u>	 <u>\$ 19,636</u>	 <u>\$ 17,729</u>
 <i>Liabilities:</i>			
<i>Contracts payable</i>	\$ 723,792	\$ -	\$ -
<i>Contracts payable-retained percentage</i>	36,487	-	-
<i>Deferred revenue</i>	293,057	-	-
<i>Notes payable</i>	-	-	-
 <i>Total liabilities</i>	 <u>1,053,336</u>	 <u>-</u>	 <u>-</u>
 <i>Fund equity:</i>			
<i>Fund balances (deficit)</i>			
<i>Reserved for encumbrances</i>	31,654	-	-
<i>Reserved for inventory</i>	7,598	-	-
<i>Unreserved and undesignated</i>	1,093,494	19,636	17,729
 <i>Total fund equity (deficit)</i>	 <u>1,132,746</u>	 <u>19,636</u>	 <u>17,729</u>
 <i>Total liabilities and fund equity</i>	 <u>\$ 2,186,082</u>	 <u>\$ 19,636</u>	 <u>\$ 17,729</u>

<i>Section 108 Improvement</i>	<i>Justice Center</i>	<i>WWTP Improvement</i>	<i>Total</i>
\$ 1,477,219	\$ 8,932,202	\$ 2,529,893	\$ 14,590,597
7,293	-	-	43,780
-	-	-	528,079
-	-	-	7,598
<u>\$ 1,484,512</u>	<u>\$ 8,932,202</u>	<u>\$ 2,529,893</u>	<u>\$ 15,170,054</u>
\$ -	\$ -	\$ -	\$ 723,792
7,293	-	-	43,780
-	-	-	293,057
-	-	2,535,000	2,535,000
<u>7,293</u>	<u>-</u>	<u>2,535,000</u>	<u>3,595,629</u>
35,109	286,629	-	353,392
-	-	-	7,598
1,442,110	8,645,573	(5,107)	11,213,435
<u>1,477,219</u>	<u>8,932,202</u>	<u>(5,107)</u>	<u>11,574,425</u>
<u>\$ 1,484,512</u>	<u>\$ 8,932,202</u>	<u>\$ 2,529,893</u>	<u>\$ 15,170,054</u>

City of Mansfield, Ohio  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
All Capital Projects Funds  
For the Year Ended December 31, 2002

	Street Resurfacing	Issue II Improvement	1998 Improvement
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Revenues:</i>			
Municipal income tax	\$ 3,091,688	\$ -	\$ -
Intergovernmental	-	413,098	-
Interest earnings	-	-	3,273
Miscellaneous	-	-	-
 Total revenues	 <u>3,091,688</u>	 <u>413,098</u>	 <u>3,273</u>
 <i>Expenditures:</i>			
Capital outlay	2,955,476	898,546	-
<i>Debt service:</i>			
Principal retirement	-	-	1,250,000
Interest and fiscal charges	-	-	43,337
Bond issuance costs	-	-	39,873
 Total expenditures	 <u>2,955,476</u>	 <u>898,546</u>	 <u>1,333,210</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>136,212</u>	 <u>(485,448)</u>	 <u>(1,329,937)</u>
 <i>Other financing sources (uses):</i>			
Operating transfers in	-	175,000	4,635
Operating transfers out	-	(215,784)	-
Proceeds of notes	-	-	-
Proceeds of bonds	-	-	1,303,916
 Total other financing sources (uses)	 <u>-</u>	 <u>(40,784)</u>	 <u>1,308,551</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>136,212</u>	 <u>(526,232)</u>	 <u>(21,386)</u>
 Fund balances at beginning of year	 1,002,148	 545,868	 39,115
 (Decrease) in reserve for inventory	 (5,614)	 -	 -
 Fund balances (deficit) at end of year	 <u>\$ 1,132,746</u>	 <u>\$ 19,636</u>	 <u>\$ 17,729</u>

<u>Section 108 Improvement</u>	<u>Justice Center</u>	<u>WWTP Improvement</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 3,091,688
-	-	-	413,098
22,482	153,452	-	179,207
609	-	-	609
<u>23,091</u>	<u>153,452</u>	<u>-</u>	<u>3,684,602</u>
54,999	701,511	5,107	4,615,639
3,070,000	8,000,000	-	12,320,000
173,285	254,945	-	471,567
95,657	-	-	135,530
<u>3,393,941</u>	<u>8,956,456</u>	<u>5,107</u>	<u>17,542,736</u>
<u>(3,370,850)</u>	<u>(8,803,004)</u>	<u>(5,107)</u>	<u>(13,858,134)</u>
250,000	-	-	429,635
(761,998)	-	-	(977,782)
-	10,000,000	-	10,000,000
3,264,939	-	-	4,568,855
<u>2,752,941</u>	<u>10,000,000</u>	<u>-</u>	<u>14,020,708</u>
(617,909)	1,196,996	(5,107)	162,574
2,095,128	7,735,206	-	11,417,465
-	-	-	(5,614)
<u>\$ 1,477,219</u>	<u>\$ 8,932,202</u>	<u>\$ (5,107)</u>	<u>\$ 11,574,425</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Street Resurfacing Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Miscellaneous</i>	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>			
<i>Capital outlay</i>	4,230,983	3,358,559	872,424
<i>Total capital outlay expenditures</i>	<u>4,230,983</u>	<u>3,358,559</u>	<u>872,424</u>
<i>Deficiency of revenues under expenditures</i>	<u>(4,230,983)</u>	<u>(3,358,559)</u>	<u>872,424</u>
<i>Other financing sources:</i>			
<i>Operating transfers in</i>	3,302,143	3,251,668	(50,475)
<i>Total other financing sources</i>	<u>3,302,143</u>	<u>3,251,668</u>	<u>(50,475)</u>
<i>Deficiency of revenues and other financing sources under expenditures</i>	<u>(928,840)</u>	<u>(106,891)</u>	<u>821,949</u>
<i>Fund balance at beginning of year</i>	275,731	275,731	-
<i>Expenditures against prior year encumbrances</i>	681,582	681,582	-
<i>Fund balance at end of year</i>	<u>\$ 28,473</u>	<u>\$ 850,422</u>	<u>\$ 821,949</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Issue II Improvement Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 418,430	\$ 413,098	\$ (5,332)
<i>Total revenues</i>	<u>418,430</u>	<u>413,098</u>	<u>(5,332)</u>
<i>Expenditures:</i>			
<i>Capital outlay</i>	1,010,445	985,478	24,967
<i>Total capital outlay expenditures</i>	<u>1,010,445</u>	<u>985,478</u>	<u>24,967</u>
<i>Deficiency of revenues under expenditures</i>	<u>(592,015)</u>	<u>(572,380)</u>	<u>19,635</u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	175,000	175,000	-
<i>Operating transfers out</i>	(215,784)	(215,784)	-
<i>Total other financing sources (uses)</i>	<u>(40,784)</u>	<u>(40,784)</u>	<u>-</u>
<i>Deficiency of revenues and other financing sources under expenditures and other financing uses</i>	<u>(632,799)</u>	<u>(613,164)</u>	<u>19,635</u>
<i>Fund balance at beginning of year</i>	65,021	65,021	-
<i>Expenditures against prior year encumbrances</i>	567,778	567,778	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ 19,635</u>	<u>\$ 19,635</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 1998 Improvement Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Interest earnings	\$ 3,273	\$ 3,273	\$ -
Total revenues	<u>3,273</u>	<u>3,273</u>	<u>-</u>
 <i>Expenditures:</i>			
<i>Debt Service:</i>			
Bond issuance costs	39,873	39,873	-
Total debt service expenditures	<u>39,873</u>	<u>39,873</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(36,600)</u>	<u>(36,600)</u>	<u>-</u>
 <i>Other financing sources (uses):</i>			
Operating transfers in	4,635	4,635	-
Operating transfers out	(1,293,750)	(1,293,337)	413
Proceeds of bonds	1,303,917	1,303,917	-
Total other financing sources (uses)	<u>14,802</u>	<u>15,215</u>	<u>413</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	<u>(21,798)</u>	<u>(21,385)</u>	<u>413</u>
Fund balance at beginning of year	39,116	39,116	-
Fund balance at end of year	<u>\$ 17,318</u>	<u>\$ 17,731</u>	<u>\$ 413</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 Section 108 Improvement Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Interest earnings	\$ 23,350	\$ 21,888	\$ (1,462)
Miscellaneous	650	609	(41)
<i>Total revenues</i>	<u>24,000</u>	<u>22,497</u>	<u>(1,503)</u>
 <i>Expenditures:</i>			
Capital outlay	1,258,910	213,133	1,045,777
<i>Total capital outlay expenditures</i>	<u>1,258,910</u>	<u>213,133</u>	<u>1,045,777</u>
<i>Deficiency of revenues under expenditures</i>	<u>(1,234,910)</u>	<u>(190,636)</u>	<u>1,044,274</u>
 <i>Other financing sources (uses):</i>			
Operating transfers in	250,000	250,000	-
Operating transfers out	(3,243,285)	(3,243,285)	-
Proceeds of bonds	3,000,000	3,264,939	264,939
<i>Total other financing sources (uses)</i>	<u>6,715</u>	<u>271,654</u>	<u>264,939</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(1,228,195)</u>	<u>81,018</u>	<u>1,309,213</u>
<i>Fund balance at beginning of year as restated</i>	1,305,072	1,305,072	-
<i>Expenditures against prior year encumbrances</i>	62,719	62,719	-
<i>Fund balance at end of year</i>	<u>\$ 139,596</u>	<u>\$ 1,448,809</u>	<u>\$ 1,309,213</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Justice Center Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Interest earnings	\$ 140,000	\$ 143,957	\$ 3,957
Miscellaneous	-	65	65
<i>Total revenues</i>	<u>140,000</u>	<u>144,022</u>	<u>4,022</u>
<i>Expenditures:</i>			
Capital outlay	7,640,024	1,026,124	6,613,900
<i>Total capital outlay expenditures</i>	<u>7,640,024</u>	<u>1,026,124</u>	<u>6,613,900</u>
Deficiency of revenues under expenditures	<u>(7,500,024)</u>	<u>(882,102)</u>	<u>6,617,922</u>
<i>Other financing sources (uses):</i>			
Operating transfers out	(8,273,100)	(8,254,945)	18,155
Proceeds of notes	10,000,000	10,000,000	-
<i>Total other financing sources (uses)</i>	<u>1,726,900</u>	<u>1,745,055</u>	<u>18,155</u>
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(5,773,124)</u>	<u>862,953</u>	<u>6,636,077</u>
<i>Fund balance at beginning of year as restated</i>	7,269,850	7,269,850	-
<i>Expenditures against prior year encumbrances</i>	779,904	779,904	-
<i>Fund balance at end of year</i>	<u>\$ 2,276,630</u>	<u>\$ 8,912,707</u>	<u>\$ 6,636,077</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 WWTP Improvement Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 500,000	\$ -	\$ (500,000)
<i>Total revenues</i>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
 <i>Expenditures:</i>			
<i>Capital outlay</i>	535,000	5,107	529,893
<i>Total capital outlay expenditures</i>	<u>535,000</u>	<u>5,107</u>	<u>529,893</u>
 <i>Deficiency of revenues under expenditures</i>	<u>(35,000)</u>	<u>(5,107)</u>	<u>29,893</u>
 <i>Other financing sources:</i>			
<i>Proceeds of notes</i>	2,535,000	2,535,000	-
<i>Total other financing sources</i>	<u>2,535,000</u>	<u>2,535,000</u>	<u>-</u>
 <i>Excess of revenues and other financing sources over expenditures</i>	2,500,000	2,529,893	29,893
 <i>Fund balance at beginning of year</i>	-	-	-
 <i>Fund balance at end of year</i>	<u>\$ 2,500,000</u>	<u>\$ 2,529,893</u>	<u>\$ 29,893</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Total All Capital Projects Funds  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Intergovernmental</i>	\$ 918,430	\$ 413,098	\$ (505,332)
<i>Interest earnings</i>	166,623	169,118	2,495
<i>Miscellaneous</i>	650	674	24
 <i>Total revenues</i>	<u>1,085,703</u>	<u>582,890</u>	<u>(502,813)</u>
 <i>Expenditures:</i>			
<i>Capital outlay</i>	14,675,362	5,588,401	9,086,961
<i>Debt Service:</i>			
<i>Bond issuance costs</i>	39,873	39,873	-
 <i>Total expenditures</i>	<u>14,715,235</u>	<u>5,628,274</u>	<u>9,086,961</u>
 <i>Deficiency of revenues under expenditures</i>	<u>(13,629,532)</u>	<u>(5,045,384)</u>	<u>8,584,148</u>
 <i>Other financing sources (uses):</i>			
<i>Operating transfers in</i>	3,731,778	3,681,303	(50,475)
<i>Operating transfers out</i>	(13,025,919)	(13,007,351)	18,568
<i>Proceeds of notes</i>	12,535,000	12,535,000	-
<i>Proceeds of bonds</i>	4,303,917	4,568,856	264,939
 <i>Total other financing sources (uses)</i>	<u>7,544,776</u>	<u>7,777,808</u>	<u>233,032</u>
 <i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(6,084,756)</u>	<u>2,732,424</u>	<u>8,817,180</u>
 <i>Fund balance at beginning of year as restated (Note 24)</i>	8,954,790	8,954,790	-
 <i>Expenditures against prior year encumbrances</i>	2,091,983	2,091,983	-
 <i>Fund balance at end of year</i>	<u>\$ 4,962,017</u>	<u>\$ 13,779,197</u>	<u>\$ 8,817,180</u>

