

**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

City Council
City of Mansfield
30 North Diamond Street
Mansfield, Ohio 44902

We have reviewed the *Independent Auditor's Report* of the City of Mansfield, Richland County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Mansfield is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 12, 2012

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**CITY OF MANSFIELD
RICHLAND COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council
City of Mansfield, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Mansfield, Ohio's basic financial statements and have issued our report thereon dated July 26, 2012, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and as described in Note 10, the City restated net assets of the governmental activities, business-type activities, and proprietary funds due to a change in the capital asset accounting policy. We also noted the City is in fiscal emergency. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Mansfield, Ohio, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Mansfield, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mansfield, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Mansfield, Ohio's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mansfield, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Finding and Questioned Costs as **Item 2011-001**.

We noted certain matters that we reported to the City of Mansfield, Ohio, in a separate letter dated July 26, 2012.

The City of Mansfield's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned costs. We did not audit the City of Mansfield's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, others within the entity, 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.



James G. Zupka, CPA, Inc.
Certified Public Accountant

July 26, 2012

JAMES G. ZUPKA, C.P.A., INC.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Members of City Council
City of Mansfield, Ohio

Compliance

We have audited the City of Mansfield, Richland County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Mansfield, Ohio's major federal programs for the year ended December 31, 2011. The City of Mansfield, Ohio'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 of Mansfield, Ohio's management. Our responsibility is to express an opinion on the City of Mansfield, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mansfield, Ohio'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 of the City of Mansfield, Ohio's compliance with those requirements.

In our opinion, the City of Mansfield, Ohio, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the City of Mansfield, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Mansfield, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mansfield, Ohio's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Ohio, as of and for the year ended December 31, 2011, and have issued our report thereon dated July 26, 2012, which contained unqualified opinions on those financial statements, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and as described in Note 10, the City restated net assets of the governmental activities, business-type activities, and proprietary funds due to a change in the capital asset accounting policy. We also noted the City is in fiscal emergency. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, others within the entity, 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.

James G. Zupka, CPA, Inc.
James G. Zupka, CPA, Inc.
Certified Public Accountants

July 26, 2012

CITY OF MANSFIELD, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Grant Number | Federal Expenditures |
|--|---------------------------|------------------|-------------------------|
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| <i>Direct Programs</i> | | | |
| <u>Community Development Block Grant Cluster</u> | | | |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-04-MC-39-0017 | \$ 8,750 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-05-MC-39-0017 | 694 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-06-MC-39-0017 | 938 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-07-MC-39-0017 | 77,717 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-08-MC-39-0017 | 39,025 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-09-MC-39-0017 | 68,790 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-10-MC-39-0017 | 317,549 |
| Community Development Block Grants - Entitlement Grants | 14.218 | CB-11-MC-39-0017 | 466,379 |
| ARRA - Community Development Block Grants | 14.253 | CB-08-MC-39-0017 | 34,980 |
| Total Community Development Block Grant Cluster | | | <u>1,014,822</u> |
| Neighborhood Stabilization Program Grant | 14.228 | A-Z-08-288-1 | <u>276,996</u> |
| HOME Investment Partnerships Program | 14.239 | M-03-MC-39-0221 | 7,481 |
| HOME Investment Partnerships Program | 14.239 | M-06-MC-39-0221 | 42,942 |
| HOME Investment Partnerships Program | 14.239 | M-07-MC-39-0221 | 85,454 |
| HOME Investment Partnerships Program | 14.239 | M-08-MC-39-0221 | 83,818 |
| HOME Investment Partnerships Program | 14.239 | M-09-MC-39-0221 | 9,312 |
| HOME Investment Partnerships Program | 14.239 | M-10-MC-39-0221 | 32,989 |
| HOME Investment Partnerships Program | 14.239 | M-11-MC-39-0221 | 32,284 |
| <i>Total CFDA #14.239</i> | | | <u>294,280</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>1,586,098</u> |
| <u>U.S. Department of Agriculture</u> | | | |
| <i>Passed Through the Ohio Department of Education</i> | | | |
| National School Lunch Program | 10.555 | not available | <u>28,908</u> |
| <i>Total CFDA #10.555</i> | | | <u>28,908</u> |
| Total U.S. Department of Agriculture | | | <u>28,908</u> |
| <u>U.S. Department of Justice</u> | | | |
| <i>Direct Programs</i> | | | |
| Violence Against Women Formula Grants | 16.588 | 2009-AR-VA2-1262 | <u>12,005</u> |
| Bulletproof Vest Partnership Program | 16.607 | 2007BUBX07039001 | 1,905 |
| Bulletproof Vest Partnership Program | 16.607 | 2009BUBX07039001 | 3,713 |
| <i>Total CFDA #16.607</i> | | | <u>5,618</u> |
| ARRA - Public Safety Partnership and Community Policing Grants | 16.710 | 2009RKWX0607 | <u>311,296</u> |
| Adam Walsh Act Implementation Grant Program | 16.750 | 2008-DD-BX-0047 | <u>13,810</u> |
| <i>Total Direct Programs</i> | | | <u>342,729</u> |

(Continued)

CITY OF MANSFIELD, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Grant Number | Federal Expenditures |
|---|---------------------------|-------------------|-------------------------|
| U.S. Department of Justice (Continued) | | | |
| <i>Passed Through the National Association of Police Athletic League, Inc.</i> | | | |
| National PAL Mentoring Grants | 16.726 | 2010-JJ-FX-0025 | 23,028 |
| ARRA - National PAL Recovery Act Mentoring Grant | 16.808 | 2009-BC-B9-0162 | 13,415 |
| <i>Passed Through the Ohio Bureau of Criminal Identification and Investigation, Office of the Attorney General</i> | | | |
| Crime Laboratory Improvement: | | | |
| Combined Offender DNA Index System Backlog Reduction | 16.564 | 2009-DN-BX-K146 | 87,569 |
| Combined Offender DNA Index System Backlog Reduction | 16.564 | 2010-CN-BX-K046 | 173,948 |
| <i>Total CFDA #16.564</i> | | | 261,517 |
| <i>Passed Through the Ohio Attorney General's Office</i> | | | |
| Crime Victim Assistance | 16.575 | 2011VAGENE019 | 31,632 |
| Crime Victim Assistance | 16.575 | 2011VAGENE019 | 2,873 |
| Crime Victim Assistance | 16.575 | 2012VAGENE019 | 10,626 |
| Crime Victim Assistance | 16.575 | 2012VAGENE019 | 240 |
| <i>Total CFDA #16.575</i> | | | 45,371 |
| <i>Passed Through the Office of Criminal Justice Services</i> | | | |
| <u>Justice Assistance Grant (JAG) Program Cluster</u> | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 09-JG-A01-6404 | 0 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 10-JG-A01-6404 | 144,526 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2009-JG-A0V-V6211 | 49,772 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2009-JG-OPD-3736 | 10,000 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2010-DL-LEF-5808 | 162,849 |
| ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States - | | | |
| Court Operations | 16.803 | 2009-RA-C01-2046 | 0 |
| METRICH Retention/Recall | 16.803 | 2009-RA-A01-2067 | 0 |
| Officer Retention/Recall | 16.803 | 2009-RA-A02-2314 | 211,221 |
| ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government - | | | |
| Forensic Science Operations | 16.804 | 2009-SC-B9-0091 | 128,952 |
| Police Officer Re-Hire and Retention | 16.804 | 2009-SB-B9-0012 | 231 |
| Total Justice Assistance Grant (JAG) Program Cluster | | | 707,551 |
| Paul Coverdell Forensic Science Improvement Grants | 16.742 | 2009-PC-NFS-7809 | 0 |
| Paul Coverdell Forensic Science Improvement Grants | 16.742 | 2010-PC-NFS-7809 | 21,159 |
| Paul Coverdell Forensic Science Improvement Grants | 16.742 | 2011-PC-NFS-7809 | 562 |
| <i>Total CFDA #16.742</i> | | | 21,721 |
| <i>Total Passed Through Programs</i> | | | 1,072,603 |
| Total U.S. Department of Justice | | | 1,415,332 |

(Continued)

CITY OF MANSFIELD, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Grant Number | Federal Expenditures |
|---|---------------------------|------------------------|-------------------------|
| U.S. Department of Health and Human Services | | | |
| <i>Passed Through the Ohio Department of Mental Health</i> | | | |
| Substance Abuse and Mental Health Service Projects | 93.243 | VET-12-100-08-02 | 13,986 |
| <i>Total CFDA #93.243</i> | | | <u>13,986</u> |
| Total U.S. Department of Health and Human Services | | | <u>13,986</u> |
| U.S. Department of Transportation | | | |
| <i>Direct Programs</i> | | | |
| Airport Improvement Program | 20.106 | 3-39-0049-2510 | 63,321 |
| Airport Improvement Program | 20.106 | 3-39-0049-2611 | 518,707 |
| <i>Total CFDA #20.106</i> | | | <u>582,028</u> |
| <i>Total Direct Program</i> | | | <u>582,028</u> |
| <i>Passed Through the Ohio Department of Transportation</i> | | | |
| National Transportation Act/Locally Administered Project | 20.205 | 83950-15025 | 12,812 |
| ARRA - National Transportation Act/Locally Administered Project | 20.205 | 86368-23260 | 23,229 |
| ARRA - National Transportation Act/Locally Administered Project | 20.205 | 86371-15839 | 816 |
| <i>Total CFDA #20.205</i> | | | <u>36,857</u> |
| <i>Passed Through the Ohio Department of Public Safety - The Governor's Highway Safety Office</i> | | | |
| Alcohol Impaired Driving Countermeasures Incentive Grants | 20.601 | 2011-70-00-00-00566-00 | 30,043 |
| Alcohol Impaired Driving Countermeasures Incentive Grants | 20.601 | 2012-70-00-00-00568-00 | 4,435 |
| <i>Total CFDA #20.601</i> | | | <u>34,478</u> |
| <i>Total Passed Through Programs</i> | | | <u>71,335</u> |
| Total U.S. Department of Transportation | | | <u>653,363</u> |
| U.S. Department of Energy | | | |
| <i>Direct Program</i> | | | |
| ARRA - Energy Efficiency and Conservation Block Grant | 81.128 | DE-EE0001551 | 162,289 |
| <i>Total CFDA #81.128</i> | | | <u>162,289</u> |
| Total U.S. Department of Energy | | | <u>162,289</u> |
| U.S. Department of Homeland Security | | | |
| <i>Direct Program</i> | | | |
| Assistance to Firefighters | 97.044 | EMW-2009-FD-11348 | 24,422 |
| <i>Total CFDA #97.044</i> | | | <u>24,422</u> |
| Total U.S. Department of Transportation | | | <u>24,422</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 3,884,398</u> |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF MANSFIELD, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B: SUBRECIPIENTS

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

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

NOTE C: CHILD NUTRITION CLUSTER

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

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

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

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2011 is as follows:

| | |
|---|---------------------|
| Beginning loans receivable balance as of January 1, 2011 | \$ 1,988,665 |
| Loans made | 0 |
| Loan Principal repaid | 143,978 |
| Ending loans receivable balance as of December 31, 2011 | <u>\$ 1,844,687</u> |
| Cash balance on hand in the revolving loan fund as of December 31, 2011 | <u>\$ 271,958</u> |

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2011, the City estimates \$808,972 to be uncollectible. The January 1, 2011 balance presented in the footnote was restated.

CITY OF MANSFIELD, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE E: **MATCHING REQUIREMENTS**

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

**CITY OF MANSFIELD, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|------------|--|---|
| 2011(i) | Type of Financial Statement Opinion | Unqualified |
| 2011(ii) | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| 2011(ii) | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| 2011(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | Yes |
| 2011(iv) | Were there any material internal control weaknesses reported for major federal programs? | No |
| 2011(iv) | Were there any other significant deficiencies in internal control reported for major federal programs? | No |
| 2011(v) | Type of Major Programs' Compliance Opinions | Unqualified |
| 2011(vi) | Are there any reportable findings under .510? | No |
| 2011(vii) | Major Programs (list): Community Development Block Grant Cluster: Community Development Block Grant - Entitlement Grants - CFDA #14.218 ARRA - Community Development Block Grant - CFDA #14.253 ARRA - Public Safety Partnership and Community Policing Grants - CFDA #16.710 Justice Assistance Grant (JAG) Program Cluster: Edward Byrne Memorial Justice Assistance Grant Program - CFDA #16.738 ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States - CFDA #16.803 ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government - CFDA #16.804 Airport Improvement Program - CFDA #20.106 | |
| 2011(viii) | Dollar Threshold: A/B Programs | Type A: \$300,000 Type B: All Others |
| 2011(ix) | Low Risk Auditee? | No |

CITY OF MANSFIELD, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2011
(CONTINUED)

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

Item 2011-001 - Noncompliance - Appropriations Exceed Estimated Resources

Condition/Criteria

Ohio Revised Code Section 5705.39 prohibits appropriations from each fund exceeding the total of the estimated resources.

Cause/Effect

During our compliance testing, we noted two funds that had original and final appropriations exceeding original and final estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus unencumbered fund balances).

| <u>Fund</u> | <u>Original Estimated Resources</u> | <u>Original Appropriations</u> | <u>Variance</u> |
|--------------------------------|---|------------------------------------|-----------------|
| <i>Major Governmental Fund</i> | | | |
| General Fund | \$ 11,225,762 | \$ 12,150,628 | \$ (924,866) |
| Safety Services Fund | 21,583,335 | 22,200,623 | (617,288) |
| | | | |
| <u>Fund</u> | <u>Final Estimated Resources</u> | <u>Final Appropriations</u> | <u>Variance</u> |
| <i>Major Governmental Fund</i> | | | |
| General Fund | \$ 11,323,660 | \$ 12,348,720 | \$ (1,025,060) |
| Safety Services Fund | 22,022,086 | 23,003,869 | (981,783) |

Recommendation

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39 by amending the appropriations to a level that does not exceed the amended certificate.

City's Response

These violations are related to the advance for the cash deficit in the Safety Services Fund. The General Fund provided the required advances to the Safety Service Fund at the end of 2010 and the end of 2011. The 2010 advance was repaid in 2011.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF MANSFIELD, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain. |
|----------------|--|------------------|---|
| 2010-001 | Noncompliance Citation - Ohio Revised Section 5705.41(B) - The City had expenditures exceeding appropriations in the Safety Services Fund by \$2,029,760. | Yes | Corrected. |
| 2010-002 | Significant Deficiency/Noncompliance Citation - Ohio Revised Code Section 5705.10(H) - The City charged certain employee payroll expenses to funds not consistent with the respective employees' job duties. In addition, the General Fund had a negative cash balance of \$2,164,866. | Yes | Corrected. |
| 2010-003 | Significant Deficiency - Program Change Controls - the City does not have formal written procedures to track, monitor, remediate, test, implement, and document program changes. | Yes | Corrected. |
| 2010-004 | Significant Deficiency - GAAP Issues - the City had various immaterial audit adjustments regarding accounts payable, compensated absences, and intergovernmental receivables. | No | Not Corrected. Repeated in 2011 management letter. |
| 2010-005 | Questioned Costs/Significant Deficiency - 2 CFR Part 225, App A, Section C - the City paid \$8,298 in vacation and \$3,655 in sick leave in excess of what is allowed by the grant. | Yes | Finding no longer valid. |
| 2010-006 | Questioned Costs/Significant Deficiency - 2 CFR Part 225, App A, Section C - the City did not have adequate documentation for expenditures charged to the CDBG grant. | Yes | Finding no longer valid. |

**CITY OF MANSFIELD, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain. |
|----------------|--|------------------|---|
| 2010-007 | Questioned Costs/Significant Deficiency - 24 CFR Section 570.200(g) - the City charged administrative costs in excess of the 20 percent allowed to the CDBG grant. | Yes | Corrected. |

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

City of Mansfield, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

Prepared By
Department of Finance

Linn Steward, CPA
Director of Finance

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CITY OF MANSFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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City of Mansfield, Ohio

Linn Steward CPA, Finance Director

30 North Diamond Street
7th Floor
Mansfield, Ohio 44902

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Fax (419) 755-9405

email: Lsteward@ci.mansfield.oh.us

July 31, 2012,

Citizens of Mansfield
Mayor Timothy Theaker
Members of Council
City of Mansfield, Ohio

As the Finance Director for the City of Mansfield (the "City"), I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Mansfield, Ohio for the year ended December 31, 2011. The report has been prepared for the citizens of Mansfield, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). GASB No. 14 was used in evaluating how to define the City for financial reporting purposes. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations which have a significant relationship with the City that by excluding them would cause the financial statements to be misleading. Note 2A further discusses the reporting entity.

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

OVERVIEW AND INTRODUCTION TO THE CITY

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Staying with an aggressive economic development position, Mansfield again focused efforts in 2011 to development possibilities. The City was able to assist eight companies in 2011 from revolving loan funds totaling \$368,000. These loans leveraged approximately \$4,675,000 in additional investments. Loan recipients project the retention of 73 full time jobs and 15 part time jobs. An additional 73 full time jobs and 38 part time jobs are also projected over the next two years.

The Enterprise Zone program was utilized to assist two companies during 2011. Investments in the projects are estimated to be approximately \$10,616,000. The companies will create 78 full time jobs and 14 part time jobs.

The Ohio Department of Development awarded the City a clean Ohio assistance fund grant in the amount of \$233,500 for phase II environmental assessment of the former Rable Machine property on Touby Court. This project is under contract and is 90% complete as of December 31, 2011. This project will be completed during the first quarter of 2012.

Environmental remediation of the former Mansfield Foundry property moved forward during 2011 and is approximately 95% complete as of December 31, 2011. The balance of the project will be completed in 2012. The projected cost of the remediation is \$5,000,000 and is covered by an insurance claim with ACE Insurance.

Other 2011 project highlights are as follows:

- 1) Jay Industries completed an 8,600 square foot addition which will house the research, development and production of a proprietary metalized plastic product. Total investment is projected to be \$6,500,000 and the project will create 10-15 full time jobs. The project was funded in part by a low interest loan in the amount of \$1,800,000 from the Ohio Department of Development.
- 2) Rable Machine continued their expansion at the Kerry Foods facility on Paragon Parkway with an investment in new machinery and equipment. The total project investment was \$960,000 and created 15 full time jobs.
- 3) Columbia Gas completed construction of their new facility which now houses their local offices and equipment maintenance department. The new location also serves as their local construction yard. The total investment is \$1,125,000 and will result in the retention of 46 full time jobs.
- 4) Enman Manufacturing completed construction of a 12,000 square foot addition to their Mansfield Industrial Parkway facility. The project investment was \$1,000,000 and will create 20 jobs.
- 5) Whitey's Auto Mall completed construction of a new 15,000 square foot facility which will house their Nissan dealership. The project investment was \$2,170,000 and will result in the retention of seven full time and two part time jobs.
- 6) North Central State College completed renovations to an existing building on North Main Street in Mansfield which is now home to their new Urban Center. The center is a satellite learning location with distance learning capabilities. The total project investment was \$1,200,000.
- 7) North Central State College completed the expansion of the Fallerius Center on their main campus to accommodate a growing enrollment. The total project investment was \$1,650,000.
- 8) Hyundai Ideal Electric broke ground on a 12,600 square foot addition to their First Street facility. The project includes renovations to a portion of the existing facility and the addition of new machinery and equipment. The total projected investment is \$9,700,000 and will result in the creation of 75 full time jobs over the next two years.

- 9) Pineridge Investments, LLC completed construction of a new 7,200 square foot facility on Executive Drive which is occupied by the Pumpkin Seed Bulk Food Company. The project included the acquisition of equipment, furnishings and fixtures for the new business. The business opened in October and will create three full time and 14 part time jobs over the next two years. The total project investment was \$916,000.
- 10) CRC-Mansfield, LLC broke ground on a new 20,000 square foot facility on North Main Street. This facility will be the new home for the Volunteers of America's community based half-way house. Construction of the new facility is scheduled to be completed in 2012. Total projected investment is \$2,500,000.
- 11) Ashland University broke ground on a new housing facility for their nursing program. Construction is scheduled to be complete in 2012. The total projected investment is \$16,000,000.
- 12) The Veterans Administration announced the construction of a new 24,700 square foot clinic on the corner of Trimble Road and Marion Avenue. Construction is scheduled for completion in March of 2013. The total projected investment is yet to be determined.

MAJOR INITIATIVES

The revitalization of our community will continue in 2012 through the City's participation in the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP). The City intends to allocate NSP funds to address abandoned and foreclosed properties through a program of demolition, rehabilitation and redevelopment. The City has approximately 200 uninhabitable properties identified for demolition. An additional 10 properties will be redeveloped and sold at a lower cost to the general public.

The Economic Development Administration awarded the City of Mansfield a grant in the amount of \$1,016,933 to be used in conjunction with State grant and loan funds to construct the third and final phase of the Reid Industrial Park. Private sector utility construction is currently underway with completion scheduled for early 2012. The new industrial park should encourage further commercial development in the area.

The military base expansion was completed during 2011 with the exception of the training grounds on the south end of the site. It is scheduled for completion in 2012. The total projected investment is approximately \$50,000,000. The expansion will house 450 troops from multiple units.

FINANCIAL INFORMATION

Basis of Accounting

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

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

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

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

The City complies with GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental activities, in order to comply with GASB Statement Number 34, are presented on the full accrual basis of accounting. As part of this reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the City's finances for 2011. Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

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

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

Budgetary Controls

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

INDEPENDENT AUDIT

An audit team from James G. Zupka, C.P.A., Inc. has performed the City's 2011 audit. The results of their audit are disclosed in the Independent Accountants' Report included in the Financial Section. James G. Zupka, C.P.A., Inc. has expressed an unqualified opinion on the Basic Financial Statements. The City also had a "single audit", which includes all federally funded programs administered by the City, performed for 2011 by James G. Zupka, C.P.A., Inc. Congressional legislation made the "single audit" program mandatory for most local governments, including the City of Mansfield. This mandate began in 1985 and was amended in 1996 as a requirement for federal funding eligibility. Information related to this audit, including the Schedule of Receipts and Expenditures of Federal Awards and the combined report on internal control and compliance, are published in a separate report package.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mansfield, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

A Certificate of Achievement is valid for one year only. The City of Mansfield has received a Certificate of Achievement for the last twenty-six years (years ended 1985-2010). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I would like to give a special thank you to Scott Arnett who prepared the CAFR for 2011. I would also like to thank all of the Finance and Income Tax office staff whose dedicated effort makes this report possible.

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

A handwritten signature in black ink that reads "Linn Steward". The signature is written in a cursive style with a large, sweeping flourish over the word "Steward".

Linn Steward, CPA
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, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

CITY OF MANSFIELD, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2011**

ELECTED OFFICIALS

EXECUTIVE:

Mayor Timothy L. Theaker
Director of Finance Linn D. Steward
Director of Law John R. Spon
Municipal Court Judge Frank Ardis
Municipal Court Judge..... Jerry E. Ault
Clerk of Court Daniel F. Smith

LEGISLATIVE:

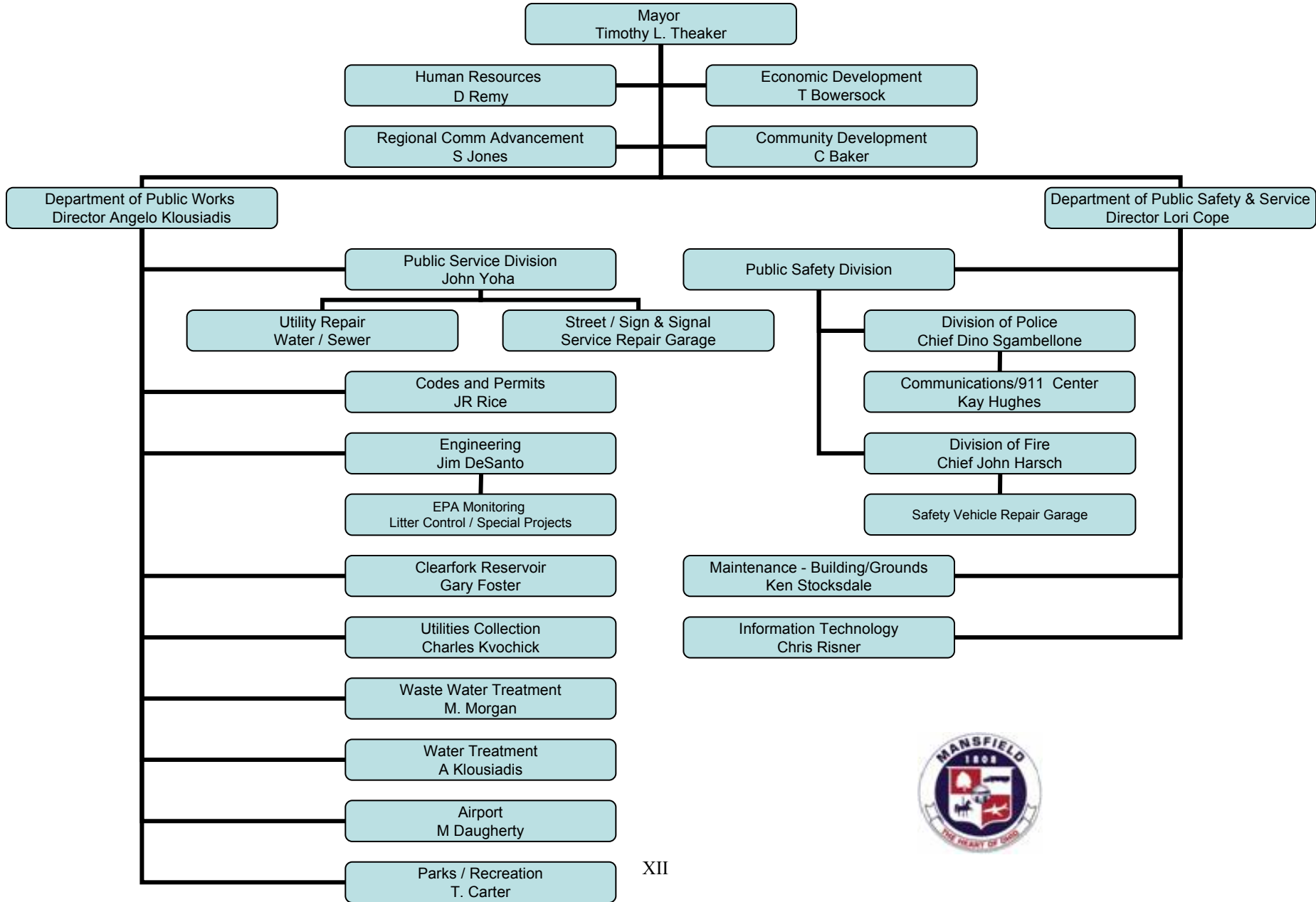
President of Council Phillip E. Scott
Council Members
 Ward 1 Michael N. Hill
 Ward 2 Jeffrey W. Rock
 Ward 3 Scott E. Hazen
 Ward 4 Sammie J. Dunn Jr.
 Ward 5 Ethel M. (Pat) Hightower
 Ward 6 Garnetta Pender
 At Large Ellen K. Haring
 At Large Douglas P. Versaw

APPOINTED OFFICIALS

Director of Service Safety..... Lori A. Cope
Director of Public Works..... Angelo N. Klousiadis
Director of Human Resources..... Dave L. Remy
Director of Industrial Development..... Timothy R. Bowersock
Director of Community Development..... Cynthia Baker
Director of Regional Community Advancement..... Sherri R. Jones
Chief of Police..... Dino P. Sgambellone
Chief of Fire..... John C. Harsch

The present terms of the executive branch and the President of Council will expire November 30, 2015. The present terms of the legislative branch will expire November 30, 2013, or November 30, 2015. All members of Council serve a four year term. All appointed officials serve at the pleasure of the Mayor.

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



JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Mansfield, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Richland County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Mansfield, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the 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 opinions.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mansfield, Ohio, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Development Fund, Safety Services Fund, and Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the City will continue as a going concern. As discussed in Note 24 to the basic financial statements, the City has suffered recurring losses from operations and has a deficiency that raises substantial doubt about its ability to continue as a going concern. In addition, Note 24 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Additionally, as described in Note 9, the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As described in Note 10, the City changed its capital asset accounting policy and restated the December 31, 2010 net assets of the governmental activities, business-type activities and proprietary funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2012, on our consideration of the City of Mansfield, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mansfield, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


James G. Zupka, CPA, Inc.
Certified Public Accountants

July 26, 2012

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 UNAUDITED

The discussion and analysis of the City of Mansfield's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The total net assets of the City increased \$8,990,967. Net assets of governmental activities increased \$5,406,329 or 8.20% from 2010 and net assets of business-type activities increased \$3,584,638 or 5.97% from 2010.
- General revenues accounted for \$28,085,182 of total governmental activities revenue. Program specific revenues accounted for \$14,912,151 or 34.68% of total governmental activities revenue.
- The City had \$37,591,004 in expenses related to governmental activities; \$14,912,151 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$22,678,853 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$28,085,182.
- The City's major governmental funds are the general fund, community development fund, safety services fund and grant fund. The general fund had revenues and other financing sources of \$9,925,890 in 2011. This represents an increase of \$156,016 from 2010. The expenditures and other financing uses of the general fund, which totaled \$7,346,490 in 2011, decreased \$1,575,315 from 2010. The net increase in fund balance for the general fund was \$2,586,584.
- The community development fund had revenues and other financing sources of \$1,758,584 in 2011. The expenditures and other financing uses of the community development fund totaled \$2,101,098 in 2011. The net decrease in fund balance for the community development fund was \$343,034 or 20.23%.
- The safety services fund had revenues of \$20,535,533 in 2011. The expenditures and other financing uses for the safety services fund totaled \$19,511,983 in 2011. The net increase in fund balance for the safety services fund was \$1,031,503.
- The grant fund had revenues and other financing sources of \$3,186,209 in 2011. The expenditures for the grant fund totaled \$3,085,426 in 2011. The net increase in fund balance for the grant fund was \$77,963 or 69.05%.
- Net assets for the business-type activities, which are made up of the water, sewer and airport operating enterprise funds, increased in 2011 by \$3,584,638.
- In the general fund, the actual revenues came in \$910,220 higher than they were in the final budget and actual expenditures were \$554,693 less than the amount in the final budget. These positive variances are the result of the City's conservative revenue estimates and expenditure reductions. Budgeted revenues increased \$97,898 from the original to the final budget. Budgeted expenditures increased \$169,682 from the original to the final budget due to an increase in various types of budgetary needs.

CITY OF MANSFIELD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 UNAUDITED

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities (except fiduciary funds) using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

CITY OF MANSFIELD, OHIO

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significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, community development fund, safety services fund, and grant fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22-32 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and airport functions. The City's major enterprise funds are the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 33-36 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 39-75 of this report.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2011 compared to 2010:

| | Net Assets | | | | | |
|--|---|---|--|--|-----------------------|-----------------------|
| | Governmental Activities <u>2011</u> | Governmental Activities <u>2010</u> | Business-Type Activities <u>2011</u> | Business-Type Activities <u>2010</u> | Total <u>2011</u> | Total <u>2010</u> |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$ 28,455,720 | \$ 26,740,796 | \$ 20,682,009 | \$ 14,894,925 | \$ 49,137,729 | \$ 41,635,721 |
| Capital assets | <u>58,709,143</u> | <u>55,337,983</u> | <u>47,923,786</u> | <u>50,283,262</u> | <u>106,632,929</u> | <u>105,621,245</u> |
| Total assets | <u>87,164,863</u> | <u>82,078,779</u> | <u>68,605,795</u> | <u>65,178,187</u> | <u>155,770,658</u> | <u>147,256,966</u> |
| <u>Liabilities</u> | | | | | | |
| Long-term liabilities | 10,879,582 | 11,579,749 | 4,508,913 | 4,656,850 | 15,388,495 | 16,236,599 |
| Other liabilities | <u>4,985,012</u> | <u>4,954,466</u> | <u>475,577</u> | <u>484,670</u> | <u>5,460,589</u> | <u>5,439,136</u> |
| Total liabilities | <u>15,864,594</u> | <u>16,534,215</u> | <u>4,984,490</u> | <u>5,141,520</u> | <u>20,849,084</u> | <u>21,675,735</u> |
| <u>Net Assets</u> | | | | | | |
| Invested in capital assets, net of related debt | 53,334,491 | 50,022,359 | 44,431,737 | 46,700,688 | 97,766,228 | 96,723,047 |
| Restricted | 21,247,684 | 17,794,871 | 3,512,498 | 3,231,968 | 24,760,182 | 21,026,839 |
| Unrestricted | <u>(3,281,906)</u> | <u>(1,923,290)</u> | <u>15,677,070</u> | <u>10,104,011</u> | <u>12,395,164</u> | <u>8,180,721</u> |
| Total net assets | <u>\$ 71,300,269</u> | <u>\$ 65,893,940</u> | <u>\$ 63,621,305</u> | <u>\$ 60,036,667</u> | <u>\$ 134,921,574</u> | <u>\$ 125,930,607</u> |

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2011, the City's assets exceeded liabilities by \$134,921,574. Net assets were \$71,300,269 and \$63,621,305 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 67.35% of total assets. Capital assets include land, buildings, improvements other than buildings (IOTB), machinery and equipment, construction in progress (CIP) and infrastructure. Capital assets, net of related debt to acquire the assets, were \$53,334,491 and \$44,431,737 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2011, the City is able to report positive balances in all three categories of net assets for the business-type activities.

A portion of the City's net assets, \$24,760,182, represents resources that are subject to external restriction on how they may be used.

The next table shows the changes in net assets for fiscal year 2011 and 2010.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Changes in Net Assets

| | Governmental Activities <u>2011</u> | Governmental Activities <u>2010</u> | Business-Type Activities <u>2011</u> | Business-Type Activities <u>2010</u> | Total <u>2011</u> | Total <u>2010</u> |
|--------------------------------------|---|---|--|--|-----------------------|-----------------------|
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 5,650,431 | \$ 6,334,752 | \$ 17,719,201 | \$ 15,412,320 | \$ 23,369,632 | \$ 21,747,072 |
| Operating grants and contributions | 7,540,551 | 9,097,678 | - | - | 7,540,551 | 9,097,678 |
| Capital grants and contributions | <u>1,721,169</u> | <u>5,928,197</u> | <u>7,650</u> | <u>1,821,086</u> | <u>1,728,819</u> | <u>7,749,283</u> |
| Total program revenues | <u>14,912,151</u> | <u>21,360,627</u> | <u>17,726,851</u> | <u>17,233,406</u> | <u>32,639,002</u> | <u>38,594,033</u> |
| General revenues: | | | | | | |
| Property taxes | 1,473,652 | 2,441,748 | - | - | 1,473,652 | 2,441,748 |
| Income taxes | 22,850,483 | 21,626,757 | 485,148 | 257,365 | 23,335,631 | 21,884,122 |
| Unrestricted grants and entitlements | 3,225,813 | 3,719,190 | 22,810 | 53,198 | 3,248,623 | 3,772,388 |
| Investment earnings | 310,072 | 326,473 | 10,530 | 15,600 | 320,602 | 342,073 |
| Gain on sale of capital assets | 225,027 | 84,756 | - | - | 225,027 | 84,756 |
| Miscellaneous | <u>135</u> | <u>1,927</u> | <u>5,116</u> | <u>18,366</u> | <u>5,251</u> | <u>20,293</u> |
| Total general revenues | <u>28,085,182</u> | <u>28,200,851</u> | <u>523,604</u> | <u>344,529</u> | <u>28,608,786</u> | <u>28,545,380</u> |
| Total revenues | <u>42,997,333</u> | <u>49,561,478</u> | <u>18,250,455</u> | <u>17,577,935</u> | <u>61,247,788</u> | <u>67,139,413</u> |
| Program expenses: | | | | | | |
| General government | 10,117,137 | 12,081,564 | - | - | 10,117,137 | 12,081,564 |
| Public safety | 21,292,633 | 25,028,107 | - | - | 21,292,633 | 25,028,107 |
| Public health and welfare | 3,006 | 69,089 | - | - | 3,006 | 69,089 |
| Transportation | 3,385,047 | 2,196,791 | - | - | 3,385,047 | 2,196,791 |
| Community environment | 2,198,250 | 2,697,080 | - | - | 2,198,250 | 2,697,080 |
| Leisure time activities | 328,411 | 215,429 | - | - | 328,411 | 215,429 |
| Interest and fiscal charges | 266,520 | 292,388 | - | - | 266,520 | 292,388 |
| Water | - | - | 6,105,309 | 4,573,816 | 6,105,309 | 4,573,816 |
| Sewer | - | - | 7,960,497 | 5,334,940 | 7,960,497 | 5,334,940 |
| Airport operating | <u>-</u> | <u>-</u> | <u>600,011</u> | <u>193,147</u> | <u>600,011</u> | <u>193,147</u> |
| Total program expenses | <u>37,591,004</u> | <u>42,580,448</u> | <u>14,665,817</u> | <u>10,101,903</u> | <u>52,256,821</u> | <u>52,682,351</u> |
| Excess (Deficiency) before transfers | 5,406,329 | 6,981,030 | 3,584,638 | 7,476,032 | 8,990,967 | 14,457,062 |
| Transfers | <u>-</u> | <u>(763,290)</u> | <u>-</u> | <u>763,290</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 5,406,329 | 6,217,740 | 3,584,638 | 8,239,322 | 8,990,967 | 14,457,062 |
| Net assets, January 1 (restated) | <u>65,893,940</u> | <u>59,676,200</u> | <u>60,036,667</u> | <u>51,797,345</u> | <u>125,930,607</u> | <u>111,473,545</u> |
| Net assets, December 31 | <u>\$ 71,300,269</u> | <u>\$ 65,893,940</u> | <u>\$ 63,621,305</u> | <u>\$ 60,036,667</u> | <u>\$ 134,921,574</u> | <u>\$ 125,930,607</u> |

Governmental Activities

Governmental activities net assets increased \$5,406,329 in 2011. This increase is the result of an increase in income tax revenue and departmental staff reductions.