## **ENTERPRISE FUNDS**

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

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### **Water Operating:**

*To account for the provision of water treatment and distribution to the residents and commercial users of the City.*

### **Sewer Operating:**

*To account for the City's provision of sanitary sewer services to the residents and commercial users of the City.*

### **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 Balance Sheet  
All Enterprise Funds  
December 31, 2002

	<u>Water Operating</u>	<u>Sewer Operating</u>
<b>Assets:</b>		
<i>Current assets:</i>		
Equity in pooled cash and cash equivalents	\$ 3,276,704	\$ 605,545
Investments	-	2,500,000
Cash and cash equivalents with fiscal and escrow agent	1,554	12,343
Receivables (net of allowance for uncollectibles)		
Accounts	1,108,440	998,516
Taxes	-	-
Special assessments	-	54,909
Due from other governments	6,963	265,267
Advance to other funds	600,000	400,000
Inventory of supplies	72,459	30,123
Total current assets	<u>5,066,120</u>	<u>4,866,703</u>
<i>Restricted assets:</i>		
Cash and cash equivalents	-	940,194
Total restricted assets	<u>-</u>	<u>940,194</u>
<i>Property, plant and equipment</i>		
Land	343,228	155,598
Buildings	5,221,260	5,860,408
Improvements other than buildings	1,788,446	17,130,251
Equipment	13,507,119	35,223,352
Less: accumulated depreciation	(15,347,381)	(30,931,114)
Construction in progress	82,997	233,000
Net property, plant and equipment	<u>5,595,669</u>	<u>27,671,495</u>
Total assets	<u>\$ 10,661,789</u>	<u>\$ 33,478,392</u>

<u>Airport Operating</u>	<u>Parking Garage</u>	<u>Total</u>
\$ 109,130	\$ 62,830	\$ 4,054,209
-	-	2,500,000
-	-	13,897
22,075	-	2,129,031
90,103	-	90,103
-	-	54,909
-	-	272,230
-	-	1,000,000
40,350	-	142,932
<u>261,658</u>	<u>62,830</u>	<u>10,257,311</u>
-	-	940,194
<u>-</u>	<u>-</u>	<u>940,194</u>
1,493,629	171,852	2,164,307
1,062,945	718,600	12,863,213
8,167,095	244,554	27,330,346
159,703	-	48,890,174
(6,498,854)	(963,766)	(53,741,115)
-	-	315,997
<u>4,384,518</u>	<u>171,240</u>	<u>37,822,922</u>
<u>\$ 4,646,176</u>	<u>\$ 234,070</u>	<u>\$ 49,020,427</u>

*continued*

City of Mansfield, Ohio  
Combining Balance Sheet  
All Enterprise Funds  
(continued)  
December 31, 2002

	<u>Water Operating</u>	<u>Sewer Operating</u>
<i>Liabilities:</i>		
<i>Current liabilities:</i>		
Accounts payable	\$ 113,837	\$ 179,865
Contracts payable	1,244	35,030
Contracts payable-retained percentage	1,554	12,343
Accrued wages and benefits	87,912	74,958
Due to other governments	170,000	134,089
Deferred revenue	3,688	54,909
Total current liabilities	<u>378,235</u>	<u>491,194</u>
<i>Payable from restricted assets:</i>		
General obligation bonds payable	270,000	-
Accrued general obligation bond interest	17,303	-
Total payable from restricted assets	<u>287,303</u>	<u>-</u>
<i>Noncurrent liabilities:</i>		
General obligation bonds payable	3,380,000	-
Notes payable	136,025	23,928
Compensated absences payable	534,462	316,529
Total noncurrent liabilities	<u>4,050,487</u>	<u>340,457</u>
Total liabilities	<u>4,716,025</u>	<u>831,651</u>
<i>Fund equity:</i>		
Contributed capital	481,268	32,214,546
Retained earnings (deficit)		
Reserved for replacement and improvement	-	940,194
Unreserved	5,464,496	(507,999)
Total fund equity	<u>5,945,764</u>	<u>32,646,741</u>
Total liabilities and fund equity	<u>\$ 10,661,789</u>	<u>\$ 33,478,392</u>

<i>Airport Operating</i>	<i>Parking Garage</i>	<i>Total</i>
<hr/>	<hr/>	<hr/>
\$ 11,323	\$ -	\$ 305,025
203	-	36,477
-	-	13,897
9,445	-	172,315
16,028	-	320,117
54,393	-	112,990
91,392	-	960,821
-	-	270,000
-	-	17,303
-	-	287,303
-	-	3,380,000
-	-	159,953
28,670	-	879,661
28,670	-	4,419,614
120,062	-	5,667,738
7,180,354	-	39,876,168
-	-	940,194
(2,654,240)	234,070	2,536,327
4,526,114	234,070	43,352,689
\$ 4,646,176	\$ 234,070	\$ 49,020,427

City of Mansfield, Ohio  
Combining Statement of Revenues, Expenses  
Changes in Retained Earnings  
All Enterprise Funds  
For the Year Ended December 31, 2002

	<u>Water Operating</u>	<u>Sewer Operating</u>
<i>Operating revenues:</i>		
Charges for services	\$ 6,120,456	\$ 5,300,947
Total operating revenues	<u>6,120,456</u>	<u>5,300,947</u>
<i>Operating expenses:</i>		
Personal service	2,017,123	1,749,795
Fringe benefits	387,807	341,566
Materials and supplies	681,636	497,356
Utilities	393,630	472,409
Depreciation	452,438	1,569,563
Contractual services	2,465,975	2,179,882
Other operating	8,814	33,701
Total operating expenses	<u>6,407,423</u>	<u>6,844,272</u>
Operating (loss)	<u>(286,967)</u>	<u>(1,543,325)</u>
<i>Nonoperating revenues (expenses):</i>		
Other nonoperating revenue	14,554	233
Municipal income tax	-	-
Tap and license fees	65,122	2,810
Interest expense and fiscal charges	(219,451)	(1,145)
Total nonoperating revenues (expenses)	<u>(139,775)</u>	<u>1,898</u>
Net (loss) before operating transfers	(426,742)	(1,541,427)
Operating transfers in	29,063	215,945
Operating transfers out	(41,750)	-
Net (loss)	<u>(439,429)</u>	<u>(1,325,482)</u>
Retained earnings (deficit) at beginning of year	6,402,038	2,671,993
Residual equity transfer out	(498,113)	(914,316)
Retained earnings (deficit) at end of year	<u>\$ 5,464,496</u>	<u>\$ 432,195</u>

<i>Airport Operating</i>	<i>Parking Garage</i>	<i>Total</i>
\$ 154,925	\$ 49,381	\$11,625,709
<u>154,925</u>	<u>49,381</u>	<u>11,625,709</u>
247,890	-	4,014,808
45,823	-	775,196
37,524	-	1,216,516
51,487	-	917,526
293,959	10,526	2,326,486
202,854	46,797	4,895,508
274	-	42,789
<u>879,811</u>	<u>57,323</u>	<u>14,188,829</u>
<u>(724,886)</u>	<u>(7,942)</u>	<u>(2,563,120)</u>
1,891	-	16,678
560,835	-	560,835
-	-	67,932
-	-	(220,596)
<u>562,726</u>	<u>-</u>	<u>424,849</u>
(162,160)	(7,942)	(2,138,271)
-	-	245,008
(63,154)	-	(104,904)
<u>(225,314)</u>	<u>(7,942)</u>	<u>(1,998,167)</u>
(2,395,049)	242,012	6,920,994
(33,877)	-	(1,446,306)
<u>\$ (2,654,240)</u>	<u>\$ 234,070</u>	<u>\$ 3,476,521</u>

City of Mansfield, Ohio  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the Year Ended December 31, 2002

	<u>Water Operating</u>	<u>Sewer Operating</u>	<u>Airport Operating</u>
<i>Increase (decrease) in cash and cash equivalents</i>			
<i>Cash flows from operating activities:</i>			
<i>Cash received from customers</i>	\$ 6,384,342	\$ 5,519,786	\$ 168,405
<i>Cash paid to employees</i>	(1,799,066)	(1,669,596)	(238,420)
<i>Cash paid to suppliers</i>	(3,591,129)	(3,264,887)	(300,898)
<i>Other operating expenses</i>	(413,390)	(433,678)	(56,384)
<i>Cash from other sources</i>	79,676	3,043	522,626
<i>Net cash provided by operating activities</i>	<u>660,433</u>	<u>154,668</u>	<u>95,329</u>
<i>Cash flows from noncapital financing activities:</i>			
<i>Operating transfers in</i>	29,063	215,945	-
<i>Operating transfers out</i>	(41,750)	-	(63,154)
<i>Advance to other funds</i>	(600,000)	-	-
<i>Receipt on advances to other funds</i>	400,000	500,000	-
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>(212,687)</u>	<u>715,945</u>	<u>(63,154)</u>
<i>Cash flows from capital and related financing activities:</i>			
<i>Acquisition/construction of capital assets</i>	(261,017)	(337,384)	(2,700)
<i>Interest paid on general obligation debt</i>	(220,525)	-	-
<i>Principal paid on general obligation debt</i>	(260,000)	-	-
<i>Interest paid on notes</i>	-	(1,145)	-
<i>Principal paid on notes</i>	(9,381)	(40,213)	-
<i>Net cash (used for) capital and related financing activities</i>	<u>(750,923)</u>	<u>(378,742)</u>	<u>(2,700)</u>
<i>Cash flows from investing activities:</i>			
<i>Purchase of Mansfield City internal bonds</i>	-	(2,500,000)	-
<i>Net cash (used for) investing activities</i>	<u>-</u>	<u>(2,500,000)</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(303,177)	(2,008,129)	29,475
<i>Cash and cash equivalents at beginning of year</i>	<u>3,581,435</u>	<u>3,566,211</u>	<u>79,655</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 3,278,258</u>	<u>\$ 1,558,082</u>	<u>\$ 109,130</u>

<i>Parking Garage</i>	<i>Total</i>
<hr/>	<hr/>
\$ 49,381	\$ 12,121,914
-	(3,707,082)
(46,797)	(7,203,711)
-	(903,452)
-	605,345
2,584	913,014
<hr/>	<hr/>
-	245,008
-	(104,904)
-	(600,000)
-	900,000
-	440,104
<hr/>	<hr/>
-	(601,101)
-	(220,525)
-	(260,000)
-	(1,145)
-	(49,594)
-	(1,132,365)
<hr/>	<hr/>
-	(2,500,000)
-	(2,500,000)
<hr/>	<hr/>
2,584	(2,279,247)
60,246	7,287,547
<hr/>	<hr/>
\$ 62,830	\$ 5,008,300
<hr/> <hr/>	<hr/> <hr/>

*continued*

City of Mansfield, Ohio  
Combining Statement of Cash Flows  
All Enterprise Funds  
(continued)  
For the Year Ended December 31, 2002

	<u>Water Operating</u>	<u>Sewer Operating</u>	<u>Airport Operating</u>
<i>Reconciliation of operating (loss) to net cash provided by operating activities:</i>			
Operating (loss)	\$ (286,967)	\$ (1,543,325)	\$ (724,886)
 <i>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</i>			
Depreciation	452,438	1,569,563	293,959
Other nonoperating revenue	14,554	233	1,891
Municipal income tax	-	-	560,835
Tap and license fees	65,122	2,810	-
 <i>Changes in assets and liabilities:</i>			
Decrease in accounts receivable	266,673	86,549	17,180
(Increase) in taxes receivable	-	-	(90,103)
Decrease in special assessment receivable	-	7,844	-
(Increase) decrease in due from other governments	(248)	132,290	-
(Increase) in inventory of supplies	(7,717)	(2,708)	(10,815)
Increase (decrease) in accounts payable	(40,877)	13,919	1,782
Increase (decrease) in contracts payable	526	(126,876)	159
Increase in accrued wages and benefits	32,073	13,378	632
(Decrease) in due to other governments	(18,589)	(57,986)	(10,446)
Increase (decrease) in deferred revenue	(2,539)	(7,844)	46,303
Increase in compensated absences payable	185,984	66,821	8,838
Total adjustments	<u>947,400</u>	<u>1,697,993</u>	<u>820,215</u>
Net cash provided by operating activities	<u>\$ 660,433</u>	<u>\$ 154,668</u>	<u>\$ 95,329</u>

*Noncash investing, capital and financing activities:*

*During the year the enterprise funds acquired fixed assets from the general fixed assets account group. The contribution of the related assets totaled \$4,855.*

<i>Parking Garage</i>	<i>Total</i>
<u>                    </u>	<u>                    </u>
\$ (7,942)	\$ (2,563,120)
<u>                    </u>	<u>                    </u>
10,526	2,326,486
-	16,678
-	560,835
-	67,932
-	370,402
-	(90,103)
-	7,844
-	132,042
-	(21,240)
-	(25,176)
-	(126,191)
-	46,083
-	(87,021)
-	35,920
-	261,643
<u>10,526</u>	<u>3,476,134</u>
<u>                    </u>	<u>                    </u>
\$ 2,584	\$ 913,014
<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenses and  
Changes in Fund Equity - Budget and Actual  
Water Operating Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Charges for services	\$ 6,430,100	\$ 6,413,768	\$ (16,332)
Other	135,600	134,072	(1,528)
<i>Total revenues</i>	<u>6,565,700</u>	<u>6,547,840</u>	<u>(17,860)</u>
<i>Expenses:</i>			
Personal services	1,895,597	1,799,410	96,187
Fringe benefits	452,222	406,218	46,004
Contractual services	1,511,957	1,117,358	394,599
Utilities	442,500	441,919	581
Materials and supplies	911,669	810,981	100,688
Other	22,900	17,898	5,002
Capital outlay	192,975	192,939	36
<i>Total expenses</i>	<u>5,429,820</u>	<u>4,786,723</u>	<u>643,097</u>
<i>Excess of revenues over expenses</i>	1,135,880	1,761,117	625,237
Operating transfers in	431,724	429,063	(2,661)
Operating transfers out	(3,450,982)	(3,450,982)	-
<i>Deficiency of revenues under expenses and operating transfers</i>	<u>(1,883,378)</u>	<u>(1,260,802)</u>	<u>622,576</u>
<i>Fund equity at beginning of year</i>	2,591,055	2,591,055	-
<i>Expenses against prior year encumbrances</i>	910,750	910,750	-
<i>Fund equity at end of year</i>	<u>\$ 1,618,427</u>	<u>\$ 2,241,003</u>	<u>\$ 622,576</u>

City of Mansfield, Ohio  
Schedule of Revenues, Expenses and  
Changes in Fund Equity - Budget and Actual  
Sewer Operating Fund  
(Non-GAAP) Budget Basis  
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Charges for services	\$ 5,133,344	\$ 5,535,814	\$ 402,470
Other	81,264	83,267	2,003
 Total revenues	 <u>5,214,608</u>	 <u>5,619,081</u>	 <u>404,473</u>
 <i>Expenses:</i>			
Personal services	1,700,342	1,671,278	29,064
Fringe benefits	408,421	400,307	8,114
Contractual services	1,570,670	1,397,325	173,345
Utilities	492,000	485,702	6,298
Materials and supplies	572,508	561,329	11,179
Other	82,878	75,404	7,474
Capital outlay	248,969	233,395	15,574
 Total expenses	 <u>5,075,788</u>	 <u>4,824,740</u>	 <u>251,048</u>
 Excess of revenues over expenses	 138,820	 794,341	 655,521
 Operating transfers in	 715,945	 715,945	 -
Operating transfers out	(1,278,696)	(1,278,696)	-
Purchase of internal bonds	(2,500,000)	(2,500,000)	-
 Deficiency of revenues under expenses and operating transfers	 (2,923,931)	 (2,268,410)	 655,521
 Fund equity at beginning of year	 2,757,785	 2,757,785	 -
 Expenses against prior year encumbrances	 743,325	 743,325	 -
 Fund equity at end of year	 <u>\$ 577,179</u>	 <u>\$ 1,232,700</u>	 <u>\$ 655,521</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Airport Operating Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Revenues:</i>			
Charges for services	\$ 169,600	\$ 168,405	\$ (1,195)
Other	1,900	1,892	(8)
Total revenues	<u>171,500</u>	<u>170,297</u>	<u>(1,203)</u>
<i>Expenses:</i>			
Personal services	247,900	238,421	9,479
Fringe benefits	62,933	56,433	6,500
Contractual services	21,137	20,083	1,054
Utilities	60,000	54,837	5,163
Materials and supplies	31,400	26,124	5,276
Other	35,555	25,274	10,281
Capital outlay	2,810	2,810	-
Total expenses	<u>461,735</u>	<u>423,982</u>	<u>37,753</u>
Deficiency of revenues under expenses	(290,235)	(253,685)	36,550
Operating transfers in	508,428	508,428	-
Operating transfers out	(297,796)	(265,336)	32,460
Deficiency of revenues under expenses and operating transfers	(79,603)	(10,593)	69,010
Fund equity at beginning of year	58,564	58,564	-
Expenses against prior year encumbrances	21,087	21,087	-
Fund equity at end of year	<u>\$ 48</u>	<u>\$ 69,058</u>	<u>\$ 69,010</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Parking Garage Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Charges for services	\$ 50,000	\$ 50,232	\$ 232
Total revenues	<u>50,000</u>	<u>50,232</u>	<u>232</u>
<i>Expenses:</i>			
Contractual services	91,929	58,564	33,365
Total expenses	<u>91,929</u>	<u>58,564</u>	<u>33,365</u>
Deficiency of revenues under expenses	(41,929)	(8,332)	33,597
Operating transfers out	<u>(16,807)</u>	<u>(16,807)</u>	<u>-</u>
Deficiency of revenues under expenses and operating transfers	(58,736)	(25,139)	33,597
Fund equity at beginning of year	30,195	30,195	-
Expenses against prior year encumbrances	28,541	28,541	-
Fund equity at end of year	<u>\$ -</u>	<u>\$ 33,597</u>	<u>\$ 33,597</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Total All Enterprise Funds  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Charges for services	\$ 11,783,044	\$ 12,168,219	\$ 385,175
Other	218,764	219,231	467
Total revenues	<u>12,001,808</u>	<u>12,387,450</u>	<u>385,642</u>
<i>Expenses:</i>			
Personal services	3,843,839	3,709,109	134,730
Fringe benefits	923,576	862,958	60,618
Contractual services	3,195,693	2,593,330	602,363
Utilities	994,500	982,458	12,042
Materials and supplies	1,515,577	1,398,434	117,143
Other	141,333	118,576	22,757
Capital outlay	444,754	429,144	15,610
Total expenses	<u>11,059,272</u>	<u>10,094,009</u>	<u>965,263</u>
Excess of revenues over expenses	942,536	2,293,441	1,350,905
Operating transfers in	1,656,097	1,653,436	(2,661)
Operating transfers out	(5,044,281)	(5,011,821)	32,460
Purchase of internal bonds	(2,500,000)	(2,500,000)	-
Deficiency of revenues under expenses and operating transfers	(4,945,648)	(3,564,944)	1,380,704
Fund equity at beginning of year	5,437,599	5,437,599	-
Expenses against prior year encumbrances	1,703,703	1,703,703	-
Fund equity at end of year	<u>\$ 2,195,654</u>	<u>\$ 3,576,358</u>	<u>\$ 1,380,704</u>

## **INTERNAL SERVICE FUNDS**

*To account for the financing of goods or services provided by one department for the other departments within the City.*

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### **Garage Operating:**

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

### **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 Balance Sheet  
All Internal Service Funds  
December 31, 2002**

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>	<u>Health Insurance</u>
<b>Assets:</b>				
<i>Current assets:</i>				
Equity in pooled cash and cash equivalents	\$ 491,458	\$ 13,665	\$ 47,415	\$ 141,636
Inventory of supplies	3,329	14,158	24,021	-
<b>Total current assets</b>	<u>494,787</u>	<u>27,823</u>	<u>71,436</u>	<u>141,636</u>
<i>Property, plant and equipment:</i>				
Equipment	8,774,961	603,122	170,181	-
Less: accumulated depreciation	(6,088,082)	(498,863)	(117,660)	-
<b>Net property, plant and equipment</b>	<u>2,686,879</u>	<u>104,259</u>	<u>52,521</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 3,181,666</u>	<u>\$ 132,082</u>	<u>\$ 123,957</u>	<u>\$ 141,636</u>
<b>Liabilities:</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ 47,500	\$ 1,448	\$ 2,106	\$ 10,743
Contracts payable	-	-	231	-
Accrued wages and benefits	15,961	6,171	22,062	-
Due to other governments	30,655	13,019	45,076	-
Advance from other funds	-	-	-	600,000
Claims and judgements payable	-	-	-	483,522
<b>Total current liabilities</b>	<u>94,116</u>	<u>20,638</u>	<u>69,475</u>	<u>1,094,265</u>
<i>Noncurrent liabilities:</i>				
Compensated absences payable	84,383	55,367	129,397	-
Obligation under capital lease	-	38,711	-	-
<b>Total noncurrent liabilities</b>	<u>84,383</u>	<u>94,078</u>	<u>129,397</u>	<u>-</u>
<b>Total liabilities</b>	<u>178,499</u>	<u>114,716</u>	<u>198,872</u>	<u>1,094,265</u>
<i>Fund equity:</i>				
Contributed capital	2,940,171	20,231	31,834	81,168
Retained earnings (deficit)	62,996	(2,865)	(106,749)	(1,033,797)
Unreserved	-	-	-	-
<b>Total fund equity (deficit)</b>	<u>3,003,167</u>	<u>17,366</u>	<u>(74,915)</u>	<u>(952,629)</u>
<b>Total liabilities and fund equity</b>	<u>\$ 3,181,666</u>	<u>\$ 132,082</u>	<u>\$ 123,957</u>	<u>\$ 141,636</u>