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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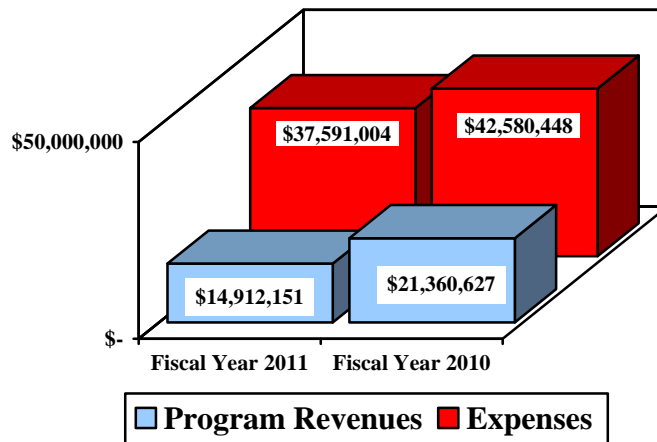
Public safety, which primarily supports the operations of the police and fire departments accounted for \$21,292,633 of the total expenses of the City. These expenses were partially funded by \$1,865,400 in direct charges to users of the services, and \$1,900,967 in operating grants and contributions. Transportation expenses totaled \$3,385,047. Transportation expenses were partially funded by \$15,870 in direct charges to users of the services, \$2,732,710 in operating grants and contributions, and \$1,232,553 in capital grants and contributions.

The state and federal government contributed to the City a total of \$7,540,551 in operating grants and contributions and \$1,721,169 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$28,085,182 and amounted to 65.32% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$24,324,135. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funds making up \$3,225,813.

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

Governmental Activities – Program Revenues vs. Total Expenses



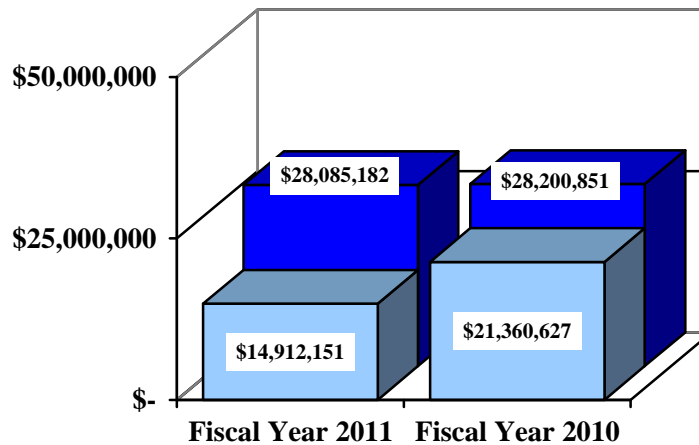
CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

| | Total Cost of Services <u>2011</u> | Net Cost of Services <u>2011</u> | Total Cost of Services <u>2010 (Restated)</u> | Net Cost of Services <u>2010 (Restated)</u> |
|-----------------------------|--|--|---|---|
| Program Expenses: | | | | |
| General government | \$ 10,117,137 | \$ 4,666,064 | \$ 12,081,564 | \$ 6,288,160 |
| Public safety | 21,292,633 | 17,526,266 | 25,028,107 | 20,904,212 |
| Public health and welfare | 3,006 | (7,353) | 69,089 | 46,938 |
| Transportation | 3,385,047 | (596,086) | 2,196,791 | (6,530,822) |
| Community environment | 2,198,250 | 507,221 | 2,697,080 | 21,016 |
| Leisure time activities | 328,411 | 316,221 | 215,429 | 197,929 |
| Interest and fiscal charges | <u>266,520</u> | <u>266,520</u> | <u>292,388</u> | <u>292,388</u> |
| Total | <u>\$ 37,591,004</u> | <u>\$ 22,678,853</u> | <u>\$ 42,580,448</u> | <u>\$ 21,219,821</u> |

The dependence upon general revenues for governmental activities is apparent, with 60.33% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



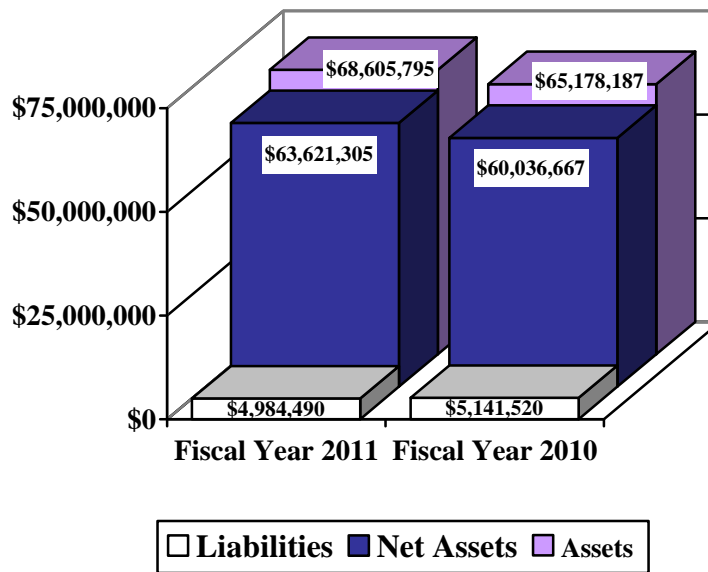
Program Revenues
 General Revenues

CITY OF MANSFIELD, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
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Business-Type Activities

Business-type activities include the water, sewer, and airport enterprise funds. These programs had program revenues of \$17,726,851, general revenues of \$523,604 and expenses of \$14,665,817 for 2011. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the City's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 22-23) reported a combined fund balance of \$12,587,560 which is \$3,800,528 above last year's total of \$8,787,032.

CITY OF MANSFIELD, OHIO

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The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2011 and December 31, 2010 for all major and nonmajor governmental funds.

| | <u>Fund Balances</u> <u>12/31/11</u> | <u>Fund Balances</u> <u>12/31/10</u> | <u>Increase</u> <u>(Decrease)</u> |
|-----------------------------------|---|---|--------------------------------------|
| Major funds: | | | |
| General | \$ 3,425,912 | \$ 839,328 | \$ 2,586,584 |
| Community development | 1,352,793 | 1,695,827 | (343,034) |
| Safety services | (478,546) | (1,510,049) | 1,031,503 |
| Grant fund | 190,872 | 112,909 | 77,963 |
| Other nonmajor governmental funds | <u>8,096,529</u> | <u>7,649,017</u> | <u>447,512</u> |
| Total | <u>\$ 12,587,560</u> | <u>\$ 8,787,032</u> | <u>\$ 3,800,528</u> |

General Fund

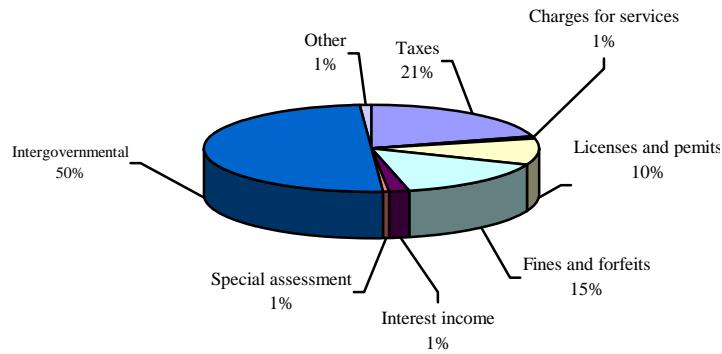
The following table assists in illustrating the revenues of the general fund.

| | <u>2011</u> <u>Amount</u> | <u>2010</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------|------------------------------|------------------------------|------------------------------------|
| <u>Revenues</u> | | | |
| Taxes | \$ 2,024,191 | \$ 2,398,916 | (15.62) % |
| Charges for services | 73,954 | 78,639 | (5.96) % |
| Licenses, permits and fees | 958,037 | 673,247 | 42.30 % |
| Fines and forfeitures | 1,501,738 | 1,649,019 | (8.93) % |
| Investment income | 203,848 | 271,134 | (24.82) % |
| Special assessments | 31,769 | 49,359 | (35.64) % |
| Intergovernmental | 4,938,141 | 3,762,864 | 31.23 % |
| Other | <u>99,271</u> | <u>808,158</u> | <u>(87.72) %</u> |
| Total | <u>\$ 9,830,949</u> | <u>\$ 9,691,336</u> | <u>1.44 %</u> |

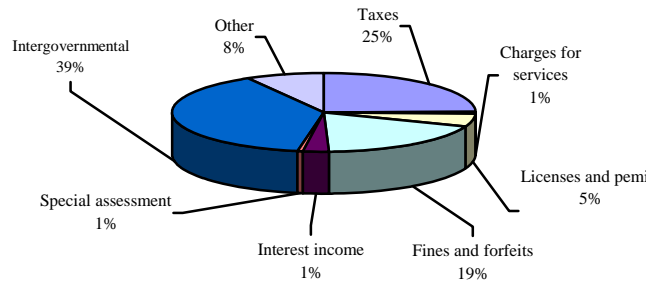
Tax revenue, which is a combination of property and income tax, represents 20.59% of all general fund revenue. Tax revenue decreased by 15.62% from the prior year because of a decrease in property taxes. An increase in the amount of late fees received by utility collections resulted in an increase in fee revenue. Interest income continued to decline in 2011 as a result of lower interest rates. A decline in delinquent assessment collections led to a decrease in overall special assessment revenue. Intergovernmental revenue, which represents 50.23% of all general fund revenue, increased 31.23% because of unusually high estate tax receipts. Other income significantly decreased in 2011. This decrease is the result of a one-time payment received in 2010 from an electrical aggregation service agreement.

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Revenues – Fiscal Year 2011



Revenues – Fiscal Year 2010



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

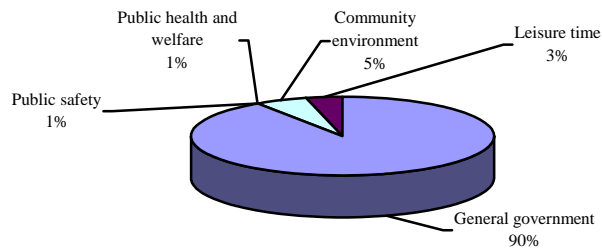
| | <u>2011</u> <u>Amount</u> | <u>2010</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------|------------------------------|------------------------------|------------------------------------|
| <u>Expenditures</u> | | | |
| General government | \$ 6,625,657 | \$ 7,915,558 | (16.30) % |
| Public safety | 7,064 | 8,756 | (19.32) % |
| Public health and welfare | 3,445 | 9,450 | (63.54) % |
| Community environment | 408,183 | 383,716 | 6.38 % |
| Leisure time activities | <u>283,280</u> | <u>415,071</u> | <u>(31.75) %</u> |
| Total | <u>\$ 7,327,629</u> | <u>\$ 8,732,551</u> | <u>(16.09) %</u> |

The City's general fund balance increased \$2,586,584 primarily because of a decrease in expenditures. All decreases from 2010 to 2011 are the result of departmental reorganizations and staff reductions.

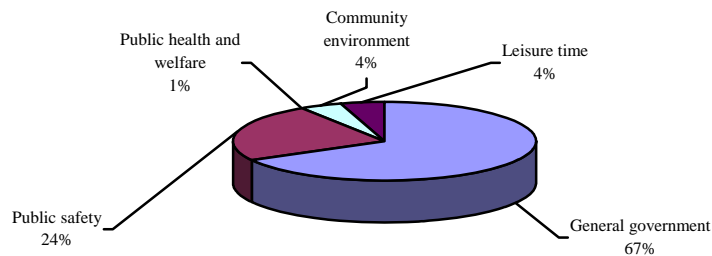
CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Expenditures – Fiscal Year 2011



Expenditures – Fiscal Year 2010



Community Development Fund

In 2011, the community development fund had revenues of \$1,628,498 and expenditures of \$1,851,098. The net decrease in fund balance of \$343,034 for the community development fund is attributable to the timing of receipts from the U.S. Department of Housing and Urban Development.

Safety Services Fund

The safety services fund had revenues of \$20,535,533 and expenditures of \$19,280,599 in 2011. The net increase in fund balance for the safety services fund was \$1,031,503. The combination of higher income tax revenues and a decline in staffing levels led to an increase in the safety services fund balance.

Grant Fund

In 2011, the grant fund had revenues of \$3,162,656 and expenditures of \$3,085,426. The net increase in fund balance of \$77,963 is primarily due to the timing of receipts from the various federal awards and local matches.

Proprietary Funds

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

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only interfund activity reported in the government-wide financial statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. The water enterprise fund had operating revenues of \$9,423,857, which was more than operating expenses of \$6,057,131 by \$3,366,726. The sewer enterprise fund had operating revenues of \$8,219,010, which was less than operating expenses of \$8,339,930 by \$120,920.

Budgeting Highlights

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

Budgetary information is presented for the general fund, community development fund, safety services fund, and grant fund. For the general fund, actual revenues of \$11,668,431 exceeded final budgeted revenues by \$910,220 because of a conservative estimate. Actual expenditures came in \$554,693 lower than the final budgeted amounts because of cost cutting methods implemented by the City's department heads. Budgeted revenues increased \$97,898 from the original to the final budget. Budgeted expenditures increased \$169,682 from the original to the final budget due to an increase in various types of budgetary needs.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2011, the City had \$106,632,929 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings (IOTB), machinery and equipment, infrastructure and construction in progress (CIP). Of this total, \$58,709,143 was reported in governmental activities and \$47,923,786 was reported in business-type activities. For additional information regarding capital assets, see Note 11. The following table shows fiscal 2011 balances compared to 2010:

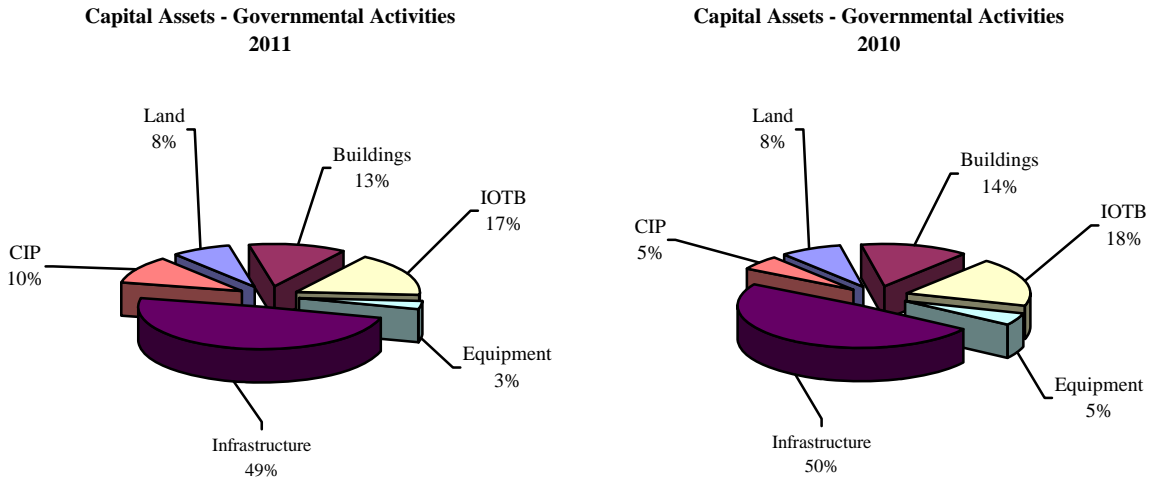
**Capital Assets at December 31
(Net of Depreciation)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Land | \$ 4,503,193 | \$ 4,438,410 | \$ 1,964,508 | \$ 1,991,418 | \$ 6,467,701 | \$ 6,429,828 |
| Buildings | 7,616,863 | 7,927,021 | 5,551,507 | 5,752,011 | 13,168,370 | 13,679,032 |
| IOTB | 9,692,971 | 10,173,069 | 8,434,219 | 9,263,681 | 18,127,190 | 19,436,750 |
| Machinery & Equipment | 1,887,446 | 2,609,813 | 1,178,395 | 1,368,696 | 3,065,841 | 3,978,509 |
| Infrastructure | 28,853,801 | 27,156,248 | 28,372,214 | 29,644,593 | 57,226,015 | 56,800,841 |
| CIP | 6,154,869 | 3,033,422 | 2,422,943 | 2,262,863 | 8,577,812 | 5,296,285 |
| Totals | <u>\$ 58,709,143</u> | <u>\$ 55,337,983</u> | <u>\$ 47,923,786</u> | <u>\$ 50,283,262</u> | <u>\$ 106,632,929</u> | <u>\$ 105,621,245</u> |

CITY OF MANSFIELD, OHIO

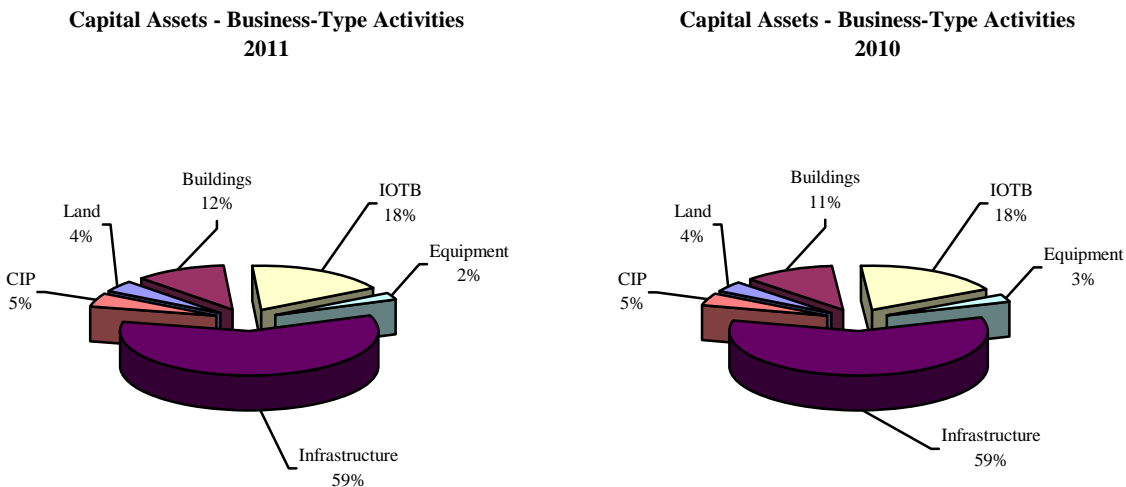
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED

The following graphs show the breakdown of governmental activities capital assets by category for 2011 and 2010.