<i>Workers Compensation</i>	<i>Total</i>
<u>                    </u>	<u>                    </u>
\$ 138,761	\$ 832,935
-	41,508
<u>138,761</u>	<u>874,443</u>
-	9,548,264
-	(6,704,605)
<u>-</u>	<u>2,843,659</u>
<u>\$ 138,761</u>	<u>\$ 3,718,102</u>
<u>                    </u>	<u>                    </u>
\$ -	\$ 61,797
-	231
-	44,194
-	88,750
-	600,000
-	483,522
<u>-</u>	<u>1,278,494</u>
-	269,147
-	38,711
<u>-</u>	<u>307,858</u>
<u>-</u>	<u>1,586,352</u>
-	3,073,404
138,761	(941,654)
<u>138,761</u>	<u>2,131,750</u>
<u>\$ 138,761</u>	<u>\$ 3,718,102</u>
<u>                    </u>	<u>                    </u>

City of Mansfield, Ohio  
Combining Statement of Revenues, Expenses  
Changes in Retained Earnings  
All Internal Service Funds  
For the Year Ended December 31, 2002

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>	<u>Health Insurance</u>
Operating revenues:				
Charges for services	\$ 1,413,409	\$ 545,420	\$ 1,266,111	\$ 5,450,761
Total operating revenues	<u>1,413,409</u>	<u>545,420</u>	<u>1,266,111</u>	<u>5,450,761</u>
Operating expenses:				
Personal services	386,571	196,281	652,499	-
Fringe benefits	82,172	28,742	123,945	-
Materials and supplies	460,929	24,056	180,006	-
Utilities	84,523	-	-	-
Depreciation	276,121	56,389	17,080	-
Contractual services	188,118	223,440	311,464	691,498
Claims expense	-	-	-	4,273,189
Other operating	99	300	-	-
Total operating expenses	<u>1,478,533</u>	<u>529,208</u>	<u>1,284,994</u>	<u>4,964,687</u>
Operating income (loss)	<u>(65,124)</u>	<u>16,212</u>	<u>(18,883)</u>	<u>486,074</u>
Nonoperating revenues (expenses):				
Other nonoperating revenue	1,137	-	3,665	-
Interest expense and fiscal charges	-	(3,301)	-	-
Loss on disposal of fixed assets	(8,377)	(610)	(27)	-
Total nonoperating revenues (expenses)	<u>(7,240)</u>	<u>(3,911)</u>	<u>3,638</u>	<u>-</u>
Net income (loss) before operating transfers	<u>(72,364)</u>	<u>12,301</u>	<u>(15,245)</u>	<u>486,074</u>
Operating transfers out	-	(2,000)	-	-
Net income (loss)	<u>(72,364)</u>	<u>10,301</u>	<u>(15,245)</u>	<u>486,074</u>
Retained earnings (deficit) at beginning of year	135,360	(13,166)	(16,285)	(1,519,871)
Residual equity transfer out	-	-	(75,219)	-
Retained earnings (deficit) at end of year	<u>\$ 62,996</u>	<u>\$ (2,865)</u>	<u>\$ (106,749)</u>	<u>\$(1,033,797)</u>

<i>OML Self Insurance</i>	<i>Workers Compensation</i>	<i>Total</i>
\$ 314,848	\$ 314,027	\$ 9,304,576
<u>314,848</u>	<u>314,027</u>	<u>9,304,576</u>
-	-	1,235,351
-	-	234,859
-	-	664,991
-	-	84,523
-	-	349,590
315,530	363,402	2,093,452
-	-	4,273,189
-	-	399
<u>315,530</u>	<u>363,402</u>	<u>8,936,354</u>
<u>(682)</u>	<u>(49,375)</u>	<u>368,222</u>
-	186,503	191,305
-	-	(3,301)
-	-	(9,014)
<u>-</u>	<u>186,503</u>	<u>178,990</u>
<u>(682)</u>	<u>137,128</u>	<u>547,212</u>
-	-	(2,000)
<u>(682)</u>	<u>137,128</u>	<u>545,212</u>
682	1,633	(1,411,647)
-	-	(75,219)
<u>\$ -</u>	<u>\$ 138,761</u>	<u>\$ (941,654)</u>

City of Mansfield, Ohio  
Combining Statement of Cash Flows  
All Internal Service Funds  
For the Year Ended December 31, 2002

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
<i>Increase (decrease) in cash and cash equivalents</i>			
<i>Cash flows from operating activities:</i>			
<i>Cash received from quasi-external operating transactions with other funds</i>	\$ 1,415,706	\$ 545,420	\$ 1,266,111
<i>Cash paid to employees</i>	(384,913)	(189,187)	(607,339)
<i>Cash paid to suppliers</i>	(721,755)	(265,685)	(496,464)
<i>Cash paid to claims</i>	-	-	-
<i>Other operating expenses</i>	(97,294)	(36,387)	(147,164)
<i>Cash from other sources</i>	1,137	-	3,665
 <i>Net cash provided by (used for) operating activities</i>	 <u>212,881</u>	 <u>54,161</u>	 <u>18,809</u>
 <i>Cash flows from noncapital financing activities:</i>			
<i>Operating transfers out</i>	-	(2,000)	-
<i>Advance from other funds</i>	-	-	-
<i>Payment on advance from other funds</i>	-	-	-
 <i>Net cash (used for) noncapital financing activities</i>	 <u>-</u>	 <u>(2,000)</u>	 <u>-</u>
 <i>Cash flows from capital and related financing activities:</i>			
<i>Acquisition/construction of capital assets</i>	(9,993)	-	-
<i>Interest paid on equipment contract</i>	-	(3,301)	-
<i>Principal paid on equipment contract</i>	-	(44,277)	-
 <i>Net cash (used for) capital and related financing activities</i>	 <u>(9,993)</u>	 <u>(47,578)</u>	 <u>-</u>
 <i>Net increase (decrease) in cash and cash equivalents</i>	 202,888	 4,583	 18,809
 <i>Cash and cash equivalents at beginning of year</i>	 288,570	 9,082	 28,606
 <i>Cash and cash equivalents at end of year</i>	 <u>\$ 491,458</u>	 <u>\$ 13,665</u>	 <u>\$ 47,415</u>

<u>Health Insurance</u>	<u>OML Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 5,450,761	\$ 315,099	\$ 314,027	\$ 9,307,124
-	-	-	(1,181,439)
(746,400)	(315,530)	(363,402)	(2,909,236)
(4,448,381)	-	-	(4,448,381)
(17,407)	-	-	(298,252)
-	-	186,503	191,305
238,573	(431)	137,128	661,121
-	-	-	(2,000)
600,000	-	-	600,000
(800,000)	-	-	(800,000)
(200,000)	-	-	(202,000)
-	-	-	(9,993)
-	-	-	(3,301)
-	-	-	(44,277)
-	-	-	(57,571)
38,573	(431)	137,128	401,550
103,063	431	1,633	431,385
\$ 141,636	\$ -	\$ 138,761	\$ 832,935

*continued*

City of Mansfield, Ohio  
Combining Statement of Cash Flows  
All Internal Service Funds  
(continued)  
For the Year Ended December 31, 2002

	<u>Garage Operating</u>	<u>Data Processing</u>	<u>Utility Collections</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</i>			
Operating income (loss)	\$ (65,124)	\$ 16,212	\$ (18,883)
<i>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</i>			
Depreciation	276,121	56,389	17,080
Other nonoperating revenue	1,137	-	3,665
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in inventory of supplies	266	2,368	(6,189)
Decrease in due from other funds	2,297	-	-
Increase (decrease) in accounts payable	11,575	(2,262)	1,195
(Decrease) in contracts payable	(88)	(18,295)	(58)
Increase in accrued wages and benefits	5,112	780	3,913
(Decrease) in due to other governments	(14,961)	(7,345)	(23,161)
(Decrease) in claims and judgements payable	-	-	-
Increase (decrease) in compensated absences payable	(3,454)	6,314	41,247
Total adjustments	<u>278,005</u>	<u>37,949</u>	<u>37,692</u>
Net cash provided by (used for) operating activities	<u>\$ 212,881</u>	<u>\$ 54,161</u>	<u>\$ 18,809</u>

*Noncash investing, capital and financing activities:*

*During the year the internal service funds acquired fixed assets from the general fixed assets account group. The contribution of the related assets totaled \$3,940,624.*

<i>Health Insurance</i>	<i>OML Self Insurance</i>	<i>Workers Compensation</i>	<i>Total</i>
<u>\$ 486,074</u>	<u>\$ (682)</u>	<u>\$ (49,375)</u>	<u>\$ 368,222</u>
-	-	-	349,590
-	-	186,503	191,305
-	-	-	(3,555)
-	251	-	2,548
(54,902)	-	-	(44,394)
-	-	-	(18,441)
-	-	-	9,805
(17,407)	-	-	(62,874)
(175,192)	-	-	(175,192)
-	-	-	44,107
<u>(247,501)</u>	<u>251</u>	<u>186,503</u>	<u>292,899</u>
<u>\$ 238,573</u>	<u>\$ (431)</u>	<u>\$ 137,128</u>	<u>\$ 661,121</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Garage Operating Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Other	\$ 1,700	\$ 1,137	\$ (563)
<b>Total revenues</b>	<u>1,700</u>	<u>1,137</u>	<u>(563)</u>
<i>Expenses:</i>			
Personal services	390,100	384,913	5,187
Fringe benefits	117,066	97,195	19,871
Contractual services	147,104	39,105	107,999
Utilities	60,000	57,599	2,401
Materials and supplies	592,924	522,265	70,659
Other	500	99	401
Capital outlay	380,097	81,191	298,906
<b>Total expenses</b>	<u>1,687,791</u>	<u>1,182,367</u>	<u>505,424</u>
<i>Deficiency of revenues under expenses</i>	(1,686,091)	(1,181,230)	504,861
Operating transfers in	1,596,299	1,427,496	(168,803)
Operating transfers out	(198,775)	(198,775)	-
<i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	(288,567)	47,491	336,058
Fund equity at beginning of year	4,340	4,340	-
Expenses against prior year encumbrances	284,227	284,227	-
<b>Fund equity at end of year</b>	<u>\$ -</u>	<u>\$ 336,058</u>	<u>\$ 336,058</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Data Processing Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Other	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Expenses:</i>			
Personal services	190,936	189,187	1,749
Fringe benefits	36,290	36,088	202
Contractual services	228,126	225,579	2,547
Materials and supplies	27,793	22,388	5,405
Other	300	300	-
<i>Total expenses</i>	<u>483,445</u>	<u>473,542</u>	<u>9,903</u>
 <i>Deficiency of revenues under expenses</i>	<u>(483,445)</u>	<u>(473,542)</u>	<u>9,903</u>
Operating transfers in	545,421	545,421	-
Operating transfers out	(71,058)	(71,058)	-
 <i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	<u>(9,082)</u>	<u>821</u>	<u>9,903</u>
 <i>Fund equity at beginning of year</i>	7,556	7,556	-
 <i>Expenses against prior year encumbrances</i>	1,526	1,526	-
 <i>Fund equity at end of year</i>	<u>\$ -</u>	<u>\$ 9,903</u>	<u>\$ 9,903</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Utility Collections Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Revenues:</i>			
Other	\$ 2,600	\$ 3,713	\$ 1,113
<i>Total revenues</i>	<u>2,600</u>	<u>3,713</u>	<u>1,113</u>
 <i>Expenses:</i>			
Personal services	617,770	607,339	10,431
Fringe benefits	166,614	147,523	19,091
Contractual services	18,800	18,474	326
Materials and supplies	200,865	187,103	13,762
<i>Total expenses</i>	<u>1,004,049</u>	<u>960,439</u>	<u>43,610</u>
 <i>Deficiency of revenues under expenses</i>	<u>(1,001,449)</u>	<u>(956,726)</u>	<u>44,723</u>
Operating transfers in	1,266,112	1,266,112	-
Operating transfers out	(293,118)	(293,118)	-
	<u>          </u>	<u>          </u>	<u>          </u>
 <i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	<u>(28,455)</u>	<u>16,268</u>	<u>44,723</u>
 <i>Fund equity at beginning of year</i>	27,155	27,155	-
 <i>Expenses against prior year encumbrances</i>	1,402	1,402	-
 <i>Fund equity at end of year</i>	<u>\$ 102</u>	<u>\$ 44,825</u>	<u>\$ 44,723</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Health Insurance Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Revenues:</i>			
<i>Other</i>	\$ 247,000	\$ 384,249	\$ 137,249
<i>Total revenues</i>	<u>247,000</u>	<u>384,249</u>	<u>137,249</u>
 <i>Expenses:</i>			
<i>Contractual services</i>	5,439,504	5,328,434	111,070
<i>Total expenses</i>	<u>5,439,504</u>	<u>5,328,434</u>	<u>111,070</u>
<i>Deficiency of revenues under expenses</i>	(5,192,504)	(4,944,185)	248,319
<i>Operating transfers in</i>	5,936,443	5,782,758	(153,685)
<i>Operating transfers out</i>	(800,000)	(800,000)	-
<i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	<u>(56,061)</u>	<u>38,573</u>	<u>94,634</u>
<i>Fund equity at beginning of year</i>	103,063	103,063	-
<i>Fund equity at end of year</i>	<u>\$ 47,002</u>	<u>\$ 141,636</u>	<u>\$ 94,634</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 OML Self Insurance Fund  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Other	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenses:</i>			
Contractual services	315,530	315,530	-
<i>Total expenses</i>	<u>315,530</u>	<u>315,530</u>	<u>-</u>
<i>Deficiency of revenues under expenses</i>	(315,530)	(315,530)	-
Operating transfers in	<u>315,099</u>	<u>315,099</u>	<u>-</u>
<i>Deficiency of revenues under expenses and operating transfers</i>	(431)	(431)	-
<i>Fund equity at beginning of year</i>	431	431	-
<i>Fund equity at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*City of Mansfield, Ohio*  
*Schedule of Revenues, Expenses and*  
*Changes in Fund Equity - Budget and Actual*  
*Workers Compensation Fund*  
*(Non-GAAP) Budget Basis*  
*For the Year Ended December 31, 2002*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
<i>Other</i>	\$ 54,342	\$ 186,503	\$ 132,161
<i>Total revenues</i>	<u>54,342</u>	<u>186,503</u>	<u>132,161</u>
 <i>Expenses:</i>			
<i>Contractual services</i>	504,302	363,402	140,900
<i>Total expenses</i>	<u>504,302</u>	<u>363,402</u>	<u>140,900</u>
 <i>Deficiency of revenues under expenses</i>	(449,960)	(176,899)	273,061
<i>Operating transfers in</i>	<u>503,038</u>	<u>314,027</u>	<u>(189,011)</u>
 <i>Excess of revenues over expenses and operating transfers</i>	53,078	137,128	84,050
<i>Fund equity at beginning of year</i>	1,633	1,633	-
<i>Fund equity at end of year</i>	<u>\$ 54,711</u>	<u>\$ 138,761</u>	<u>\$ 84,050</u>

City of Mansfield, Ohio  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual  
 Total All Internal Service Funds  
 (Non-GAAP) Budget Basis  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Other	\$ 305,642	\$ 575,602	\$ 269,960
<i>Total revenues</i>	<u>305,642</u>	<u>575,602</u>	<u>269,960</u>
<i>Expenses:</i>			
Personal services	1,198,806	1,181,439	17,367
Fringe benefits	319,970	280,806	39,164
Contractual services	6,653,366	6,290,524	362,842
Utilities	60,000	57,599	2,401
Materials and supplies	821,582	731,756	89,826
Other	800	399	401
Capital outlay	380,097	81,191	298,906
<i>Total expenses</i>	<u>9,434,621</u>	<u>8,623,714</u>	<u>810,907</u>
<i>Deficiency of revenues under expenses</i>	(9,128,979)	(8,048,112)	1,080,867
Operating transfers in	10,162,412	9,650,913	(511,499)
Operating transfers out	(1,362,951)	(1,362,951)	-
<i>Excess (deficiency) of revenues over (under) expenses and operating transfers</i>	(329,518)	239,850	569,368
<i>Fund equity at beginning of year</i>	144,178	144,178	-
<i>Expenses against prior year encumbrances</i>	287,155	287,155	-
<i>Fund equity at end of year</i>	<u>\$ 101,815</u>	<u>\$ 671,183</u>	<u>\$ 569,368</u>

## **FIDUCIARY FUNDS**

*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 other funds.*

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### **EXPENDABLE TRUST FUNDS**

#### **Sub Division Fees:**

*Established to account for monies received from land developers in lieu of a contribution of undeveloped land.*

#### **Unclaimed Money:**

*Established to account for monies held by the City not claimed by individuals.*

#### **Shade Tree:**

*Established to account for donations and in kind contributions for the planting of trees.*

### **AGENCY FUNDS**

#### **OSP Fines:**

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

#### **Sewer and Street Opening:**

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

#### **Building Security:**

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

**Payroll Agency:**

*Established 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:**

*Established to account for monies that flow through the Clerk of Courts office.*

**Transient Occupancy Tax:**

*Established to account for collections of local tax on hotel and motel guests. Monies collected go to the Richland County Convention & Visitors Bureau and the local Main Street USA.*

**Board of Standards Assessments:**

*Established to account for fees, for the acceptance and approval of building plans.*

**Utility Deposits:**

*Established to account for monies deposited with the City by individuals for water and sewer service.*

City of Mansfield, Ohio  
Combining Balance Sheet  
All Fiduciary Funds  
December 31, 2002

*Expendable Trust*

	<u>Sub Division Fees</u>	<u>Unclaimed Money</u>	<u>Shade Tree</u>
<i>Assets:</i>			
Equity in pooled cash and cash equivalents	\$ 25,996	\$ 14,853	\$ 1,438
Investments	-	-	-
Cash and cash equivalents with fiscal and escrow agent	-	-	-
Taxes receivable	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 25,996</u>	<u>\$ 14,853</u>	<u>\$ 1,438</u>
<i>Liabilities:</i>			
Accounts payable	\$ 1,234	\$ -	\$ -
Due to other funds	-	-	-
Due to other governments	-	-	-
Due to individuals	-	-	-
Unapportioned monies	-	-	-
<i>Total liabilities</i>	<u>1,234</u>	<u>-</u>	<u>-</u>
<i>Fund equity:</i>			
Fund balances			
Unreserved and undesignated	24,762	14,853	1,438
<i>Total fund equity</i>	<u>24,762</u>	<u>14,853</u>	<u>1,438</u>
<i>Total liabilities and fund equity</i>	<u>\$ 25,996</u>	<u>\$ 14,853</u>	<u>\$ 1,438</u>

*continued*

City of Mansfield, Ohio  
Combining Balance Sheet  
All Fiduciary Funds  
(continued)  
December 31, 2002

Agency Funds

	OSP Fines	Sewer and Street Opening	Building Security	Payroll Agency
<i>Assets:</i>				
Equity in pooled cash and cash equivalents	\$ -	\$ 11,864	\$ 26,670	\$ -
Investments	-	-	-	-
Cash and cash equivalent with fiscal and escrow agent	-	-	-	163,004
Taxes receivable	-	-	-	-
Due from other funds	5,554	-	-	-
<b>Total assets</b>	<b>\$ 5,554</b>	<b>\$ 11,864</b>	<b>\$ 26,670</b>	<b>\$ 163,004</b>
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	120,327
Due to individuals	5,554	11,864	26,670	42,677
Unapportioned monies	-	-	-	-
<b>Total liabilities</b>	<b>5,554</b>	<b>11,864</b>	<b>26,670</b>	<b>163,004</b>
<i>Fund equity:</i>				
Fund balances				
Unreserved and undesignated	-	-	-	-
<b>Total fund equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund equity</b>	<b>\$ 5,554</b>	<b>\$ 11,864</b>	<b>\$ 26,670</b>	<b>\$ 163,004</b>

Agency Funds

<u>Municipal Court</u>	<u>Transient Occupancy Tax</u>	<u>Board of Standards Assessments</u>	<u>Utility Deposits</u>	<u>Total Fiduciary Funds</u>
\$ 643,898	\$ -	\$ 406	\$ 400	\$ 725,525
205,000	-	-	-	205,000
-	-	-	-	163,004
-	9,801	-	-	9,801
-	-	-	-	5,554
<u>\$ 848,898</u>	<u>\$ 9,801</u>	<u>\$ 406</u>	<u>\$ 400</u>	<u>\$ 1,108,884</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,234
170,343	490	-	-	170,833
78,685	-	406	-	199,418
663	9,311	-	400	97,139
599,207	-	-	-	599,207
<u>848,898</u>	<u>9,801</u>	<u>406</u>	<u>400</u>	<u>1,067,831</u>
-	-	-	-	41,053
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,053</u>
<u>\$ 848,898</u>	<u>\$ 9,801</u>	<u>\$ 406</u>	<u>\$ 400</u>	<u>\$ 1,108,884</u>

City of Mansfield, Ohio  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 All Expendable Trust Funds  
 For the Year Ended December 31, 2002

	Sub Division Fees	Unclaimed Money
<i>Revenues:</i>		
<i>Miscellaneous</i>	\$ 6,829	\$ 4,739
<i>Total revenues</i>	6,829	4,739
 <i>Expenditures:</i>		
<i>Current:</i>		
<i>General government</i>	33,131	83,251
<i>Total expenditures</i>	33,131	83,251
<i>Deficiency of revenues under expenditures</i>	(26,302)	(78,512)
<i>Fund balances at beginning of year</i>	51,064	93,365
<i>Fund balances at end of year</i>	\$ 24,762	\$ 14,853

<i>Shade Tree</i>	<i>Total</i>
\$ -	\$ 11,568
<u>-</u>	<u>11,568</u>
<u>-</u>	<u>-</u>
322	116,704
<u>322</u>	<u>116,704</u>
<u>-</u>	<u>-</u>
(322)	(105,136)
<u>1,760</u>	<u>146,189</u>
\$ <u>1,438</u>	\$ <u>41,053</u>
<u><u>1,438</u></u>	<u><u>41,053</u></u>

City of Mansfield, Ohio  
 Combining Statement of Changes  
 In Assets and Liabilities  
 All Agency Funds  
 For the Year Ended December 31, 2002

OSP Fines

	<u>Balance 1/1/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/02</u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ -	\$ 62,942	\$ 62,942	\$ -
<i>Due from other funds</i>	4,450	64,046	62,942	5,554
<i>Total assets</i>	<u>\$ 4,450</u>	<u>\$ 126,988</u>	<u>\$ 125,884</u>	<u>\$ 5,554</u>
 <i>Liabilities:</i>				
<i>Due to individuals</i>	\$ 4,450	\$ 64,046	\$ 62,942	\$ 5,554
<i>Total liabilities</i>	<u>\$ 4,450</u>	<u>\$ 64,046</u>	<u>\$ 62,942</u>	<u>\$ 5,554</u>