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

The following graphs show the breakdown of business-type activities capital assets by category for 2011 and 2010.



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

CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED**

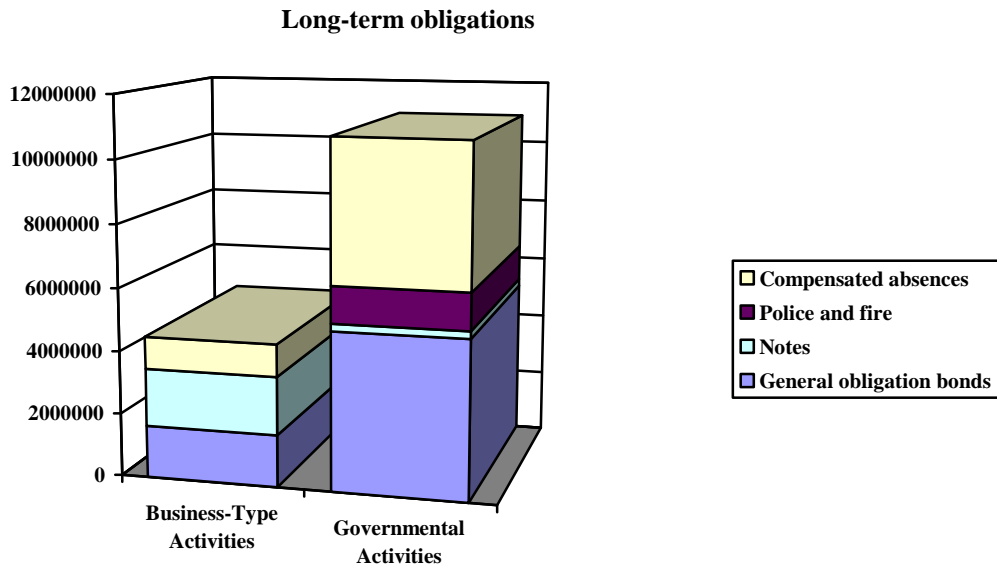
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2011 and 2010:

| | Governmental Activities | |
|-----------------------------------|-------------------------|----------------------|
| | <u>2011</u> | <u>2010</u> |
| General obligation bonds | \$ 5,010,000 | \$ 5,365,000 |
| Notes payable | 230,000 | 300,000 |
| Police and fire pension liability | 1,157,978 | 1,186,338 |
| Compensated absences | <u>4,481,604</u> | <u>4,728,411</u> |
| Total long-term obligations | <u>\$ 10,879,582</u> | <u>\$ 11,579,749</u> |

| | Business-type Activities | |
|-----------------------------|--------------------------|---------------------|
| | <u>2011</u> | <u>2010</u> |
| General obligation bonds | \$ 1,650,000 | \$ 2,105,000 |
| Compensated absences | 1,021,245 | 1,074,276 |
| Notes payable | <u>1,837,668</u> | <u>1,477,574</u> |
| Total long-term obligations | <u>\$ 4,508,913</u> | <u>\$ 4,656,850</u> |

A comparison of the long-term obligations by category is depicted in the chart below. For additional information regarding long-term obligations, see Note 14.



CITY OF MANSFIELD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED**

Economic Factors and Next Year's Budgets and Rates

The annual unemployment rate for the City in 2011 was 10.3%, which decreased from an annual rate of 11.8% in 2010. This rate exceeds the state's average unemployment rate of 8.6% and the national average of 9.0%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2012 fiscal year. At the end of the 2011 fiscal year, the budgetary basis fund balance of the general fund was \$548,431. This balance takes into consideration encumbrances for 2011 activity.

Contacting the City's Financial Management

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

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CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 8,739,527 | \$ 11,562,248 | \$ 20,301,775 |
| Cash and cash equivalents with fiscal agents | 18,326 | 4,381 | 22,707 |
| Receivables (net of allowances for uncollectibles): | | | |
| Taxes | 5,926,282 | 140,497 | 6,066,779 |
| Accounts | 849,939 | 4,297,389 | 5,147,328 |
| Accrued interest | 166,833 | - | 166,833 |
| Special assessments | 106,607 | - | 106,607 |
| Loans | 2,062,696 | - | 2,062,696 |
| Internal balances | (633,956) | 633,956 | - |
| Due from other governments | 10,905,107 | 380,779 | 11,285,886 |
| Materials and supplies inventory | 314,359 | 150,261 | 464,620 |
| Restricted assets: | | | |
| Cash and cash equivalents with fiscal agents | - | 3,512,498 | 3,512,498 |
| Capital assets: | | | |
| Land and construction in progress | 10,658,062 | 4,387,451 | 15,045,513 |
| Depreciable capital assets, net | 48,051,081 | 43,536,335 | 91,587,416 |
| Total capital assets, net | 58,709,143 | 47,923,786 | 106,632,929 |
| Total assets | <u>87,164,863</u> | <u>68,605,795</u> | <u>155,770,658</u> |
| Liabilities: | | | |
| Accounts payable | 325,405 | 170,356 | 495,761 |
| Contracts payable | 166,375 | 43 | 166,418 |
| Retainage payable | 18,326 | 4,381 | 22,707 |
| Accrued wages and benefits | 444,028 | 100,806 | 544,834 |
| Due to other governments | 1,339,006 | 193,755 | 1,532,761 |
| Unearned revenue | 1,634,110 | - | 1,634,110 |
| Accrued interest payable | 34,412 | 6,236 | 40,648 |
| Claims payable | 1,023,350 | - | 1,023,350 |
| Long-term liabilities: | | | |
| Due within one year | 1,941,522 | 932,466 | 2,873,988 |
| Due in more than one year | 8,938,060 | 3,576,447 | 12,514,507 |
| Total liabilities | <u>15,864,594</u> | <u>4,984,490</u> | <u>20,849,084</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 53,334,491 | 44,431,737 | 97,766,228 |
| Restricted for: | | | |
| Debt service | 134,174 | - | 134,174 |
| Capital projects | 3,796,127 | - | 3,796,127 |
| Community development | 5,832,578 | - | 5,832,578 |
| Transportation projects | 3,029,912 | - | 3,029,912 |
| Grants | 2,871,963 | - | 2,871,963 |
| Public safety | 4,842,572 | - | 4,842,572 |
| Replacement and improvement | - | 3,512,498 | 3,512,498 |
| Other purposes | 740,358 | - | 740,358 |
| Unrestricted | (3,281,906) | 15,677,070 | 12,395,164 |
| Total net assets | <u>\$ 71,300,269</u> | <u>\$ 63,621,305</u> | <u>\$ 134,921,574</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Expenses | Program Revenues | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$ 10,117,137 | \$ 3,600,006 | \$ 1,362,451 | \$ 488,616 |
| Public safety | 21,292,633 | 1,865,400 | 1,900,967 | - |
| Public health and welfare | 3,006 | - | 10,359 | - |
| Transportation | 3,385,047 | 15,870 | 2,732,710 | 1,232,553 |
| Community environment. | 2,198,250 | 156,965 | 1,534,064 | - |
| Leisure time activities | 328,411 | 12,190 | - | - |
| Interest and fiscal charges | 266,520 | - | - | - |
| Total governmental activities | <u>37,591,004</u> | <u>5,650,431</u> | <u>7,540,551</u> | <u>1,721,169</u> |
| Business-Type Activities: | | | | |
| Water | 6,105,309 | 9,423,857 | - | 7,650 |
| Sewer | 7,960,497 | 8,219,010 | - | - |
| Nonmajor: | | | | |
| Airport operating | 600,011 | 76,334 | - | - |
| Total business-type activities | <u>14,665,817</u> | <u>17,719,201</u> | <u>-</u> | <u>7,650</u> |
| Total | <u>\$ 52,256,821</u> | <u>\$ 23,369,632</u> | <u>\$ 7,540,551</u> | <u>\$ 1,728,819</u> |

General Revenues:

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

| Governmental Activities | Business-Type Activities | Total |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (4,666,064) | \$ - | \$ (4,666,064) |
| (17,526,266) | - | (17,526,266) |
| 7,353 | - | 7,353 |
| 596,086 | - | 596,086 |
| (507,221) | - | (507,221) |
| (316,221) | - | (316,221) |
| (266,520) | - | (266,520) |
| <u>(22,678,853)</u> | <u>-</u> | <u>(22,678,853)</u> |
| - | 3,326,198 | 3,326,198 |
| - | 258,513 | 258,513 |
| - | <u>(523,677)</u> | <u>(523,677)</u> |
| - | <u>3,061,034</u> | <u>3,061,034</u> |
| <u>(22,678,853)</u> | <u>3,061,034</u> | <u>(19,617,819)</u> |
| 1,200,704 | - | 1,200,704 |
| 272,948 | - | 272,948 |
| 1,018,570 | - | 1,018,570 |
| 18,400,012 | - | 18,400,012 |
| 3,431,901 | - | 3,431,901 |
| - | 485,148 | 485,148 |
| 3,225,813 | 22,810 | 3,248,623 |
| 310,072 | 10,530 | 320,602 |
| 225,027 | - | 225,027 |
| 135 | 5,116 | 5,251 |
| <u>28,085,182</u> | <u>523,604</u> | <u>28,608,786</u> |
| 5,406,329 | 3,584,638 | 8,990,967 |
| <u>65,893,940</u> | <u>60,036,667</u> | <u>125,930,607</u> |
| <u>\$ 71,300,269</u> | <u>\$ 63,621,305</u> | <u>\$ 134,921,574</u> |

CITY OF MANSFIELD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

| | <u>General</u> | <u>Community Development</u> | <u>Safety Services</u> |
|---|---------------------|----------------------------------|----------------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 734,046 | \$ 271,958 | \$ 776,981 |
| Cash and cash equivalents with fiscal agent | - | - | - |
| Receivables (net of allowance for uncollectibles): | | | |
| Taxes | 2,259,595 | - | 3,112,053 |
| Accounts | 749,310 | - | 34,619 |
| Accrued interest | 43,770 | 90,405 | - |
| Loans | - | 1,035,715 | - |
| Special assessments | 106,607 | - | - |
| Due from other governments | 1,887,779 | 4,373,876 | 36,573 |
| Loans to other funds | 1,620,540 | - | - |
| Materials and supplies inventory | 49,520 | 227 | 47,966 |
| Total assets | <u>\$ 7,451,167</u> | <u>\$ 5,772,181</u> | <u>\$ 4,008,192</u> |
| Liabilities: | | | |
| Accounts payable | \$ 67,062 | \$ 15,268 | \$ 31,669 |
| Contracts payable | - | 23,250 | - |
| Retainage payable | - | - | - |
| Accrued wages and benefits | 64,576 | 6,364 | 309,543 |
| Loans from other funds | 270,000 | - | 1,377,188 |
| Due to other governments | 201,173 | 39,612 | 934,223 |
| Deferred revenue | 3,422,444 | 4,334,894 | 1,834,115 |
| Total liabilities | <u>4,025,255</u> | <u>4,419,388</u> | <u>4,486,738</u> |
| Fund Balances: | | | |
| Nonspendable | 49,520 | 227 | 47,966 |
| Restricted | 102,904 | 1,352,566 | - |
| Committed | 6,919 | - | - |
| Assigned | 556,695 | - | - |
| Unassigned | 2,709,874 | - | (526,512) |
| Total fund balances | <u>3,425,912</u> | <u>1,352,793</u> | <u>(478,546)</u> |
| Total liabilities and fund balances | <u>\$ 7,451,167</u> | <u>\$ 5,772,181</u> | <u>\$ 4,008,192</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Grant Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------|---|---|
| \$ 130,271 | \$ 6,544,310 | \$ 8,457,566 |
| 2,449 | 15,877 | 18,326 |
| - | 554,634 | 5,926,282 |
| - | 66,010 | 849,939 |
| - | 32,658 | 166,833 |
| - | 1,026,981 | 2,062,696 |
| - | - | 106,607 |
| 2,980,123 | 1,626,756 | 10,905,107 |
| - | - | 1,620,540 |
| 36,844 | 167,089 | 301,646 |
| <u>\$ 3,149,687</u> | <u>\$ 10,034,315</u> | <u>\$ 30,415,542</u> |
| | | |
| \$ 5,478 | \$ 180,077 | \$ 299,554 |
| - | 143,125 | 166,375 |
| 2,449 | 15,877 | 18,326 |
| 14,026 | 30,108 | 424,617 |
| 196,927 | 46,425 | 1,890,540 |
| 45,794 | 74,332 | 1,295,134 |
| 2,694,141 | 1,447,842 | 13,733,436 |
| <u>2,958,815</u> | <u>1,937,786</u> | <u>17,827,982</u> |
| | | |
| 36,844 | 167,089 | 301,646 |
| 154,028 | 5,990,287 | 7,599,785 |
| - | 1,939,153 | 1,946,072 |
| - | - | 556,695 |
| - | - | 2,183,362 |
| <u>190,872</u> | <u>8,096,529</u> | <u>12,587,560</u> |
| <u>\$ 3,149,687</u> | <u>\$ 10,034,315</u> | <u>\$ 30,415,542</u> |

CITY OF MANSFIELD, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011

Total governmental fund balances \$ 12,587,560

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

Capital assets used in governmental activities (excluding internal service funds capital assets)
are not financial resources and therefore are not reported in the funds. 57,875,838

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

| | | |
|----------------------------|------------------|------------|
| Property taxes | 524,472 | |
| Income taxes | 1,935,613 | |
| Special assessments | 106,607 | |
| Intergovernmental revenues | <u>9,532,634</u> | |
| Total | | 12,099,326 |

Internal service funds are used by management to charge the costs of the repair garage,
information technology, utility collections, health insurance, OML self-insurance, workers'
compensation and benefit fund to individual funds. The assets and liabilities of the internal
service funds are included in governmental activities on the statement of net assets. (542,294)

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

| | | |
|-----------------------------------|--------------------|---------------------|
| Accrued interest payable | (34,412) | |
| Notes payable | (230,000) | |
| Compensated absences | (4,287,771) | |
| Police and fire pension liability | (1,157,978) | |
| General obligation bonds | <u>(5,010,000)</u> | |
| Total | | <u>(10,720,161)</u> |

Net assets of governmental activities \$ 71,300,269

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>General</u> | <u>Community Development</u> | <u>Safety Services</u> |
|--|---------------------|----------------------------------|----------------------------|
| Revenues: | | | |
| Municipal income taxes | \$ 795,701 | \$ - | \$ 18,449,901 |
| Property and other taxes | 1,228,490 | - | 279,047 |
| Charges for services | 73,954 | - | 1,558,071 |
| Licenses, permits and fees | 958,037 | - | 95,693 |
| Fines and forfeitures | 1,501,738 | - | 108,536 |
| Intergovernmental | 4,938,141 | 1,534,064 | 39,347 |
| Special assessments | 31,769 | - | - |
| Investment income | 203,848 | 73,738 | - |
| Other | 99,271 | 20,696 | 4,938 |
| Total revenues | <u>9,830,949</u> | <u>1,628,498</u> | <u>20,535,533</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 6,625,657 | - | - |
| Public safety | 7,064 | - | 19,280,599 |
| Public health and welfare | 3,445 | - | - |
| Transportation | - | - | - |
| Community environment | 408,183 | 1,851,098 | - |
| Leisure time activities | 283,280 | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>7,327,629</u> | <u>1,851,098</u> | <u>19,280,599</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,503,320</u> | <u>(222,600)</u> | <u>1,254,934</u> |
| Other financing sources (uses): | | | |
| Proceeds from sale of capital assets | 94,941 | 130,086 | - |
| Transfers in | - | - | - |
| Transfers out | (18,861) | (250,000) | (231,384) |
| Total other financing sources (uses) | <u>76,080</u> | <u>(119,914)</u> | <u>(231,384)</u> |
| Net change in fund balances | 2,579,400 | (342,514) | 1,023,550 |
| Fund balances (deficit) at beginning of year . . . | 839,328 | 1,695,827 | (1,510,049) |
| Increase (decrease) in inventory balances . . . | 7,184 | (520) | 7,953 |
| Fund balances (deficit) at end of year | <u>\$ 3,425,912</u> | <u>\$ 1,352,793</u> | <u>\$ (478,546)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Grant Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------|---|---|
| \$ - | \$ 3,470,483 | \$ 22,716,085 |
| - | - | 1,507,537 |
| 33,910 | 218,838 | 1,884,773 |
| - | 5,733 | 1,059,463 |
| - | 898,427 | 2,508,701 |
| 3,123,749 | 4,564,560 | 14,199,861 |
| - | - | 31,769 |
| - | 32,486 | 310,072 |
| 4,997 | 35,823 | 165,725 |
| <u>3,162,656</u> | <u>9,226,350</u> | <u>44,383,986</u> |
| 153,839 | 2,377,748 | 9,157,244 |
| 1,512,318 | 52,552 | 20,852,533 |
| 3,607 | - | 7,052 |
| - | 2,197,989 | 2,197,989 |
| - | - | 2,259,281 |
| - | - | 283,280 |
| 1,415,662 | 3,897,330 | 5,312,992 |
| - | 425,000 | 425,000 |
| - | 268,236 | 268,236 |
| <u>3,085,426</u> | <u>9,218,855</u> | <u>40,763,607</u> |
| 77,230 | 7,495 | 3,620,379 |
| - | - | 225,027 |
| 23,553 | 572,687 | 596,240 |
| - | (95,995) | (596,240) |
| <u>23,553</u> | <u>476,692</u> | <u>225,027</u> |
| 100,783 | 484,187 | 3,845,406 |
| 112,909 | 7,649,017 | 8,787,032 |
| (22,820) | (36,675) | (44,878) |
| <u>\$ 190,872</u> | <u>\$ 8,096,529</u> | <u>\$ 12,587,560</u> |