*Sewer and Street Opening*

<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance 12/31/02</i>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 11,915	\$ 5,136	\$ 5,187	\$ 11,864
-	-	-	-
<u>\$ 11,915</u>	<u>\$ 5,136</u>	<u>\$ 5,187</u>	<u>\$ 11,864</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 11,915	\$ 5,136	\$ 5,187	\$ 11,864
<u>\$ 11,915</u>	<u>\$ 5,136</u>	<u>\$ 5,187</u>	<u>\$ 11,864</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*continued*

City of Mansfield, Ohio  
 Combining Statement of Changes  
 In Assets and Liabilities  
 All Agency Funds  
 (continued)  
 For the Year Ended December 31, 2002

*Building Security*

	<u>Balance 1/1/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/02</u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 4,600	\$ 24,670	\$ 2,600	\$ 26,670
<i>Cash and cash equivalents with fiscal and escrow agent</i>	-	-	-	-
<i>Total assets</i>	<u>\$ 4,600</u>	<u>\$ 24,670</u>	<u>\$ 2,600</u>	<u>\$ 26,670</u>
 <i>Liabilities:</i>				
<i>Due to other funds</i>	\$ -	\$ -	\$ -	\$ -
<i>Due to other governments</i>	-	-	-	-
<i>Due to individuals</i>	4,600	24,670	2,600	26,670
<i>Total liabilities</i>	<u>\$ 4,600</u>	<u>\$ 24,670</u>	<u>\$ 2,600</u>	<u>\$ 26,670</u>

*Payroll Agency*

<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance 12/31/02</i>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ -	\$ -	\$ -	\$ -
219,075	25,919,519	25,975,590	163,004
<u>\$ 219,075</u>	<u>\$ 25,919,519</u>	<u>\$ 25,975,590</u>	<u>\$ 163,004</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 827	\$ 667,195	\$ 668,022	\$ -
135,833	6,900,409	6,915,915	120,327
82,415	18,351,915	18,391,653	42,677
<u>\$ 219,075</u>	<u>\$ 25,919,519</u>	<u>\$ 25,975,590</u>	<u>\$ 163,004</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*continued*

City of Mansfield, Ohio  
Combining Statement of Changes  
In Assets and Liabilities  
All Agency Funds  
(continued)  
For the Year Ended December 31, 2002

*Municipal Court*

	<u>Balance 1/1/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/02</u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 526,045	\$ 5,278,535	\$ 5,160,682	\$ 643,898
<i>Investments</i>	205,000	-	-	205,000
<i>Taxes receivables</i>	-	-	-	-
<i>Due from other funds</i>	1,415	-	1,415	-
 <i>Total assets</i>	 <u>\$ 732,460</u>	 <u>\$ 5,278,535</u>	 <u>\$ 5,162,097</u>	 <u>\$ 848,898</u>
 <i>Liabilities:</i>				
<i>Due to other funds</i>	\$ 160,942	\$ 2,464,336	\$ 2,454,935	\$ 170,343
<i>Due to other governments</i>	76,768	1,139,199	1,137,282	78,685
<i>Due to individuals</i>	209	20,430	19,976	663
<i>Unapportioned monies</i>	494,541	1,654,570	1,549,904	599,207
 <i>Total liabilities</i>	 <u>\$ 732,460</u>	 <u>\$ 5,278,535</u>	 <u>\$ 5,162,097</u>	 <u>\$ 848,898</u>

*Transient Occupancy Tax*

<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance 12/31/02</i>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ -	\$ 198,210	\$ 198,210	\$ -
-	-	-	-
9,029	198,982	198,210	9,801
-	-	-	-
<u>\$ 9,029</u>	<u>\$ 397,192</u>	<u>\$ 396,420</u>	<u>\$ 9,801</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 1,815	\$ 23,585	\$ 24,910	\$ 490
-	-	-	-
7,214	175,397	173,300	9,311
-	-	-	-
<u>\$ 9,029</u>	<u>\$ 198,982</u>	<u>\$ 198,210</u>	<u>\$ 9,801</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*continued*

City of Mansfield, Ohio  
 Combining Statement of Changes  
 In Assets and Liabilities  
 All Agency Funds  
 (continued)  
 For the Year Ended December 31, 2002

*Board of Standards Assessments*

	<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance 12/31/02</i>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 163	\$ 2,360	\$ 2,117	\$ 406
<i>Total assets</i>	<u>\$ 163</u>	<u>\$ 2,360</u>	<u>\$ 2,117</u>	<u>\$ 406</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Liabilities:</i>				
<i>Due to other governments</i>	\$ 163	\$ 2,360	\$ 2,117	\$ 406
<i>Due to individuals</i>	-	-	-	-
<i>Total liabilities</i>	<u>\$ 163</u>	<u>\$ 2,360</u>	<u>\$ 2,117</u>	<u>\$ 406</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*Utility Deposits*

<i>Balance 1/1/02</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance 12/31/02</i>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 750	\$ -	\$ 350	\$ 400
<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 400</u>
<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
\$ -	\$ -	\$ -	\$ -
750	-	350	400
<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 400</u>
<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

*continued*

City of Mansfield, Ohio  
Combining Statement of Changes  
In Assets and Liabilities  
All Agency Funds  
(continued)  
For the Year Ended December 31, 2002

Total All Agency Funds

	<u>Balance</u> <u>1/1/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/02</u>
<i>Assets:</i>				
<i>Equity in pooled cash and cash equivalents</i>	\$ 543,473	\$ 5,571,853	\$ 5,432,088	\$ 683,238
<i>Investments</i>	205,000	-	-	205,000
<i>Cash and cash equivalents with fiscal and escrow agent</i>	219,075	25,919,519	25,975,590	163,004
<i>Taxes receivables</i>	9,029	198,982	198,210	9,801
<i>Due from other funds</i>	5,865	64,046	64,357	5,554
 <i>Total assets</i>	 <u>\$ 982,442</u>	 <u>\$ 31,754,400</u>	 <u>\$ 31,670,245</u>	 <u>\$ 1,066,597</u>
 <i>Liabilities:</i>				
<i>Due to other funds</i>	\$ 163,584	\$ 3,155,116	\$ 3,147,867	\$ 170,833
<i>Due to other governments</i>	212,764	8,041,968	8,055,314	199,418
<i>Due to individuals</i>	111,553	18,641,594	18,656,008	97,139
<i>Unapportioned monies</i>	494,541	1,654,570	1,549,904	599,207
 <i>Total liabilities</i>	 <u>\$ 982,442</u>	 <u>\$ 31,493,248</u>	 <u>\$ 31,409,093</u>	 <u>\$ 1,066,597</u>

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

*To account for fixed assets other than those accounted for in the proprietary funds or trust funds.*

*City of Mansfield, Ohio*  
*General Fixed Assets Account Group*  
*Schedule of General Fixed Assets by Sources*  
*December 31, 2002*

<i>General fixed assets:</i>	
<i>Land</i>	\$ 3,671,996
<i>Buildings</i>	13,147,873
<i>Improvements other than buildings</i>	1,318,195
<i>Equipment</i>	9,355,193
<i>Construction in progress</i>	1,337,158
<i>Total general fixed assets</i>	<u>\$28,830,415</u>
<i>Investment in general fixed assets by source:</i>	
<i>General fund revenues</i>	\$11,764,029
<i>Special revenue fund revenues</i>	7,023,345
<i>Capital projects fund revenues</i>	394,023
<i>Expendable trust fund revenues</i>	77,510
<i>Donations</i>	3,733,282
<i>Grants</i>	2,908,712
<i>Debt proceeds</i>	2,929,514
<i>Total investment in general fixed assets</i>	<u>\$28,830,415</u>

*City of Mansfield, Ohio  
General Fixed Assets Account Group  
Schedule of General Fixed Assets by Function and Activity  
December 31, 2002*

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>
<i>Public safety:</i>					
Police	\$ 3,274,657	\$ -	\$ 10,500	\$ -	\$ 3,264,157
Fire	4,982,876	61,507	1,452,437	-	3,468,932
Sign and Signal	442,073	-	70,995	-	371,078
Communications	438,187	-	-	-	438,187
<i>Total public safety</i>	<u>9,137,793</u>	<u>61,507</u>	<u>1,533,932</u>	<u>-</u>	<u>7,542,354</u>
<i>Public health and welfare:</i>					
Litter Control	16,873	-	-	-	16,873
<i>Total public health and welfare</i>	<u>16,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,873</u>
<i>Leisure time activities:</i>					
Parks	2,113,227	789,751	558,627	353,409	411,440
Recreation	19,772	-	-	-	19,772
<i>Total leisure time activities</i>	<u>2,132,999</u>	<u>789,751</u>	<u>558,627</u>	<u>353,409</u>	<u>431,212</u>
<i>Community environment:</i>					
Codes and Permits	58,512	-	-	-	58,512
Community Development	341,227	316,477	-	-	24,750
<i>Total community environment</i>	<u>399,739</u>	<u>316,477</u>	<u>-</u>	<u>-</u>	<u>83,262</u>
<i>Transportation:</i>					
Street Maintenance and Repair	714,320	-	381,206	2,434	330,680
<i>Total transportation</i>	<u>714,320</u>	<u>-</u>	<u>381,206</u>	<u>2,434</u>	<u>330,680</u>
<i>General government:</i>					
Legislative	5,271	-	-	-	5,271
Executive	13,197,250	2,504,261	10,674,108	-	18,881
Financial	78,337	-	-	-	78,337
Judicial	239,987	-	-	-	239,987
Law	11,345	-	-	-	11,345
Engineering	64,592	-	-	5,940	58,652
Maintenance	444,522	-	-	346,239	98,283
Sundry	1,050,229	-	-	610,173	440,056
<i>Total general government</i>	<u>15,091,533</u>	<u>2,504,261</u>	<u>10,674,108</u>	<u>962,352</u>	<u>950,812</u>
<i>Sub-total general fixed assets</i>	<u>27,493,257</u>	<u>3,671,996</u>	<u>13,147,873</u>	<u>1,318,195</u>	<u>9,355,193</u>
Construction in progress	1,337,158	-	844,853	420,097	72,208
<i>Total general fixed assets</i>	<u>\$ 28,830,415</u>	<u>\$ 3,671,996</u>	<u>\$ 13,992,726</u>	<u>\$ 1,738,292</u>	<u>\$ 9,427,401</u>

*City of Mansfield, Ohio*  
*General Fixed Assets Account Group*  
*Schedule of Changes in General Fixed Assets by Function and Activity*  
*For the year ended December 31, 2002*

	<u>1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/02</u>
<i>Public safety:</i>				
Police	\$ 3,187,420	\$ 224,266	\$ 137,029	\$ 3,274,657
Fire	4,580,898	409,990	8,012	4,982,876
Sign and Signal	537,942	-	95,869	442,073
Communications	439,431	-	1,244	438,187
<i>Total public safety</i>	<u>8,745,691</u>	<u>634,256</u>	<u>242,154</u>	<u>9,137,793</u>
<i>Public health and welfare:</i>				
Litter Control	89,203	-	72,330	16,873
<i>Total public health and welfare</i>	<u>89,203</u>	<u>-</u>	<u>72,330</u>	<u>16,873</u>
<i>Leisure time activities:</i>				
Parks	2,466,995	32,178	385,946	2,113,227
Recreation	75,040	-	55,268	19,772
<i>Total leisure time activities</i>	<u>2,542,035</u>	<u>32,178</u>	<u>441,214</u>	<u>2,132,999</u>
<i>Community environment:</i>				
Codes and Permits	211,250	-	152,738	58,512
Community Development	383,567	-	42,340	341,227
<i>Total community environment</i>	<u>594,817</u>	<u>-</u>	<u>195,078</u>	<u>399,739</u>
<i>Transportation:</i>				
Street Maintenance and Repair	3,664,600	106,164	3,056,444	714,320
<i>Total transportation</i>	<u>3,664,600</u>	<u>106,164</u>	<u>3,056,444</u>	<u>714,320</u>
<i>General government:</i>				
Legislative	5,271	-	-	5,271
Executive	13,954,301	411,473	1,168,524	13,197,250
Financial	124,473	580	46,716	78,337
Judicial	280,487	12,300	52,800	239,987
Law	18,642	-	7,297	11,345
Engineering	167,937	16,152	119,497	64,592
Maintenance	574,289	5,091	134,858	444,522
Sundry	277,916	801,456	29,143	1,050,229
<i>Total general government</i>	<u>15,403,316</u>	<u>1,247,052</u>	<u>1,558,835</u>	<u>15,091,533</u>
<i>Sub-total general fixed assets</i>	<u>31,039,662</u>	<u>2,019,650</u>	<u>5,566,055</u>	<u>27,493,257</u>
<i>Construction in progress</i>	<u>1,429,859</u>	<u>950,492</u>	<u>1,043,193</u>	<u>1,337,158</u>
<i>Total general fixed assets</i>	<u>\$ 32,469,521</u>	<u>\$ 2,970,142</u>	<u>\$ 6,609,248</u>	<u>\$ 28,830,415</u>

## *STATISTICAL SECTION*



## **STATISTICAL TABLES**

*The following unaudited statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City.*

Table 1

**CITY OF MANSFIELD, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**Last Ten Years (1)**  
**(Amounts in 000's)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<i>Public Safety</i>	\$ 666	\$ 981	\$ 668	\$ 794	\$ 884	\$ 902	\$ 1,119	\$ 1,120	\$ 1,262	\$ 1,061
<i>Public Health and Welfare</i>	29	28	28	28	29	28	28	30	30	30
<i>Leisure Time Activities</i>	760	800	883	831	862	841	968	1,064	1,012	836
<i>Community Environment</i>	382	413	438	485	463	511	582	545	595	553
<i>General Government</i>	5,232	5,508	6,506	6,086	6,663	6,592	7,786	7,999	8,347	7,844
<i>Principal and Interest</i>	34	-	-	-	-	-	-	-	-	-
<i>Total</i>	<u>\$ 7,103</u>	<u>\$ 7,730</u>	<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>

(1) Includes only the General Fund

Source: City of Mansfield Finance Department

Table 2

**CITY OF MANSFIELD, OHIO**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**Last Ten Years (1)**  
**(Amounts in 000's)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<i>Property Taxes</i>	\$ 1,237	\$ 1,401	\$ 1,401	\$ 1,401	\$ 1,532	\$ 1,580	\$ 1,554	\$ 1,685	\$ 1,955	\$ 1,838
<i>Municipal Income Tax</i>	533	547	596	224	892	445	457	430	446	951
<i>Special Assessments</i>	5	5	8	7	12	16	13	20	30	23
<i>Intergovernmental</i>	3,069	3,929	3,592	3,511	3,828	4,883	4,799	5,418	4,754	4,283
<i>Charges for Services</i>	52	73	57	46	43	32	44	40	40	43
<i>Fees, Licenses and Permits</i>	275	349	325	362	348	415	475	419	419	406
<i>Interest Earnings</i>	754	820	1,190	1,099	1,085	1,151	991	1,785	1,034	606
<i>Fines and Forfeits</i>	1,506	1,665	1,672	1,494	1,520	1,588	1,495	1,532	1,543	1,515
<i>Miscellaneous</i>	34	55	5	35	58	43	89	83	40	190
<b>Total</b>	<u>\$ 7,465</u>	<u>\$ 8,844</u>	<u>\$ 8,846</u>	<u>\$ 8,179</u>	<u>\$ 9,318</u>	<u>\$10,153</u>	<u>\$ 9,917</u>	<u>\$11,412</u>	<u>\$10,261</u>	<u>\$ 9,855</u>

(1) Includes only the General Fund

Source: City of Mansfield Finance Department

Table 3(A)

**CITY OF MANSFIELD, OHIO**  
**REAL PROPERTY TAXES - BILLED AND COLLECTED**  
**Last Ten Years**

Collection Year	Billed (1)	Collected (2)	% Collected	Delinquent	
				Current	Accumulated
1993	\$ 2,342,108	\$ 2,043,247	87.0 %	\$ 220,632	\$ 582,522
1994	2,397,775	2,147,726	90.0	243,315	714,540
1995	2,300,180	2,293,825	99.7	243,319	857,852
1996	2,257,715	2,182,732	96.7	183,992	958,854
1997	2,313,875	2,131,475	92.1	206,922	1,141,254
1998	2,337,323	2,377,330	101.7	105,217	1,101,247
1999	2,277,372	2,572,404	112.9	412,503	1,455,053
2000	2,709,006	2,649,291	97.8	251,848	1,514,768
2001	2,671,096	2,634,667	98.6	316,140	1,551,197
2002 (3)	1,868,997	1,636,801	87.5	243,604	1,794,801

(1) "Billed" includes collections 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.

Table 3(B)

**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>
1993	\$ 467,547	\$ 478,112	102.3 %	\$ 4,597	\$ 81,536
1994	444,827	445,106	100.0	9,585	77,955
1995	425,264	417,658	98.2	7,606	36,224
1996	514,259	510,123	99.2	4,403	42,085
1997	548,516	566,082	103.2	34,717	59,236
1998	558,658	534,485	95.7	36,688	48,692
1999	614,053	579,394	94.4	34,658	83,351
2000	633,510	615,018	97.0	18,492	102,023
2001	454,467	446,200	98.0	8,267	110,290
2002	435,686	427,099	98.0	8,587	119,507

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

Source: Richland County Auditor

Table 4

**CITY OF MANSFIELD, OHIO**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years**

Collection Year	Real Property		Personal Property (1)	
	Assessed	Estimated Actual	Assessed	Estimated Actual
1993	\$ 338,247,220	\$ 966,420,629	\$ 98,906,596	\$ 395,626,384
1994	388,316,800	1,109,476,571	85,498,291	341,993,164
1995	386,054,030	1,103,011,514	86,120,223	344,480,892
1996	389,147,450	1,111,849,857	87,458,330	349,833,320
1997	412,653,410	1,179,009,743	103,856,310	415,425,240
1998	418,068,420	1,194,481,200	124,742,880	498,971,520
1999	425,438,580	1,215,538,800	123,722,561	494,890,244
2000	512,865,440	1,465,329,830	138,798,968	555,195,870
2001	508,185,870	1,451,959,430	132,414,802	529,659,208
2002	516,602,240	1,474,320,690	135,757,108	543,028,432

(1) Other than public utility.

(2) Real and tangible personal.

Source: Richland County Auditor

<i>Public Utility (2)</i>		<i>Totals</i>		<i>Assessed Value as a percent of Estimated Actual Value</i>	<i>Collection Year</i>
<i>Assessed</i>	<i>Estimated Actual</i>	<i>Assessed</i>	<i>Estimated Actual</i>		
\$37,614,430	\$107,469,800	\$474,768,246	\$1,469,516,813	32.31 %	1993
39,019,940	111,485,543	512,835,031	1,562,955,278	32.81	1994
39,941,590	114,118,829	512,115,843	1,561,611,235	32.79	1995
36,865,250	105,329,286	513,471,030	1,567,012,463	32.78	1996
35,051,420	100,146,914	551,561,140	1,694,581,897	32.55	1997
34,050,070	97,285,914	576,861,370	1,790,738,634	32.21	1998
31,699,550	90,570,143	580,860,691	1,800,999,187	32.25	1999
32,355,880	92,445,400	684,020,288	2,112,971,100	32.37	2000
29,414,430	84,041,230	670,015,102	2,065,659,868	35.00	2001
22,651,870	64,719,630	675,011,218	2,082,068,752	32.42	2002

Table 5

**CITY OF MANSFIELD, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1)**  
**Last Ten Years**

Collection Year	(3) Operating	Police and Fire Pension	Debt (2) Retirement	City of Mansfield	Richland County	Mansfield City School District	Total
1993	\$ 3.00	\$ .60	\$ 2.00	\$ 5.60	\$ 8.50	\$ 49.65	\$ 63.75
1994	3.00	.60	2.00	5.60	8.50	59.75	73.85
1995	3.00	.60	1.80	5.40	8.50	59.95	73.85
1996	3.00	.60	1.70	5.30	11.00	60.15	76.45
1997	3.00	.60	1.70	5.30	11.00	59.35	75.65
1998	3.00	.60	1.50	5.10	11.00	59.05	75.15
1999	3.00	.60	1.50	5.10	9.00	66.15	80.25
2000	3.00	.60	1.50	5.10	9.00	66.15	80.25
2001	3.00	.60	1.50	5.10	9.00	66.15	80.25
2002	3.00	.60	-	3.60	9.00	66.15	78.75

(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 Twp portion.

All tax rates are stated in dollars per \$1,000 of assessed valuation.

Source: Richland County Auditor

TABLE 6

**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>
1993	\$ 112,194	\$ 103,153	92 %	\$ 435,274
1994	118,472	103,458	87	450,288
1995	115,151	109,824	95	455,615
1996	97,519	94,942	97	458,192
1997	101,770	88,486	87	471,476
1998	148,265	98,550	66	521,218
1999	80,410	65,350	81	536,278
2000	85,800	67,600	79	554,478
2001	119,085	85,266	72	588,297
2002	109,960	66,195	60	632,062

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

Source: Richland County Auditor

TABLE 7

CITY OF MANSFIELD, OHIO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 Last Ten Years  
 (Amounts in 000's)

Year	Population (1)	Assessed Value (3)	Gross General Bonded Debt (2,4)	Less Debt Service Fund Balance (4)
1993	50,627	\$ 474,768	\$ 15,270	\$ 1,253
1994	50,627	512,835	13,760	1,699
1995	50,627	512,116	12,560	2,018
1996	50,627	513,471	11,405	2,226
1997	50,627	551,561	10,295	2,369
1998	50,627	576,861	9,230	2,497
1999	50,627	580,860	8,030	1,938
2000	51,600	684,020	6,955	2,946
2001	51,600	670,015	5,920	3,508
2002	51,600	675,011	12,200	3,687

(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 Finance Department

(5) The Net General 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.