CITY OF MANSFIELD, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds \$ 3,845,406

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$5,456,699) exceeded depreciation expense (\$2,760,173) in the current period. Both amounts are exclusive of internal service fund activity. 2,696,526

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins and donations) is to decrease net assets. (176,910)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed. (44,878)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,611,815)

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of bonds, leases and police and fire pension liability principal consumes the current financial resources of governmental funds. 453,360

In the statement of activities, interest is accrued on outstanding bonds, notes and the police and fire pension liability, whereas in governmental funds, an interest expenditure is reported when due. 1,716

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are exclusive of internal service funds activity. (233,464)

Internal service funds are used by management to charge the costs of the repair garage, information technology, utility collections, health insurance, OML self-insurance, workers' compensation and the benefit fund to individual funds and are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 476,388

Change in net assets of governmental activities \$ 5,406,329

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,492,628 | \$ 2,162,628 | \$ 2,130,402 | \$ (32,226) |
| Charges for services | 77,300 | 75,552 | 73,954 | (1,598) |
| Licenses, permits and fees | 2,892,798 | 2,916,444 | 3,211,810 | 295,366 |
| Fines and forfeitures | 1,212,300 | 1,212,300 | 1,237,495 | 25,195 |
| Intergovernmental | 3,650,164 | 3,980,164 | 4,585,632 | 605,468 |
| Special assessments | 45,000 | 45,000 | 31,769 | (13,231) |
| Investment income | 145,000 | 145,000 | 169,359 | 24,359 |
| Other | 145,123 | 221,123 | 228,010 | 6,887 |
| Total revenues | <u>10,660,313</u> | <u>10,758,211</u> | <u>11,668,431</u> | <u>910,220</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 2,032,930 | 2,143,259 | 2,134,238 | 9,021 |
| Public health and welfare | 28,589 | 28,589 | 11,012 | 17,577 |
| Community environment | 441,790 | 459,092 | 439,341 | 19,751 |
| Leisure time activities | 291,881 | 326,431 | 289,939 | 36,492 |
| General government | <u>7,365,869</u> | <u>7,373,370</u> | <u>6,901,518</u> | <u>471,852</u> |
| Total expenditures | <u>10,161,059</u> | <u>10,330,741</u> | <u>9,776,048</u> | <u>554,693</u> |
| Excess of revenues over expenditures | <u>499,254</u> | <u>427,470</u> | <u>1,892,383</u> | <u>1,464,913</u> |
| Other financing sources (uses): | | | | |
| Loan to other funds | (1,620,540) | (1,620,540) | (1,620,540) | - |
| Payment on loan from other funds | (270,000) | (270,000) | (270,000) | - |
| Repayment on loan to other funds | 2,053,644 | 2,053,644 | 2,053,644 | - |
| Transfers out | <u>(99,029)</u> | <u>(127,439)</u> | <u>(18,861)</u> | <u>108,578</u> |
| Total other financing sources (uses) | <u>64,075</u> | <u>35,665</u> | <u>144,243</u> | <u>108,578</u> |
| Net change in fund balance | 563,329 | 463,135 | 2,036,626 | 1,573,491 |
| Fund balance (deficit) at beginning of year . . | <u>(1,488,195)</u> | <u>(1,488,195)</u> | <u>(1,488,195)</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ (924,866)</u> | <u>\$ (1,025,060)</u> | <u>\$ 548,431</u> | <u>\$ 1,573,491</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 4,394,541 | \$ 4,394,541 | \$ 1,676,786 | \$ (2,717,755) |
| Investment income | 60,000 | 60,000 | 53,352 | (6,648) |
| Other | <u>265,000</u> | <u>265,000</u> | <u>324,243</u> | <u>59,243</u> |
| Total revenues. | <u>4,719,541</u> | <u>4,719,541</u> | <u>2,054,381</u> | <u>(2,665,160)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community environment | <u>4,469,541</u> | <u>4,469,541</u> | <u>1,936,489</u> | <u>2,533,052</u> |
| Total expenditures | <u>4,469,541</u> | <u>4,469,541</u> | <u>1,936,489</u> | <u>2,533,052</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>250,000</u> | <u>250,000</u> | <u>117,892</u> | <u>(132,108)</u> |
| Other financing uses: | | | | |
| Transfers out | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Total other financing uses | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Net change in fund balance | - | - | (132,108) | (132,108) |
| Fund balance at beginning of year | <u>392,166</u> | <u>392,166</u> | <u>392,166</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 392,166</u> | <u>\$ 392,166</u> | <u>\$ 260,058</u> | <u>\$ (132,108)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 18,360,347 | \$ 18,696,098 | \$ 18,576,392 | \$ (119,706) |
| Licenses, permits and fees | 87,300 | 90,300 | 95,693 | 5,393 |
| Charges for services | 1,512,000 | 1,512,000 | 1,558,071 | 46,071 |
| Fines and forfeitures | 120,000 | 120,000 | 114,109 | (5,891) |
| Intergovernmental | 50,000 | 50,000 | 47,370 | (2,630) |
| Other | 76,500 | 176,500 | 199,734 | 23,234 |
| Total revenues | <u>20,206,147</u> | <u>20,644,898</u> | <u>20,591,369</u> | <u>(53,529)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 19,974,084 | 20,777,330 | 19,742,697 | 1,034,633 |
| Total expenditures | <u>19,974,084</u> | <u>20,777,330</u> | <u>19,742,697</u> | <u>1,034,633</u> |
| Excess of revenues over expenditures | <u>232,063</u> | <u>(132,432)</u> | <u>848,672</u> | <u>981,104</u> |
| Other financing sources (uses): | | | | |
| Loan from other funds | 1,377,188 | 1,377,188 | 1,377,188 | - |
| Repayment of loan from other funds | (1,994,476) | (1,994,476) | (1,994,476) | - |
| Transfers out | (232,063) | (232,063) | (231,384) | 679 |
| Total other financing sources (uses) | <u>(849,351)</u> | <u>(849,351)</u> | <u>(848,672)</u> | <u>679</u> |
| Net change in fund balance | (617,288) | (981,783) | - | 981,783 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ (617,288)</u> | <u>\$ (981,783)</u> | <u>\$ -</u> | <u>\$ 981,783</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 14,471 | \$ 32,037 | \$ 33,910 | \$ 1,873 |
| Intergovernmental | 3,941,581 | 5,289,583 | 3,136,589 | (2,152,994) |
| Other | - | 5,000 | 5,490 | 490 |
| Total revenues | <u>3,956,052</u> | <u>5,326,620</u> | <u>3,175,989</u> | <u>(2,150,631)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 1,929,598 | 2,106,646 | 1,632,925 | 473,721 |
| General government | <u>1,987,387</u> | <u>3,185,039</u> | <u>1,704,376</u> | <u>1,480,663</u> |
| Total expenditures | <u>3,916,985</u> | <u>5,291,685</u> | <u>3,337,301</u> | <u>1,954,384</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>39,067</u> | <u>34,935</u> | <u>(161,312)</u> | <u>(196,247)</u> |
| Other financing sources (uses): | | | | |
| Loan from other funds | 196,927 | 196,927 | 196,927 | - |
| Repayment of loan from other funds | (59,168) | (59,168) | (59,168) | - |
| Transfers in | <u>20,100</u> | <u>24,232</u> | <u>23,553</u> | <u>(679)</u> |
| Total other financing sources (uses) | <u>157,859</u> | <u>161,991</u> | <u>161,312</u> | <u>(679)</u> |
| Net change in fund balance | 196,926 | 196,926 | - | (196,926) |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 196,926</u> | <u>\$ 196,926</u> | <u>\$ -</u> | <u>\$ (196,926)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2011

| | Business-Type Activities -Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|--|--|----------------------|---------------------|----------------------|---|
| | Water | Sewer | Other Enterprise | Total | |
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 6,258,468 | \$ 5,261,425 | \$ 42,355 | \$ 11,562,248 | \$ 281,961 |
| Cash and cash equivalents with fiscal agent | - | 4,381 | - | 4,381 | - |
| Receivables (net of allowance for uncollectibles) | | | | | |
| Accounts | 2,759,150 | 1,530,989 | 7,250 | 4,297,389 | - |
| Taxes | - | - | 140,497 | 140,497 | - |
| Due from other governments | - | 380,779 | - | 380,779 | - |
| Loans to other funds | - | 270,000 | - | 270,000 | - |
| Materials and supplies inventory | 101,895 | 17,635 | 30,731 | 150,261 | 12,713 |
| Restricted Assets: | | | | | |
| Equity in pooled cash and cash equivalents. | - | 3,512,498 | - | 3,512,498 | - |
| Total current assets | <u>9,119,513</u> | <u>10,977,707</u> | <u>220,833</u> | <u>20,318,053</u> | <u>294,674</u> |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Land and construction in progress | 340,234 | 2,623,298 | 1,423,919 | 4,387,451 | 755,624 |
| Depreciable capital assets, net | 14,494,462 | 27,558,201 | 1,483,672 | 43,536,335 | 77,681 |
| Total capital assets, net | <u>14,834,696</u> | <u>30,181,499</u> | <u>2,907,591</u> | <u>47,923,786</u> | <u>833,305</u> |
| Total assets | <u>23,954,209</u> | <u>41,159,206</u> | <u>3,128,424</u> | <u>68,241,839</u> | <u>1,127,979</u> |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 99,509 | 67,648 | 3,199 | 170,356 | 25,851 |
| Contracts payable | - | 43 | - | 43 | - |
| Retainage payable | - | 4,381 | - | 4,381 | - |
| Accrued wages and benefits | 47,147 | 48,512 | 5,147 | 100,806 | 19,411 |
| Due to other governments | 100,394 | 81,367 | 11,994 | 193,755 | 43,872 |
| Claims payable | - | - | - | - | 1,023,350 |
| Current portion of compensated absences | 231,660 | 212,749 | 28,366 | 472,775 | 58,678 |
| Current portion of notes payable | 9,691 | - | - | 9,691 | - |
| Current portion of bonds | 415,000 | 35,000 | - | 450,000 | - |
| Accrued interest payable | 1,867 | 4,369 | - | 6,236 | - |
| Total current liabilities | <u>905,268</u> | <u>454,069</u> | <u>48,706</u> | <u>1,408,043</u> | <u>1,171,162</u> |
| Long-term liabilities: | | | | | |
| General obligation bonds | 225,000 | 975,000 | - | 1,200,000 | - |
| Notes payable | 695,010 | 1,132,967 | - | 1,827,977 | - |
| Compensated absences | 264,474 | 245,274 | 38,722 | 548,470 | 135,155 |
| Total long-term liabilities | <u>1,184,484</u> | <u>2,353,241</u> | <u>38,722</u> | <u>3,576,447</u> | <u>135,155</u> |
| Total liabilities | <u>2,089,752</u> | <u>2,807,310</u> | <u>87,428</u> | <u>4,984,490</u> | <u>1,306,317</u> |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | 13,489,995 | 28,034,151 | 2,907,591 | 44,431,737 | 833,305 |
| Restricted for replacement and improvement | - | 3,512,498 | - | 3,512,498 | - |
| Unrestricted (deficit) | 8,374,462 | 6,805,247 | 133,405 | 15,313,114 | (1,011,643) |
| Total net assets (deficit). | <u>\$ 21,864,457</u> | <u>\$ 38,351,896</u> | <u>\$ 3,040,996</u> | <u>63,257,349</u> | <u>\$ (178,338)</u> |
| Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds | | | | 363,956 | |
| Net assets of business-type activities | | | | <u>\$ 63,621,305</u> | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|--|----------------------|-----------------------------|---------------|--|
| | Water | Sewer | Other Enterprise | Total | Activities - Internal Service Funds |
| Operating revenues: | | | | | |
| Charges for services | \$ 9,423,857 | \$ 8,219,010 | \$ 76,334 | \$ 17,719,201 | \$ 11,033,102 |
| Total operating revenues | 9,423,857 | 8,219,010 | 76,334 | 17,719,201 | 11,033,102 |
| Operating expenses: | | | | | |
| Personal services | 1,436,830 | 1,544,168 | 170,555 | 3,151,553 | 996,331 |
| Fringe benefits | 1,048,851 | 1,066,094 | 101,368 | 2,216,313 | 682,060 |
| Contractual services | 1,743,949 | 2,751,665 | 70,695 | 4,566,309 | 2,012,196 |
| Materials and supplies | 700,116 | 386,869 | 44,198 | 1,131,183 | 758,728 |
| Depreciation | 693,699 | 2,208,658 | 153,821 | 3,056,178 | 33,989 |
| Utilities | 433,686 | 382,476 | 32,464 | 848,626 | 15,135 |
| Claims expense | - | - | - | - | 6,058,573 |
| Total operating expenses | 6,057,131 | 8,339,930 | 573,101 | 14,970,162 | 10,557,012 |
| Operating income (loss) | 3,366,726 | (120,920) | (496,767) | 2,749,039 | 476,090 |
| Nonoperating revenues (expenses): | | | | | |
| Other nonoperating revenue | 3,231 | 1,030 | 855 | 5,116 | 135 |
| Other nonoperating expenses | (6,955) | (24,376) | - | (31,331) | - |
| Interest Income | - | 10,530 | - | 10,530 | - |
| Loss on disposal of assets | - | - | (26,910) | (26,910) | - |
| Municipal income tax | - | - | 485,148 | 485,148 | - |
| Intergovernmental | 22,810 | - | - | 22,810 | - |
| Interest expense and fiscal charges | (41,223) | (66,129) | - | (107,352) | - |
| Total nonoperating revenues (expenses) | (22,137) | (78,945) | 459,093 | 358,011 | 135 |
| Income (loss) before capital contributions | 3,344,589 | (199,865) | (37,674) | 3,107,050 | 476,225 |
| Capital contributions | 7,650 | - | - | 7,650 | 163 |
| Changes in net assets | 3,352,239 | (199,865) | (37,674) | 3,114,700 | 476,388 |
| Net assets (deficit) at beginning of year (restated) | 18,512,218 | 38,551,761 | 3,078,670 | | (654,726) |
| Net assets (deficit) at end of year | \$ 21,864,457 | \$ 38,351,896 | \$ 3,040,996 | | \$ (178,338) |
| Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds. | | | | 469,938 | |
| Changes in net assets of business-type activities | | | | \$ 3,584,638 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|--|---------------------|-------------------------|----------------------|--|
| | Water | Sewer | Other Enterprise | Total | Activities - Internal Service Funds |
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 8,310,711 | \$ 8,411,903 | \$ 84,862 | \$ 16,807,476 | \$ 11,033,102 |
| Cash received from other operating revenues. | 3,231 | 1,030 | 855 | 5,116 | 135 |
| Cash payments to employees. | (1,465,375) | (1,575,739) | (171,531) | (3,212,645) | (1,012,722) |
| Cash payments to suppliers | (2,856,406) | (3,490,069) | (148,614) | (6,495,089) | (3,019,407) |
| Cash payments for claims expense. | - | - | - | - | (5,716,084) |
| Cash payments for other operating expenses. | (1,057,016) | (1,107,808) | (104,783) | (2,269,607) | (692,340) |
| Net cash provided by (used in) operating activities | <u>2,935,145</u> | <u>2,239,317</u> | <u>(339,211)</u> | <u>4,835,251</u> | <u>592,684</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Receipts on loans to other funds | - | 270,000 | - | 270,000 | - |
| Repayment of loans to other funds | - | 1,497,665 | - | 1,497,665 | - |
| Repayment of loans from other funds | - | - | - | - | - |
| Intergovernmental | 22,810 | - | - | 22,810 | - |
| Transfers in | - | - | - | - | - |
| Municipal income tax | - | - | 378,435 | 378,435 | - |
| Net cash provided by noncapital financing activities | <u>22,810</u> | <u>1,767,665</u> | <u>378,435</u> | <u>2,168,910</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets. | (198,216) | (517,746) | - | (715,962) | (410,176) |
| Proceeds from notes | 114,260 | 265,215 | - | 379,475 | - |
| Principal paid on general obligation debt | (420,000) | (35,000) | - | (455,000) | - |
| Interest paid on general obligation debt. | (37,100) | (53,832) | - | (90,932) | - |
| Principal paid on notes | (19,381) | - | - | (19,381) | - |
| Interest paid on notes. | (5,348) | (12,414) | - | (17,762) | - |
| Net cash used in capital and related financing activities | <u>(565,785)</u> | <u>(353,777)</u> | <u>-</u> | <u>(919,562)</u> | <u>(410,176)</u> |
| Cash flows from investing activities: | | | | | |
| Cash received from interfund loan interest | - | 10,530 | - | 10,530 | - |
| Net increase in cash and cash equivalents | 2,392,170 | 3,663,735 | 39,224 | 6,095,129 | 182,508 |
| Cash and cash equivalents at beginning of year | <u>3,866,298</u> | <u>5,110,188</u> | <u>3,131</u> | <u>8,979,617</u> | <u>99,453</u> |
| Cash and cash equivalents at end of year | <u>\$ 6,258,468</u> | <u>\$ 8,773,923</u> | <u>\$ 42,355</u> | <u>\$ 15,074,746</u> | <u>\$ 281,961</u> |