<i>Less Debt Payable From Enterprise Revenues</i>	<i>Less Debt Payable From Municipal Income Taxes</i>	<i>Net General Bonded Debt</i>	<i>Ratio of Net General Bonded Debt to Assessed Value</i>	<i>Per Capita Net General Bonded Debt</i>
\$ 7,325	\$ -	\$ 6,692	\$ 1.41	\$ 13.22
6,580	-	5,481	1.07	10.83
6,110	-	4,432	.87	8.75
5,710	-	3,469	.68	6.85
5,300	-	2,626	.48	5.19
5,287	-	1,446	.25	2.85
4,893	-	1,199	.21	2.37
4,230	-	(221) (5)	-	-
3,910	-	(1,498)	-	-
3,650	-	4,863	.72	9.42

TABLE 8 (A)

CITY OF MANSFIELD, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 UNVOTED DEBT LIMIT ( 5 1/2% )  
 At December 31, 2002

<i>Total Assessed Property Value</i>		\$675,011,218
		<u>                    </u>
<i>Unvoted Debt Limit 5 1/2% of Assessed Valuation</i>		\$ 37,125,617
<i>Total Unvoted Debt Outstanding at December 31, 2002</i>	\$ 10,718,758	
<i>Less: Exempted Debt</i>		
<i>Unvoted General Obligation bonds to be paid from Water system revenues</i>	(3,650,000)	
<i>Unvoted General Obligation bonds issued in anticipation of the collection of Special Assessments</i>	(3,758)	
	<u>                    </u>	
<i>Total</i>	\$ 7,065,000	
<i>Less: Debt Service Fund Balance</i>	(3,686,787)	
	<u>                    </u>	
<i>Net Subject to 5 1/2% limit</i>		3,378,213
		<u>                    </u>
<i>Total Legal Unvoted Debt Margin</i>		\$ 33,747,404
		<u>                    </u>

Source: City of Mansfield Finance Department

TABLE 8 (B)

CITY OF MANSFIELD, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 VOTED AND UNVOTED DEBT LIMIT ( 10 1/2% )  
 At December 31, 2002

<i>Total Assessed Property Value</i>		\$675,011,218
		<u>                    </u>
<i>Voted and Unvoted Debt Limit 10 1/2% of Assessed Valuation</i>		\$ 70,876,178
<i>Total Voted and Unvoted Debt outstanding at December 31, 2002</i>	\$ 5,138,758	
<i>Less: Exempted Debt</i>		
<i>Unvoted General Obligation bonds to be paid from Water system revenues</i>	(3,650,000)	
<i>Unvoted General Obligation bonds issued in anticipation of the collection of Special Assessments</i>	(3,758)	
	<u>                    </u>	
<i>Total</i>	\$ 1,485,000	
<i>Less: Debt Service Fund Balance</i>	(3,686,787)	
	<u>                    </u>	
<i>Net Subject to 10 1/2% limit</i>		-
		<u>                    </u>
<i>Total Legal Voted and Unvoted Debt Margin</i>		\$ 70,876,178
		<u>                    </u>

Source: City of Mansfield Finance Department

TABLE 9

**CITY OF MANSFIELD, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**December 31, 2002**

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable to City (2)</u>	<u>City's Share</u>
City of Mansfield	\$ 4,863,000	100.00 %	\$ 4,863,000
Richland County	26,005,754 (1)	34.71	9,026,597
Mansfield City School District	26,271,000 (1)	69.35	18,218,939
Crestview Local School District	5,179,618 (1)	12.27	635,539
Lexington Local School District	605,000 (1)	41.62	251,801
Madison Local School District	1,075,000 (1)	51.06	548,895
Ontario Local School District	18,474,984 (1)	46.23	8,540,985
Pioneer Career Center School District	850,000 (1)	68.03	578,255
Mansfield-Richland County Library	1,625,000 (1)	37.68	612,300
<b>Totals</b>	<b>\$ 84,949,356</b>		<b>\$ 43,276,311</b>

(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.

Table 10

**CITY OF MANSFIELD, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)**  
**Last Ten Years**

Year	Principal	Interest	Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
1993	\$ 710,000	\$ 555,151	\$ 1,265,151	\$ 7,102,897	17.8 %
1994	720,000	513,339	1,233,339	7,729,715	15.9
1995	730,000	470,150	1,200,150	8,522,943	14.1
1996	745,000	425,525	1,170,525	8,224,979	14.2
1997	765,000	379,085	1,144,085	8,900,721	12.9
1998	525,000	194,765	719,765	8,873,861	8.1 (2)
1999	855,000	187,970	1,042,970	10,482,912	9.9
2000	720,000	138,790	858,790	10,757,675	8.0
2001	715,000	108,475	823,475	11,246,487	7.3
2002	525,000	77,310	602,310	10,323,950	5.8

(1) General bonded debt expenditures in this table refers only to principal and interest for general obligation debt paid from 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 Finance Department

Table 11

**CITY OF MANSFIELD, OHIO**  
**GENERAL OBLIGATION AND REVENUE BOND COVERAGE**  
**WATER AND SEWER BONDS**  
**Last Ten Years**

Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements (1)			Coverage
				Principal	Interest	Total	
<i>Water</i>							
1993	\$3,708,161	\$ 3,728,025	\$ (19,864)	\$ 110,000	\$222,939	\$ 332,939	-
1994	4,197,367	3,123,984	1,073,383	260,000	326,838	586,838	1.82
1995	4,730,146	4,264,281	465,865	265,000	316,273	581,273	.80
1996	5,335,803	4,047,749	1,288,054	245,000	304,798	549,798	2.34
1997	5,584,303	4,691,555	892,748	255,000	294,385	549,385	1.63
1998	5,795,163	4,149,921	1,645,242	240,000	283,098	523,098	3.14
1999	6,071,535	4,889,865	1,181,670	250,000	272,340	522,340	2.26
2000	6,691,283	5,260,934	1,430,349	230,000	249,810	479,810	2.98
2001	6,764,421	5,493,767	1,270,654	245,000	232,340	477,340	2.67
2002	6,120,456	5,954,985	165,471	260,000	220,525	480,525	.34
<i>Sewer</i>							
1993	4,957,175	3,944,523	1,012,652	210,000	75,988	285,988	3.54
1994	4,768,715	4,705,399	63,316	205,000	61,625	266,625	.23
1995	4,752,243	4,538,698	213,545	205,000	51,531	256,531	.83
1996	4,814,818	4,788,439	26,379	155,000	39,438	194,438	.14
1997	4,929,424	4,567,078	362,346	155,000	30,719	185,719	1.95
1998	5,440,364	4,931,726	508,638	130,000	22,000	152,000	3.35
1999	5,178,065	4,356,216	821,849	95,000	14,594	109,594	7.50
2000	5,105,072	5,282,641	(177,569)	95,000	9,313	104,313	-
2001	5,302,102	5,457,321	(155,219)	75,000	4,031	79,031	-
2002	5,300,947	5,274,709	26,238	-	-	-	-

(1) Current year only.

Source: City of Mansfield Finance Department

Table 12

**CITY OF MANSFIELD, OHIO  
DEMOGRAPHIC STATISTICS  
December 31, 2002**

*Population*

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

*Housing and Income Statistics*

	City of Mansfield	Richland County	State of Ohio
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. Census Bureau, Census 2000

*Unemployment Rates*

Year	City of Mansfield	State of Ohio	United States
1997	7.4%	4.5%	4.7%
1998	5.9	4.4	4.3
1999	8.7	4.2	4.1
2000	7.1	4.1	4.0
2001	6.9	4.5	5.4
2002	6.7	5.2	6.0

Source: Bureau of Labor Market Information  
Ohio Department of Job and Family Services

Table 13

**CITY OF MANSFIELD, OHIO**  
**PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS**  
**Last Ten Years**

Year	Commercial Construction		Residential Construction		Bank (1,2) Deposits	Assessed Property Value (3)		
	Number of units	Value	Number of units	Value		Commercial/Industrial	Residential/Agriculture	Nontaxable
1993	119	\$ 9,476,888	194	\$ 6,637,007	\$ 648,165	\$ 148,009,540	\$ 240,307,260	\$114,860,450 (4)
1994	144	19,728,346	220	7,516,730	664,814	144,812,940	241,163,640	114,860,450
1995	110	17,229,910	193	6,047,133	882,161	145,697,990	243,449,460	117,278,470
1996	81	14,069,914	191	7,471,295	1,013,018	145,934,840	266,718,970	121,622,070
1997	129	27,117,882	200	6,651,672	685,174	148,358,570	269,709,850	126,303,570
1998	123	26,720,533	211	7,956,786	746,517	147,651,220	271,851,010	128,364,160
1999	392	43,048,998	186	6,840,548	774,137	166,140,150	346,725,290	149,263,330
2000	117	42,086,297	226	9,976,497	768,325	166,013,230	346,725,290	149,263,330
2001	97	51,410,100	107	9,210,255	828,782	161,299,780	346,749,920	153,733,650
2002	93	15,928,570	197	11,421,898	858,312	167,490,150	348,388,550	156,332,510

(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

(4) Increase due to increased tax abatement program by City.

Table 14

**CITY OF MANSFIELD, OHIO  
REAL AND TANGIBLE PERSONAL PROPERTY  
PRINCIPAL TAXPAYERS - 2002**

*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>
AK Steel Corporation	Steel and Steel Products	\$ 7,230,360	1.40 %
Mansfield Square	Shopping Center	3,432,800	.66
Newman Technology	Manufacturing	3,124,830	.60
Cambridge Woodbridge	Condominiums	2,913,240	.56
Jay Plastics	Manufacturing	1,975,800	.38
Gorman Rupp Company	Pumps and Pumping Units	1,814,870	.35
Skilken, Morris B.	Shopping Center	1,796,130	.35
Therm-O-Disc	Thermostats	1,577,270	.31
Richland Bank	Bank	1,354,330	.26
Mansfield Motel	Motel	1,270,340	.25
<b>Totals</b>		<b>\$ 26,489,970</b>	<b>5.12 %</b>

*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>
AK Steel Corporation	Steel and Steel Products	\$ 15,294,210	11.27 %
Newman Technology	Manufacturing	14,554,790	10.72
Jay Plastics	Manufacturing	9,154,680	6.74
Gorman Rupp Company	Pumps and Pumping Units	8,079,450	5.95
Therm-O-Disc	Thermostats	6,156,740	4.54
Shiloh Corporation	Tool & Die	5,421,570	3.99
Time Warner	Cable Company	2,487,880	1.83
Ideal Electric	Electric Motors, Generators	2,237,320	1.65
Gannett Company Inc	Newspaper/Publishing	2,074,090	1.53
Graham Chevrolet Company	Car Dealership	1,931,830	1.42
<b>Totals</b>		<b>\$ 67,392,560</b>	<b>49.64 %</b>

*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	\$ 8,706,030	38.43 %
Ohio Edison	Electric	5,706,130	25.19
American Transmissions	Electric	3,277,450	14.47
Columbia Gas Company	Natural Gas	2,125,760	9.38
<b>Totals</b>		<b>\$ 19,815,370</b>	<b>87.47 %</b>

Source: Richland County Auditor

Table 15

**CITY OF MANSFIELD, OHIO  
MISCELLANEOUS STATISTICS  
DECEMBER 31, 2002**

---

<i>Date of incorporation</i>	1857
<i>Form of government</i>	Council/Mayor
<i>Area</i>	29.02 square miles
<i>Miles of streets</i>	295
<i>Fire Protection:</i>	
<i>Number of stations</i>	5
<i>Number of sworn firemen</i>	104
<i>Police Protection:</i>	
<i>Number of stations</i>	1
<i>Number of sworn policemen</i>	97
<i>Municipal Water Department:</i>	
<i>Number of customers</i>	19,546
<i>Average daily consumption</i>	9,430,000 gallons
<i>Miles of water mains</i>	250
<i>Municipal Sewage System:</i>	
<i>Miles of sanitary sewer</i>	200
<i>Mansfield Parks System:</i>	
<i>Number of parks</i>	28
<i>Area</i>	435 acres
<i>Transportation:</i>	
<i>Air</i>	
<i>Number of airports</i>	1
<i>Land</i>	
<i>Number of trucking firms</i>	16
<i>Interstate bus lines</i>	1
<i>Local bus lines</i>	1
<i>Rail</i>	
<i>Number of railroad systems</i>	2
<i>Education:</i>	
<i>Ohio State University - Mansfield Branch</i>	1,391 students
<i>North Central State College</i>	3,197 students



**Auditor of State  
Betty Montgomery**

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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  
JULY 29, 2003**