(continued)

CITY OF MANSFIELD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Business-Type Activities - Enterprise Funds</u> | | | | <u>Governmental Activities - Internal Service Funds</u> |
|---|--|---------------------|-----------------------------|---------------------|---|
| | <u>Water</u> | <u>Sewer</u> | <u>Other Enterprise</u> | <u>Total</u> | |
| Reconciliation of operating income (loss) to net cash used for operating activities: | | | | | |
| Operating income (loss) | \$ 3,366,726 | \$ (120,920) | \$ (496,767) | \$ 2,749,039 | \$ 476,090 |
| Adjustments: | | | | | |
| Depreciation | 693,699 | 2,208,658 | 153,821 | 3,056,178 | 33,989 |
| Other nonoperating expenses | (6,955) | (24,376) | - | (31,331) | - |
| Other nonoperating revenues | 3,231 | 1,030 | (1,121) | 3,140 | 135 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | (1,115,954) | (393,415) | 7,424 | (1,501,945) | - |
| Decrease in special assessments | - | 839 | - | 839 | - |
| (Increase) decrease in inventory of supplies | (24,794) | 8,706 | (4,962) | (21,050) | 2,476 |
| Decrease in due from other governments | 2,808 | 585,469 | - | 588,277 | - |
| Increase (decrease) in accounts payable | 34,752 | 22,990 | (783) | 56,959 | (112,431) |
| (Decrease) in contracts payable | - | (755) | - | (755) | (123,393) |
| Increase (decrease) in accrued wages and benefits | (5,272) | (3,371) | 582 | (8,061) | (2,569) |
| Increase (decrease) in due to other governments | 10,177 | (17,338) | 4,153 | (3,008) | (10,280) |
| (Decrease) in compensated absences payable | (23,273) | (28,200) | (1,558) | (53,031) | (13,822) |
| Increase in claims payable | - | - | - | - | 342,489 |
| Net cash provided by (used in) operating activities | <u>\$ 2,935,145</u> | <u>\$ 2,239,317</u> | <u>\$ (339,211)</u> | <u>\$ 4,835,251</u> | <u>\$ 592,684</u> |

During the year, land developers contributed capital assets to the proprietary funds. The contribution of the related assets totaled \$7,650.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF MANSFIELD, OHIO

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011

| | <u>Agency</u> |
|---|---------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 801,477 |
| Cash and cash equivalents with fiscal agent | 433,129 |
| Receivables: | |
| Taxes | 11,423 |
| Accounts | 4,445 |
| | <hr/> |
| Total assets. | <u>\$ 1,250,474</u> |
| | |
| Liabilities: | |
| Due to other governments | \$ 347,328 |
| Accounts payable | 177,730 |
| Due to individuals | 220,339 |
| Undistributed monies | 505,077 |
| | <hr/> |
| Total liabilities | <u>\$ 1,250,474</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

B. Basis of Presentation

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

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

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

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

C. Fund Accounting

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

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

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

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

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

E. Basis of Accounting

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

F. Budgetary Process

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the Certificate is amended to include any unencumbered balances from the preceding year. The revised budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts from the original and final amended Certificates of Estimated Resources issued in 2011.

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 2011.

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

Only Council may alter amounts allocated to various departments and objects during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the original and final amounts appropriated for 2011.

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

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

G. Cash and Cash Equivalents

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

During 2011, investments were limited to STAR Ohio, U.S. Treasury securities, repurchase agreements, federal agency securities, certificates of deposit, and commercial paper.

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2011.

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

Under existing Ohio Statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2011 amounted to \$203,848 which includes \$193,975 assigned from other City funds.

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

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

H. Inventories of Materials and Supplies

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

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

I. Restricted Assets

The City, in accordance with bond indentures, federal regulations, and state statutes, has restricted assets within enterprise funds for replacement and improvement of its capital assets. Monies which represent debt proceeds are also restricted for use in constructing enterprise fund assets. As of December 31, 2011, the total restricted cash in the enterprise funds was \$3,512,498. It is in the Sewer fund and is a result of the City receiving construction grant monies for the Wastewater Treatment Plant. A separate account was established to receive and disburse these monies for replacement and improvement purchases of major equipment at the Wastewater Treatment Plant. The funds can never be used to offset deficits or shortfalls in the sewer user charge system. Per the consulting engineer's estimate, the City has sufficient funds in the Reserved for Replacement and Improvement account to meet current needs.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

J. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2012 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred. There were no material prepaid assets to report at December 31, 2011.

K. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's governmental activities infrastructure consists of streets, bridges, and traffic signals. The City's business-type activities infrastructure consists of water lines, sanitary sewer lines, and storm sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities. During fiscal 2011, no interest capitalization occurred.

L. Depreciation

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

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> | <u>Business-Type Activities Estimated Lives</u> |
|------------------------------------|--|---|
| Buildings | 50 years | 50 years |
| Improvements other than buildings: | | |
| Land improvements | 7 - 50 years | 7 - 50 years |
| Machinery and equipment | 5 - 20 years | 5 - 50 years |
| Infrastructure: | | |
| Streets | 34 years | - |
| Bridges | 50 years | - |
| Traffic signals | 12 years | - |
| Storm sewer | - | 50 years |
| Water and sewer lines | - | 50 years |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

M. Compensated Absences

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

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

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Interfund Balances

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

P. Interfund Activity

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

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

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

R. Estimates

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

S. Contributions of Capital

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

T. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation, through external restrictions imposed by creditors, grantors or laws or regulations of other governments, or pursuant to bond indenture and federal grant requirements for replacement and improvement of facilities. The City's net assets restricted for other purposes include funds for activities related to municipal court costs, probation, court computerization, indigent drivers, industrial development, and regional community advancement. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 – ACCOUNTABILITY

Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2011:

| | <u>Deficit Balance</u> |
|-------------------------|------------------------|
| Governmental funds: | |
| Major: | |
| Safety-Services | \$ 478,546 |
| Internal service funds: | |
| Garage Operating | 86,951 |
| Health Insurance | 1,023,642 |

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

| | General | Community Development | Safety Services | Grant Fund |
|----------------------|-------------|--------------------------|--------------------|---------------|
| GAAP Basis | \$2,579,986 | (\$342,514) | \$1,117,955 | \$100,783 |
| Adjustments: | | | | |
| Revenue accruals | 3,795,599 | 295,797 | 1,338,619 | 210,260 |
| Expenditure accruals | (4,338,959) | (85,391) | (2,456,574) | (311,043) |
| Budget Basis | \$2,036,626 | (\$132,108) | \$0 | \$0 |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. The City is permitted to invest in any security specifically authorized by the Ohio Revised Code including, but not limited to the following: the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Company, Government National Mortgage Association, and Student Loan Marketing Association.
2. Investments may only be made through specified dealers and institutions.
3. Investments in United States Treasury securities and those instruments completely guaranteed by the United States Treasury as to payment of principal and interest may be made in any dollar amount.
4. Investments in Repurchase Agreements and in Certificates of Deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total investment portfolio at the time of purchase in any one institution.
5. Investments in commercial paper notes issued by an entity are defined in division (D) of section 1705.01 of the Ohio Revised Code and have assets exceeding five hundred million dollars (\$500,000,000).
6. Investments may be made in the State Treasurer's investment pool (STAR Ohio).
7. No security will be purchased that has a remaining term to final maturity of more than five years.
8. Investments in eligible securities may be made in either coupon or discount instruments.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

9. Investment portfolio liquidity is defined as the ability to sell a security on short notice near the par value of the security. To help retain desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids. Additionally, total portfolio liquidity shall be assured by keeping an adequate amount of short term (usually 30 days or less) investments in the portfolio to accommodate unexpected cash needs of the City.

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

A. Cash on Hand

At year-end, the City had \$138,760 in undeposited cash on hand which is included on the financial statements of the City as part of “Equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At December 31, 2011, the carrying amount of all City deposits, including certificate of deposits, was \$20,845,696. Based on the criteria described in GASB Statement No. 40 “Deposits and Investment Risk Disclosures”, as of December 31, 2011, \$4,634,965 of the City’s bank balance of \$21,387,734 was exposed to custodial risk as discussed below, while \$16,752,769 was covered by Federal Deposit Insurance Corporation.

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

C. Investments

As of December 31, 2011, the City had the following investments and maturities:

| Investment type | Fair value | Maturities of six months or less | Maturities greater than 12 months but less than 24 months |
|------------------|---------------------|--|---|
| COMMERCIAL PAPER | \$ 998,458 | \$ 998,458 | \$ - |
| FFCB | 1,001,600 | - | 1,001,600 |
| FHLB | 2,009,250 | - | 2,009,250 |
| REPO | 77,822 | 77,822 | - |
| Total | <u>\$ 4,087,130</u> | <u>\$ 1,076,280</u> | <u>\$ 3,010,850</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

Concentration of Credit Risk: The City’s investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2011:

| <u>Investment type</u> | <u>Fair value</u> | <u>% of total</u> |
|------------------------|---------------------|-------------------|
| COMMERCIAL PAPER | \$ 998,458 | 24.43% |
| FFCB | 1,001,600 | 24.51% |
| FHLB | 2,009,250 | 49.16% |
| REPO | 77,822 | 1.90% |
| Total | <u>\$ 4,087,130</u> | <u>100.00%</u> |

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Assets as of December 31, 2011.

| <u>Cash and investments per note</u> | |
|--------------------------------------|----------------------|
| Carrying amount of deposits | \$ 20,845,696 |
| Investments | 4,087,130 |
| Cash on hand | 138,760 |
| Total | <u>\$ 25,071,586</u> |

| <u>Cash and investments per statement of net assets</u> | |
|---|----------------------|
| Governmental activities | \$ 8,757,853 |
| Business-type activities | 15,079,127 |
| Agency funds | 1,234,606 |
| Total | <u>\$ 25,071,586</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following, as reported in the fund financial statements:

| <u>Transfers to</u> | <u>Transfers from</u> | | | | <u>Total</u> |
|--------------------------|-----------------------|------------------------------|------------------------|---------------------------------|-------------------|
| | <u>General</u> | <u>Community development</u> | <u>Safety services</u> | <u>Other governmental funds</u> | |
| Grant fund | \$ 18,861 | \$ - | \$ 4,692 | \$ - | \$ 23,553 |
| Other governmental funds | - | 250,000 | 226,692 | 95,995 | 572,687 |
| Total | \$ 18,861 | \$ 250,000 | \$ 231,384 | \$ 95,995 | \$ 596,240 |

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

B. Interfund loans

Loans to / from other funds consisted of the following at December 31, 2011, as reported in the fund financial statements:

| <u>Loans from other funds</u> | <u>Loans to other funds</u> | | |
|-------------------------------|-----------------------------|-------------------|---------------------|
| | <u>General</u> | <u>Sewer</u> | <u>Total</u> |
| General fund | \$ - | \$ 270,000 | \$ 270,000 |
| Safety services fund | 1,377,188 | - | 1,377,188 |
| Grant fund | 196,927 | - | 196,927 |
| Other governmental funds | 46,425 | - | 46,425 |
| Total | \$ 1,620,540 | \$ 270,000 | \$ 1,890,540 |

In 2002, the City declared it necessary to issue internal bonds between the General fund and the Sewer fund for the purpose of providing temporary funds to the City's General fund. \$1,300,000 of internal bonds was issued to pay police officer and firefighter employer contributions to the Ohio Police and Fire Pension Fund. \$1,200,000 of internal bonds was issued to provide funds to pay the cost of the City's self-insurance program for health care. These internal bonds were sold at par value to the Sewer fund of the City using the restricted sewer replacement and improvement cash. They are due to mature in a period of at least five (5) years or a maximum of twenty (20) years bearing an interest rate of 1.95%. The City will appropriate annually from available income taxes the amount necessary to pay the debt on the internal bonds. The bonds will mature and be payable on December 1, 2022. Interest on the bonds shall be payable on June 1 and December 1 of each year. At December 31, 2011, the balance of this loan is \$270,000.

In order to cover annual operating expenses, the General Fund issued loans to the Safety Services Fund in the amount of \$1,377,188, to the Grant Fund in the amount of \$196,927, and to the Miller Park Fund in the amount of \$46,425. These loans will be repaid in 2012.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - TAXES

A. Property Tax

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property taxes received in 2011 are levied after October 1, 2010 on the assessed value listed as of January 1, 2010, the lien date. Assessed values are established by State laws at 35% of appraised market value. All property is required to be revalued every six years. 2011 real property taxes are collected in and intended to finance 2012. Public utility property taxes are assessed on tangible personal property at 100% of true (market) value and on land and improvements at 88% of true value. Public utilities property taxes received in 2011 became a lien December 31, 2009, were levied after October 1, 2010, and were collected in 2011 with real property taxes. The assessed value upon which the 2011 taxes were collected was \$569,038,870. The full tax rate for all City operations for the fiscal year ended December 31, 2011 was \$3.60 per \$1,000 of assessed valuation.

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits the collections to the City. Property taxes receivables represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2011. 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 2011 operations. The receivable is therefore offset by a credit to deferred revenue.

B. City Income Tax

The City levies an income tax of 1.75% on substantially all earned income arising from employment, residency or business activities inside the City. The first 1.00% of income tax is a permanent levy. An additional .25% of the income tax for street resurfacing became effective July 1, 1985, and was renewed in November 1988, in May of 1993, in May of 1997, in May 2001, in May 2005, and again in May of 2009. It is scheduled to expire June 30, 2013. Effective April 1, 1988, an additional .50% was levied for police and fire activities and was renewed in November of 1991, in May of 1995, in May of 1999, in May of 2003, in May 2007, and again in May 2011. It is scheduled to expire December 31, 2015.

As of December 31, 2011, the City had income taxes receivable of \$3,870,437 from accrued employer withheld income taxes, individual income tax filings, and business income tax filings. \$287,737 of the income tax receivable was accrued from payment plans for delinquent income taxes. The income taxes receivable was divided between the general fund, safety services fund, industrial development fund, street resurfacing fund and airport fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2011, consisted of taxes, accounts (billings for user charged services), special assessments, accrued interest, loans, and intergovernmental receivables arising from grants, entitlements,

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 8 – RECEIVABLES – (Continued)

and shared revenue. All intergovernmental receivables have been classified as “Due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2011, as well as intended to finance fiscal 2011 operations.

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

| <u>Governmental Activities:</u> | | <u>Business-Type Activities:</u> | |
|--|----------------------|---|------------------|
| Taxes | \$ 5,926,282 | Taxes | \$ 140,497 |
| Accounts | 849,939 | Accounts | 4,297,389 |
| Special assessments | 106,607 | Due from other governments | 380,779 |
| Accrued interest | 166,833 | Total | <u>4,818,665</u> |
| Loans | 2,062,696 | | |
| Due from other governments | <u>10,905,107</u> | | |
| Total | <u>\$ 20,017,464</u> | | |

Receivables have been disaggregated on the face of the basic financial statements. Intergovernmental receivables have been further disaggregated in Note 21. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable will be collected annually for a varying number of years. The City has \$101,010 in delinquent special assessments at December 31, 2011. Allowances for uncollectible accounts represent estimates of uncollectible receivables in the accounts classification. An allowance for uncollectible accounts in the amount of \$808,972 and \$50,135 has been reported in the governmental funds and enterprise funds, respectively. These allowances are reflected in the receivable amounts above.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. GASB Statement No. 54 establishes new categories for reporting fund balance and revises the definitions for governmental fund types. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of fund balance on the City’s financial statements.

NOTE 10 – RESTATEMENT OF PRIOR YEAR’S NET ASSETS

The December 31, 2010 Net Assets have been restated due to a change in the City’s capital asset accounting policy. In 2011, the City changed the capital asset capitalization threshold from \$500 to \$5,000. The City also increased the useful life of buildings from 25 years to 50 years, water lines from 30 years to 50 years, and certain equipment from two years to five years. In addition to these changes, classification adjustments were made to assets reported incorrectly in prior years. The net restatement of capital assets for governmental activities amounted to \$293,558.

During 2011, it was determined that expenses related to software implementation should have been capitalized within internal service funds. These costs were capitalized within governmental capital assets for the entity-wide statements. However, the failure to capitalize them in the internal service funds overstated the expenses in the internal service “look-back” adjustments to the entity-wide statements. The

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 – RESTATEMENT OF PRIOR YEAR’S NET ASSETS – (Continued)

internal service fund restatement amounted to \$278,704. In addition, an accounting error of \$70,672 related to prior year expenses was also corrected. The restatement amount for governmental activities is as follows:

| | Total Governmental Activities |
|--|-------------------------------------|
| Net Assets at | |
| December 31, 2010 | \$ 65,251,006 |
| Restatement Amount (Capital assets) | 293,558 |
| Restatement Amount (Prior year expenses) | 278,704 |
| Restatement Amount (Accounting error) | 70,672 |
| Adjusted Net Assets | |
| at January 1, 2011 | \$ 65,893,940 |

The capital assets restatement amounts are as follows:

| | Balance 12/31/2010 | Adjustment | Restated Balance 1/1/2011 |
|---|-----------------------|-------------|---------------------------------|
| <u>Governmental Activities:</u> | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | |
| Land | 4,560,996 | (122,586) | 4,438,410 |
| Construction in Progress | 3,033,422 | 0 | 3,033,422 |
| Total Capital Assets Not Being Depreciated | 7,594,418 | (122,586) | 7,471,832 |
| <i>Capital Assets Being Depreciated</i> | | | |
| Buildings | 15,938,019 | (61,465) | 15,876,554 |
| Improvements Other Than Buildings | 12,277,594 | (90,756) | 12,186,838 |
| Equipment | 19,863,313 | (5,868,272) | 13,995,041 |
| Infrastructure | 120,945,948 | (278,965) | 120,666,983 |
| Total Capital Assets Being Depreciated | 169,024,874 | (6,299,458) | 162,725,416 |
| <i>Less Accumulated Depreciation</i> | | | |
| Buildings | (12,066,027) | 4,116,494 | (7,949,533) |
| Improvements Other Than Buildings | (2,004,687) | (9,082) | (2,013,769) |
| Equipment | (13,810,946) | 2,425,718 | (11,385,228) |
| Infrastructure | (93,693,207) | 182,472 | (93,510,735) |
| Total Accumulated Depreciation | (121,574,867) | 6,715,602 | (114,859,265) |
| Total Capital Asset Being Depreciated, Net | 47,450,007 | 416,144 | 47,866,151 |
| Total Governmental Activities Capital Assets, Net | 55,044,425 | 293,558 | 55,337,983 |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 – RESTATEMENT OF PRIOR YEAR’S NET ASSETS – (Continued)

| | Balance 12/31/2010 | Adjustment | Restated Balance 1/1/2011 |
|--|--------------------------|-------------------------|---------------------------------|
| <u>Business-type Activities:</u> | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | |
| Land | 2,093,705 | (102,287) | 1,991,418 |
| Construction in Progress | 2,262,863 | 0 | 2,262,863 |
| Total Capital Assets Not Being Depreciated | <u>4,356,568</u> | <u>(102,287)</u> | <u>4,254,281</u> |
| <i>Capital Assets Being Depreciated</i> | | | |
| Buildings | 13,379,012 | (54,645) | 13,324,367 |
| Improvements Other Than Buildings | 31,567,340 | 1,370,774 | 32,938,114 |
| Equipment | 13,237,832 | (2,398,258) | 10,839,574 |
| Infrastructure | 63,364,533 | 170,640 | 63,535,173 |
| Total Capital Assets Being Depreciated | <u>121,548,717</u> | <u>(911,489)</u> | <u>120,637,228</u> |
| <i>Less Accumulated Depreciation</i> | | | |
| Buildings | (11,111,726) | 3,539,370 | (7,572,356) |
| Improvements Other Than Buildings | (22,581,934) | (1,092,499) | (23,674,433) |
| Equipment | (11,295,760) | 1,824,882 | (9,470,878) |
| Infrastructure | (38,118,880) | 4,228,300 | (33,890,580) |
| Total Accumulated Depreciation | <u>(83,108,300)</u> | <u>8,500,053</u> | <u>(74,608,247)</u> |
| Total Capital Asset Being Depreciated, Net | <u>38,440,417</u> | <u>7,588,564</u> | <u>46,028,981</u> |
| Total Business-type Activities Capital Assets, Net | <u><u>42,796,985</u></u> | <u><u>7,486,277</u></u> | <u><u>50,283,262</u></u> |

The enterprise funds and business-type activities restatement amounts are as follows:

| | Enterprise Funds | | | | Total Business-type Activities |
|---|-----------------------------|-----------------------------|----------------------------|-----------------------------|--------------------------------------|
| | Water Fund | Sewer Fund | Airport Fund | Total | |
| Net Assets at | | | | | |
| December 31, 2010 | \$ 14,119,953 | \$ 35,837,265 | \$ 2,699,154 | \$ 52,656,372 | \$ 52,550,390 |
| Restatement Amount | <u>4,392,265</u> | <u>2,714,496</u> | <u>379,516</u> | <u>7,486,277</u> | <u>7,486,277</u> |
| Adjusted Net Assets at January 1, 2011 | <u><u>\$ 18,512,218</u></u> | <u><u>\$ 38,551,761</u></u> | <u><u>\$ 3,078,670</u></u> | <u><u>\$ 60,142,649</u></u> | <u><u>\$ 60,036,667</u></u> |

The internal service fund restatement amounts are as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 – RESTATEMENT OF PRIOR YEAR’S NET ASSETS – (Continued)

| | Affected Internal Service Funds | | | | Total Internal Service Funds |
|---|---------------------------------|---------------------------|------------------------|------------------|------------------------------------|
| | Garage Operating | Information Technology | Utility Collections | Total | |
| Net Assets at | | | | | |
| December 31, 2010 | \$ (85,452) | \$ (2,935) | \$ (149,884) | \$ (238,271) | \$ (933,430) |
| Restatement Amount | (9,306) | 17,342 | 270,668 | 278,704 | 278,704 |
| Adjusted Net Assets at January 1, 2011 | <u>\$ (94,758)</u> | <u>\$ 14,407</u> | <u>\$ 120,784</u> | <u>\$ 40,433</u> | <u>\$ (654,726)</u> |

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

| <u>Governmental Activities:</u> | Restated Balance 01/01/11 | <u>Additions</u> | <u>Reductions</u> | Balance 12/31/11 |
|---|---------------------------------|---------------------|---------------------|----------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 4,438,410 | \$ 143,280 | \$ (78,497) | \$ 4,503,193 |
| Construction in progress | <u>3,033,422</u> | <u>3,121,447</u> | <u>-</u> | <u>6,154,869</u> |
| Total capital assets, not being depreciated | <u>7,471,832</u> | <u>3,264,727</u> | <u>(78,497)</u> | <u>10,658,062</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | 15,876,554 | - | - | 15,876,554 |
| Improvements other than buildings | 12,186,838 | - | - | 12,186,838 |
| Machinery and equipment | 13,995,041 | 357,200 | (461,964) | 13,890,277 |
| Infrastructure | <u>120,666,983</u> | <u>2,720,307</u> | <u>-</u> | <u>123,387,290</u> |
| Total capital assets, being depreciated | <u>162,725,416</u> | <u>3,077,507</u> | <u>(461,964)</u> | <u>165,340,959</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Buildings | (7,949,533) | (310,158) | - | (8,259,691) |
| Improvements other than buildings | (2,013,769) | (480,098) | - | (2,493,867) |
| Machinery and equipment | (11,385,228) | (981,154) | 363,551 | (12,002,831) |
| Infrastructure | <u>(93,510,735)</u> | <u>(1,022,754)</u> | <u>-</u> | <u>(94,533,489)</u> |
| Total accumulated depreciation | <u>(114,859,265)</u> | <u>(2,794,164)</u> | <u>363,551</u> | <u>(117,289,878)</u> |
| Total capital assets, being depreciated, net | <u>47,866,151</u> | <u>283,343</u> | <u>(98,413)</u> | <u>48,051,081</u> |
| Governmental activities capital assets, net | <u>\$ 55,337,983</u> | <u>\$ 3,548,070</u> | <u>\$ (176,910)</u> | <u>\$ 58,709,143</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - CAPITAL ASSETS - (Continued)

| <u>Business-Type Activities:</u> | Restated Balance <u>01/01/11</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>12/31/11</u> |
|---|--|-----------------------|--------------------|----------------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 1,991,418 | \$ - | \$ (26,910) | \$ 1,964,508 |
| Construction in progress | <u>2,262,863</u> | <u>160,080</u> | <u>-</u> | <u>2,422,943</u> |
| Total capital assets, not being depreciated | <u>4,254,281</u> | <u>160,080</u> | <u>(26,910)</u> | <u>4,387,451</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | 13,324,367 | - | - | 13,324,367 |
| Improvements other than buildings | 32,938,114 | - | - | 32,938,114 |
| Machinery and equipment | 10,839,574 | 93,774 | (57,645) | 10,875,703 |
| Infrastructure | <u>63,535,173</u> | <u>486,265</u> | <u>-</u> | <u>64,021,438</u> |
| Total capital assets, being depreciated | <u>120,637,228</u> | <u>580,039</u> | <u>(57,645)</u> | <u>121,159,622</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Buildings | (7,572,356) | (200,504) | - | (7,772,860) |
| Improvements other than buildings | (23,674,433) | (829,462) | - | (24,503,895) |
| Machinery and equipment | (9,470,878) | (267,568) | 41,138 | (9,697,308) |
| Infrastructure | <u>(33,890,580)</u> | <u>(1,758,644)</u> | <u>-</u> | <u>(35,649,224)</u> |
| Total accumulated depreciation | <u>(74,608,247)</u> | <u>(3,056,178)</u> | <u>41,138</u> | <u>(77,623,287)</u> |
| Total capital assets, being depreciated, net | <u>46,028,981</u> | <u>(2,476,139)</u> | <u>(16,507)</u> | <u>43,536,335</u> |
| Business-type activities capital assets, net | <u>\$ 50,283,262</u> | <u>\$ (2,316,059)</u> | <u>\$ (43,417)</u> | <u>\$ 47,923,786</u> |

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

Governmental activities:

| | |
|---------------------------|------------|
| General government | \$ 763,264 |
| Public safety | 752,186 |
| Public health and welfare | 885 |
| Transportation | 1,190,200 |
| Community environment | 1,213 |
| Leisure time activities | 52,425 |

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets 33,991

Total depreciation expense - governmental activities \$ 2,794,164

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - CAPITAL ASSETS - (Continued)

Business -type activities:

| | |
|---|---------------------|
| Water | \$ 693,699 |
| Sewer | 2,208,658 |
| Other enterprise fund | <u>153,821</u> |
| Total depreciation expense - business-type activities | <u>\$ 3,056,178</u> |

NOTE 12 - COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. For sworn police and fire personnel, vacation leave is accrued on January 1 of every year regardless of employee's anniversary date. Vacation time valued at \$181,436 will accrue on January 1, 2012 and is not reflected in the financial statements. For sworn police officers, vacation balances unused at December 31 can be carried over and accumulated for up to three years, upon request. Any unused vacation in excess of three years is lost. For all other City employees (except fire personnel), vacation leave is accrued on their anniversary date and the vacation earned may be carried over and accumulated for up to three years. Any unused vacation in excess of three years is lost. These amounts are reflected in the basic financial statements. Upon separation from the City, the employee (or their estate) is paid for their accumulated unused vacation leave balance.

B. Accumulated Unpaid Sick Leave

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

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

NOTE 13 - OPERATING LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's basic financial statements. Total costs for such leases were \$102,032 for the year ended December 31, 2011. 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, 2011:

| <u>Year Ended December 31</u> | <u>Amount</u> |
|---------------------------------|-------------------|
| 2012 | \$ 51,018 |
| 2013 | 37,792 |
| 2014 | <u>28,114</u> |
| Total minimum payments required | <u>\$ 116,924</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During 2011, the following changes occurred in the City's long-term obligations:

| <i>Governmental Activities:</i> | <u>Interest</u> <u>Rate</u> | <u>Maturity</u> <u>Date</u> | <u>Balance</u> <u>1/1/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/11</u> | <u>Due in</u> <u>One Year</u> |
|--|--------------------------------|--------------------------------|---------------------------------|---------------------|-----------------------|-----------------------------------|----------------------------------|
| <u>General Obligation Bonds</u> | | | | | | | |
| Series 2002 Various Purpose Bonds | 2.05-5.00% | 2022 | \$ 2,830,000 | \$ - | \$ (270,000) | \$ 2,560,000 | \$ 285,000 |
| Series 2009 Various Purpose Bonds | 4.00-6.00% | 2029 | <u>2,535,000</u> | <u>-</u> | <u>(85,000)</u> | <u>2,450,000</u> | <u>90,000</u> |
| Total general obligation bonds | | | <u>5,365,000</u> | <u>-</u> | <u>(355,000)</u> | <u>5,010,000</u> | <u>375,000</u> |
| <u>Other Long-Term Obligations</u> | | | | | | | |
| Notes payable | 0.64-2.78% | 2011-2015 | 300,000 | - | (70,000) | 230,000 | 70,000 |
| Police and Fire Pension Liability | 4.30% | 2035 | 1,186,338 | - | (28,360) | 1,157,978 | 29,579 |
| Compensated absences | | | <u>4,728,411</u> | <u>1,251,462</u> | <u>(1,498,269)</u> | <u>4,481,604</u> | <u>1,466,943</u> |
| Total other long-term obligations | | | <u>6,214,749</u> | <u>1,251,462</u> | <u>(1,596,629)</u> | <u>5,869,582</u> | <u>1,566,522</u> |
| Total governmental activities long-term obligations | | | <u>\$ 11,579,749</u> | <u>\$ 1,251,462</u> | <u>\$ (1,951,629)</u> | <u>\$ 10,879,582</u> | <u>\$ 1,941,522</u> |

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

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

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

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14 - LONG-TERM OBLIGATIONS – (Continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011 are as follows:

| <u>Year Ended December 31,</u> | <u>Police and Fire Pension Liability</u> | | |
|------------------------------------|--|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2012 | \$ 29,579 | \$ 48,903 | \$ 78,482 |
| 2013 | 30,849 | 47,633 | 78,482 |
| 2014 | 32,174 | 46,308 | 78,482 |
| 2015 | 33,556 | 44,926 | 78,482 |
| 2016 | 34,998 | 43,484 | 78,482 |
| 2017 - 2021 | 198,870 | 193,540 | 392,410 |
| 2022 - 2026 | 245,408 | 147,002 | 392,410 |
| 2027 - 2031 | 302,837 | 89,572 | 392,409 |
| 2032 - 2035 | 249,707 | 21,452 | 271,159 |
| Total | <u>\$ 1,157,978</u> | <u>\$ 682,820</u> | <u>\$ 1,840,798</u> |

| <u>Year Ended December 31,</u> | <u>Notes Payable</u> | | |
|------------------------------------|----------------------|-----------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2012 | \$ 70,000 | \$ 3,240 | \$ 73,240 |
| 2013 | 70,000 | 2,638 | 72,638 |
| 2014 | 70,000 | 1,700 | 71,700 |
| 2015 | 20,000 | 440 | 20,440 |
| Total | <u>\$ 230,000</u> | <u>\$ 8,018</u> | <u>\$ 238,018</u> |

| <u>Year Ended December 31,</u> | <u>General Obligation Bonds</u> | | |
|------------------------------------|---------------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2012 | \$ 375,000 | \$ 250,035 | \$ 625,035 |
| 2013 | 270,000 | 234,463 | 504,463 |
| 2014 | 285,000 | 223,124 | 508,124 |
| 2015 | 295,000 | 210,867 | 505,867 |
| 2016 | 315,000 | 198,069 | 513,069 |
| 2017 - 2021 | 1,825,000 | 752,478 | 2,577,478 |
| 2022 - 2026 | 1,065,000 | 312,825 | 1,377,825 |
| 2027 - 2029 | 580,000 | 65,175 | 645,175 |
| Total | <u>\$ 5,010,000</u> | <u>\$ 2,247,036</u> | <u>\$ 7,257,036</u> |

At December 31, 2011, the City's legal voted and unvoted debt margin was \$54,838,843 and \$26,386,900, respectively.

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14 - LONG-TERM OBLIGATIONS – (Continued)

B. Business-Type activities long-term obligations

The following changes occurred in the City’s business-type activities long-term obligations during 2011:

| <i>Business-Type Activities:</i> | <u>Interest</u> <u>Rate</u> | <u>Maturity</u> <u>Date</u> | <u>Balance</u> <u>1/1/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/11</u> | <u>Due in</u> <u>One Year</u> |
|--|--------------------------------|--------------------------------|---------------------------------|-------------------|-----------------------|-----------------------------------|----------------------------------|
| <u>General Obligation Bonds:</u> | | | | | | | |
| Series 2008 Waterworks Refunding | 3.50% | 2013 | \$ 1,060,000 | \$ - | \$ (420,000) | \$ 640,000 | \$ 415,000 |
| Series 2009 Various Purpose Bonds | 4.00-6.00% | 2029 | <u>1,045,000</u> | <u>-</u> | <u>(35,000)</u> | <u>1,010,000</u> | <u>35,000</u> |
| Total general obligation bonds | | | <u>2,105,000</u> | <u>-</u> | <u>(455,000)</u> | <u>1,650,000</u> | <u>450,000</u> |
| <u>Other long-term obligations:</u> | | | | | | | |
| Notes payable | 0.00%-1.00% | 2017 | 1,477,574 | 379,475 | (19,381) | 1,837,668 | 9,691 |
| Compensated absences | | | <u>1,074,276</u> | <u>476,221</u> | <u>(529,252)</u> | <u>1,021,245</u> | <u>472,775</u> |
| Total other long-term obligations | | | <u>2,551,850</u> | <u>855,696</u> | <u>(548,633)</u> | <u>2,858,913</u> | <u>482,466</u> |
| Total business-type activities long-term obligations | | | <u>\$ 4,656,850</u> | <u>\$ 855,696</u> | <u>\$ (1,003,633)</u> | <u>\$ 4,508,913</u> | <u>\$ 932,466</u> |

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

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

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

In 2010, the City issued \$1,241,597 in Ohio Water Development Authority (OWDA) Notes for water and sewer line extensions at the new Reid Industrial Park. In 2011, an additional \$379,475 in OWDA Notes was issued. The City is expecting an additional \$155,123 in note proceeds for this project. Repayments of these notes are interest only until January 1, 2016. These notes will be repaid from the water and sewer funds. A complete amortization schedule will not be available until all note proceeds have been disbursed.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011 are as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14 - LONG-TERM OBLIGATIONS – (Continued)

| Year Ended December 31, | General Obligation Bonds | | |
|----------------------------|--------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2012 | \$ 450,000 | \$ 74,831 | \$ 524,831 |
| 2013 | 265,000 | 58,906 | 323,906 |
| 2014 | 40,000 | 49,432 | 89,432 |
| 2015 | 40,000 | 47,831 | 87,831 |
| 2016 | 45,000 | 46,231 | 91,231 |
| 2017 - 2021 | 245,000 | 201,100 | 446,100 |
| 2022 - 2026 | 325,000 | 123,150 | 448,150 |
| 2027 - 2029 | 240,000 | 26,950 | 266,950 |
| Total | <u>\$ 1,650,000</u> | <u>\$ 628,431</u> | <u>\$ 2,278,431</u> |

| Year Ended December 31, | Notes Payable | | |
|----------------------------|-------------------|-------------|-------------------|
| | Principal | Interest | Total |
| 2012 | \$ 9,691 | \$ - | \$ 9,691 |
| 2013 | 19,381 | - | 19,381 |
| 2014 | 19,381 | - | 19,381 |
| 2015 | 19,381 | - | 19,381 |
| 2016 | 19,381 | - | 19,381 |
| 2017 - 2021 | 59,381 | - | 59,381 |
| 2022 - 2026 | 50,000 | - | 50,000 |
| 2027 - 2028 | 20,000 | - | 20,000 |
| Total | <u>\$ 216,596</u> | <u>\$ -</u> | <u>\$ 216,596</u> |

NOTE 15 - RISK MANAGEMENT

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

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

Each participant makes an annual “contribution” to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a “surplus contribution” that is used to build the Pool’s retained earning account to fund the activities of the Pool. During 2010 and 2011, the City made contributions in the amounts

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 15 - RISK MANAGEMENT - (Continued)

of \$390,594 and \$401,868, and surplus contributions to the Pool in the amounts of \$43,399 and \$44,652, respectively.

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

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

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

The aviation liability is purchased from a commercial insurance company.

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

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

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

Medical and Dental insurance is provided through a self-insured program. An internal service fund was established to account for and finance this program. This plan provides medical coverage with a \$200 single deductible, \$400 family deductible, and a dental plan that pays 100% preventive maintenance costs for employees only. A third party administrator, E.S. Beveridge & Associates, Inc., reviews all claims which are paid by the City. The City pays into the self-insurance internal service fund an amount equal to \$610 single coverage and \$1,517 family coverage per employee per month. A portion of the amount paid into the self-insurance internal service fund is paid by the employees through payroll deduction. The amount depends on the employee's type of coverage. Each fund is billed monthly based upon the number of eligible employees receiving health and dental benefits with adjustments made for prior claims and administrative costs.

The liability for unpaid claims costs of \$1,023,350 reported in the internal service fund at December 31, 2011 is based on the requirements of GASB Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. Estimates for unpaid claims are based on available information.

Changes in the self-insurance fund's claims liability amount for 2010 and 2011 were as follows:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 15 - RISK MANAGEMENT - (Continued)

| | <u>Balance at Beginning of Year</u> | <u>Current Year Claims</u> | <u>Claim Payments</u> | <u>Balance at End of Year</u> |
|------|---|--------------------------------|---------------------------|-----------------------------------|
| 2011 | \$ 680,861 | \$ 6,001,463 | \$ (5,658,974) | \$ 1,023,350 |
| 2010 | \$ 583,540 | \$ 5,706,181 | \$ (5,608,860) | \$ 680,861 |

NOTE 16 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 17 – POLLUTION REMEDIATION ACTIVITIES

The Ohio Department of Development awarded the City a Clean Ohio Assistance Fund Grant in the amount of \$233,500 for the phase II environmental assessment of the former Rable Machine property on Touby Court. This project is under contract and is 90% complete as of December 31, 2011. This project will be completed during the first quarter of 2012.

Environmental remediation of the former Mansfield Foundry property moved forward during 2011 and is approximately 95% complete as of December 31, 2011. The balance of the project will be completed in 2012. The projected cost of the remediation is \$5,000,000 and is covered by an insurance claim with ACE Insurance.

NOTE 18 – FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 18 – FUND BALANCE – (Continued)

| Fund Balances | General | Community Development | Safety Services | Grant | Other Governmental | Total |
|---------------------------|----------------------------|----------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|
| <u>Nonspendable:</u> | | | | | | |
| Inventory | \$ 49,520 | \$ 227 | \$ 47,966 | \$ 36,844 | \$ 167,089 | \$ 301,646 |
| <i>Total Nonspendable</i> | <u>49,520</u> | <u>227</u> | <u>47,966</u> | <u>36,844</u> | <u>167,089</u> | <u>301,646</u> |
| <u>Restricted for:</u> | | | | | | |
| Unclaimed Money | 100,313 | - | - | - | - | 100,313 |
| Drug Enforcement | 2,591 | - | - | - | 27,308 | 29,899 |
| Development | - | 1,352,566 | - | - | 155,073 | 1,507,639 |
| Court Operations | - | - | - | - | 289,038 | 289,038 |
| Debt Service | - | - | - | - | 99,762 | 99,762 |
| Grants | - | - | - | 154,028 | 56,357 | 210,385 |
| Transportation | - | - | - | - | 5,157,508 | 5,157,508 |
| Safety Services | - | - | - | - | 71,301 | 71,301 |
| Indigent Drivers | - | - | - | - | 133,940 | 133,940 |
| <i>Total Restricted</i> | <u>102,904</u> | <u>1,352,566</u> | <u>-</u> | <u>154,028</u> | <u>5,990,287</u> | <u>7,599,785</u> |
| <u>Committed for:</u> | | | | | | |
| Glenwood/Parkwood | 4,288 | - | - | - | - | 4,288 |
| Safety Town | 2,624 | - | - | - | - | 2,624 |
| Shade Tree | 7 | - | - | - | - | 7 |
| Regional Comm Adv. | - | - | - | - | 134,290 | 134,290 |
| Development | - | - | - | - | 1,286,529 | 1,286,529 |
| Court Operations | - | - | - | - | 506,111 | 506,111 |
| Walmart Project | - | - | - | - | 12,223 | 12,223 |
| <i>Total Committed</i> | <u>6,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,939,153</u> | <u>1,946,072</u> |
| <u>Assigned to:</u> | | | | | | |
| Adopt-a-park | 4,390 | - | - | - | - | 4,390 |
| 2012 Appropriations | 515,038 | - | - | - | - | 515,038 |
| General Government | 37,267 | - | - | - | - | 37,267 |
| <i>Total Assigned</i> | <u>556,695</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>556,695</u> |
| Unassigned: | <u>2,709,874</u> | <u>-</u> | <u>(526,512)</u> | <u>-</u> | <u>-</u> | <u>2,183,362</u> |
| Total Fund Balance | <u><u>\$ 3,425,912</u></u> | <u><u>\$ 1,352,793</u></u> | <u><u>\$ (478,546)</u></u> | <u><u>\$ 190,872</u></u> | <u><u>\$ 8,096,529</u></u> | <u><u>\$ 12,587,560</u></u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 19 - DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System

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

OPERS administers three separate pension plans as described below:

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. Members in the state and local divisions may participate in all three plans. The 2011 member contribution rates were 10.00% for members in state and local classifications. The 2011 employer contribution rates were 14.00% of covered payroll.

The City's contributions to OPERS for the years ending December 31, 2011, 2010 and 2009 were \$1,610,174, \$1,770,305, and \$1,863,328, respectively. The full amount has been contributed for 2009 and 2010, and 92.65% has been contributed for 2011 with the remainder being reported as a liability in the respective funds.

B. Ohio Police and Fire Pension Fund

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 19 - DEFINED BENEFIT PENSION PLANS – (Continued)

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

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

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

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

Contributions by the City to the OP&F for police officers for the year ended December 31, 2011, 2010, and 2009 were \$891,281, \$950,627 and \$1,001,762, respectively, and for firefighters the contributions were \$1,269,233, \$1,443,540, and \$1,449,014, respectively. The full amount has been contributed for 2009 and 2010. For police officers and firefighters, 73.42% and 75.32%, respectively, have been contributed for 2011 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, 2011, the unfunded liability of the City was \$1,157,978 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as a component of governmental activities long-term obligations.

NOTE 20 - POSTEMPLOYMENT BENEFIT PLANS

In addition to the pension benefits described previously, both OPERS and OP&F provide post-retirement health care coverage commonly referred to as OPEB. The health care coverage provided is considered an OPEB under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension* (GASB 45). For both systems, the Ohio Revised Code provides the authority for public employers to fund post-retirement health care through their contributions.

A. Ohio Public Employees Retirement System

1. Plan Description

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 20 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

2. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during 2011. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

3. Contributions

The City's total contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$1,610,174, \$1,770,305, and \$1,863,328 respectively, of which \$460,027, \$642,257, and \$931,664 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2009 and 2010, and 92.65% has been contributed for 2011.

4. Health Care Preservation Plan

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

CITY OF MANSFIELD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 20 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

B. Ohio Police and Fire Pension Fund

1. Plan Description

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

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

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

2. Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 20 - POSTEMPLOYMENT BENEFIT PLANS – (Continued)

3. Contributions

The City of Mansfield’s contributions to the OP&F for police officers for the years ended December 31, 2011, 2010, and 2009 were \$891,281, \$950,627, and \$1,001,762 respectively, of which \$308,383, \$328,917, and \$346,610 was allocated to the healthcare plan. Total contributions by the City to the OP&F for firefighters for the year ended December 31, 2011, 2010, and 2009 were \$1,269,233, \$1,443,540, and \$1,449,014 respectively, of which \$356,654, \$405,635, and \$407,173 respectively, was allocated to the healthcare plan. The full amount has been contributed for 2009 and 2010. For police officers and firefighters, 73.42% and 75.32%, respectively, have been contributed for 2011.

NOTE 21 - INTERGOVERNMENTAL RECEIVABLES

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

| | |
|---|---------------------|
| Grant fund: | |
| Airport improvement grant | \$ 625,213 |
| Airport west industrial park grant | 257 |
| Bulletproof vest grant | 13,386 |
| Byrne grants | 30,530 |
| Community corrections grant | 49,124 |
| COPS hiring recovery grant | 501,080 |
| Coverdell forensic grant | 21,295 |
| Crime victims grant | 38,421 |
| DNA Backlog grants | 477,266 |
| Drug prevention grant | 11,763 |
| High visibility grant | 37,042 |
| JAG grant | 13,902 |
| Landfill grading/drainage grant | 80,877 |
| Metrich grant | 28,454 |
| Metrich grant match from various agencies | 41,730 |
| Officer recall grant | 50,000 |
| PAL mentoring grant | 21,146 |
| Reid industrial park grant | 711,072 |
| Solid waste grant | 5,000 |
| Safe routes to school grant | 100,431 |
| Sewer inflow/infiltration grant | 13,481 |
| Veterans court grant | 100,000 |
| Violent crimes grant | <u>8,653</u> |
| Total Grant fund | <u>\$ 2,980,123</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 21 - INTERGOVERNMENTAL RECEIVABLES – (Continued)

| | |
|--|---------------------|
| Sewer fund: | |
| City of Ontario sewer agreement | \$ 184,762 |
| Richland County sewer agreement | <u>196,017</u> |
| Total Sewer fund | <u>\$ 380,779</u> |
| | |
| General fund: | |
| Cigarette licenses | \$ 240 |
| Court apportionment | 13,214 |
| Estate and inheritance tax | 447,771 |
| Homestead/Rollback | 115,000 |
| Local government funds | 1,108,506 |
| Personal property tax | 49 |
| Public defenders reimbursement | 46,533 |
| Richland County share of judges salaries | 88,794 |
| State liquor permit fees | 55,981 |
| State shared revenue | <u>11,691</u> |
| Total General fund | <u>\$ 1,887,779</u> |
| | |
| Safety Services fund: | |
| Homestead/Rollback | \$ 22,500 |
| Police fees | 13,089 |
| Personal property tax | 10 |
| State shared revenue | <u>974</u> |
| Total Safety Services fund | <u>\$ 36,573</u> |
| | |
| Community Development fund: | |
| CDBG and HOME grants | <u>\$ 4,373,876</u> |
| Total Community Development fund | <u>\$ 4,373,876</u> |
| | |
| Other governmental funds: | |
| Gasoline tax | \$ 862,429 |
| Indigent drivers treatment | 9,575 |
| Industrial development grant | 138,464 |
| Motor vehicle registration | 275,299 |
| Nutrition grant | 53,969 |
| Ohio Department of Development grants | 191,053 |
| Regional Community Advancement contracts | <u>95,967</u> |
| Total other governmental funds | <u>\$ 1,626,756</u> |

CITY OF MANSFIELD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 22 – CONTRACTUAL COMMITMENTS

At December 31, 2011, the City’s significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid | Remaining on Contract |
|--------------------------------------|---------------------|---------------------|--------------------------|
| Software | \$ 348,244 | \$ 344,644 | \$ 3,600 |
| Middle Bellville Road Improvements | 134,715 | 84,437 | 50,278 |
| I71 / SR13 Intersection Improvements | 125,057 | 118,468 | 6,589 |
| Engineering Services | 175,000 | 101,012 | 73,988 |
| Street Resurfacing | 2,837,119 | 2,638,273 | 198,846 |
| Taxiway Lighting | 67,586 | 19,338 | 48,248 |
| Reid Industrial Park | 892,711 | 869,161 | 23,550 |
| Airport Wildlife Fence | 73,900 | 42,431 | 31,469 |
| Signal Relamping | 151,058 | 45,546 | 105,512 |
| Environmental Assessments | 233,500 | 138,464 | 95,036 |
| Service Equipment | 70,993 | 0 | 70,993 |
| Totals | <u>\$ 5,109,883</u> | <u>\$ 4,401,774</u> | <u>\$ 708,109</u> |

NOTE 23 – BUDGETARY NONCOMPLIANCE

At December 31, 2011, contrary to Ohio Revised Code Section 5705.39, original and final appropriations exceeded estimated resources in the general fund by \$924,866 and \$1,025,260, respectively. Original and final appropriations exceeded estimated resources in the safety services fund by \$617,288 and \$981,783, respectively.

NOTE 24 – FISCAL EMERGENCY

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

In accordance with Section 118.06 of the Ohio Revised Code, the City is required to submit to the Commission a financial recovery plan for the City which outlines the measures to be taken to eliminate the fiscal emergency conditions. The City adopted its initial financial recovery plan in February 2011. This plan was subsequently updated in June 2012.

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

As of December 31, 2011, the City has not determined when the situation will be resolved.

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The following are the nonmajor special revenue funds which the City of Mansfield operates:

Street Construction Maintenance and Repair:

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

State Highway:

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

Regional Community Advancement:

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

Drug Law Enforcement:

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

Law Enforcement:

To account for monies collected from the sale of contraband.

Permissive Sales Tax:

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

Industrial Development:

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

Indigent Drivers Alcohol Treatment:

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

Court Computerization:

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

Local Law Enforcement Block Grant:

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

Probation Services:

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

Court Costs:

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

Nonmajor Debt Service Fund

Debt Service:

To account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

To account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities, other than those financed by the proprietary or permanent funds. The following is a description of all the City's nonmajor capital projects funds:

Street Resurfacing:

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

Issue II Improvement:

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

Miller Park Project:

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

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|--------------------------------------|----------------------------------|---------------------------------------|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 3,242,806 | \$ 99,762 | \$ 3,201,742 | \$ 6,544,310 |
| Cash and cash equivalents with fiscal agent | 6,483 | - | 9,394 | 15,877 |
| Receivables (net of allowances of uncollectibles): | | | | |
| Taxes | 1,548 | - | 553,086 | 554,634 |
| Accounts | 59,970 | - | 6,040 | 66,010 |
| Accrued interest | 32,658 | - | - | 32,658 |
| Loans | 1,026,981 | - | - | 1,026,981 |
| Due from other governments | 1,435,703 | - | 191,053 | 1,626,756 |
| Materials and supplies inventory | 167,089 | - | - | 167,089 |
| Total assets | <u>\$ 5,973,238</u> | <u>\$ 99,762</u> | <u>\$ 3,961,315</u> | <u>\$ 10,034,315</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 61,316 | \$ - | \$ 118,761 | \$ 180,077 |
| Contracts payable | 26,798 | - | 116,327 | 143,125 |
| Retainage payable | 6,483 | - | 9,394 | 15,877 |
| Loans from other funds | - | - | 46,425 | 46,425 |
| Accrued wages and benefits | 30,108 | - | - | 30,108 |
| Due to other governments | 74,332 | - | - | 74,332 |
| Deferred revenue | 1,083,026 | - | 364,816 | 1,447,842 |
| Total liabilities | <u>1,282,063</u> | <u>-</u> | <u>655,723</u> | <u>1,937,786</u> |
| Fund Balances: | | | | |
| Nonspendable | 167,089 | - | - | 167,089 |
| Restricted | 2,584,933 | 99,762 | 3,305,592 | 5,990,287 |
| Committed | 1,939,153 | - | - | 1,939,153 |
| Total fund balances | <u>4,691,175</u> | <u>99,762</u> | <u>3,305,592</u> | <u>8,096,529</u> |
| Total liabilities and fund balances | <u>\$ 5,973,238</u> | <u>\$ 99,762</u> | <u>\$ 3,961,315</u> | <u>\$ 10,034,315</u> |

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

| | <u>Street Construction Maintenance and Repair</u> | <u>State Highway</u> | <u>Regional Community Advancement</u> | <u>Drug Law Enforcement</u> |
|---|---|--------------------------|---|---------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 578,480 | \$ 31,927 | \$ 142,717 | \$ 27,308 |
| Cash and cash equivalents with fiscal agent | 6,483 | - | - | - |
| Receivables (net of allowances of uncollectibles): | | | | |
| Taxes | - | - | - | - |
| Accounts | - | - | - | - |
| Accrued interest. | - | - | - | - |
| Loans | - | - | - | - |
| Due from other governments | 1,052,397 | 85,331 | 149,936 | - |
| Materials and supplies inventory | 155,990 | - | - | - |
| Total assets. | <u>\$ 1,793,350</u> | <u>\$ 117,258</u> | <u>\$ 292,653</u> | <u>\$ 27,308</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 3,105 | \$ - | \$ 6,448 | \$ - |
| Contracts payable | 47 | - | - | - |
| Retainage payable | 6,483 | - | - | - |
| Accrued wages and benefits | 6,942 | - | 9,585 | - |
| Due to other governments | 13,993 | - | 28,482 | - |
| Deferred revenue | 886,888 | 71,912 | 113,848 | - |
| Total liabilities. | <u>917,458</u> | <u>71,912</u> | <u>158,363</u> | <u>-</u> |
| Fund Balances: | | | | |
| Nonspendable | 155,990 | - | - | - |
| Restricted | 707,679 | 45,346 | - | 27,308 |
| Committed | 12,223 | - | 134,290 | - |
| Total fund balances | <u>875,892</u> | <u>45,346</u> | <u>134,290</u> | <u>27,308</u> |
| Total liabilities and fund balances | <u>\$ 1,793,350</u> | <u>\$ 117,258</u> | <u>\$ 292,653</u> | <u>\$ 27,308</u> |

| Law Enforcement | Permissive Sales Tax | Industrial Development | Indigent Drivers Alcohol Treatment | Court Computerization | Local Law Enforcement Block Grant |
|------------------------|-----------------------------|-------------------------------|---|------------------------------|--|
| \$ 72,724 | \$ 1,327,847 | \$ 106,452 | \$ 134,292 | \$ 195,037 | \$ 56,357 |
| - | - | - | - | - | - |
| - | - | 1,548 | - | - | - |
| - | - | 17 | 1,178 | 13,816 | - |
| - | - | 32,658 | - | - | - |
| - | - | 1,026,981 | - | - | - |
| - | - | 138,464 | 9,575 | - | - |
| - | - | - | - | 8,797 | - |
| <u>\$ 72,724</u> | <u>\$ 1,327,847</u> | <u>\$ 1,306,120</u> | <u>\$ 145,045</u> | <u>\$ 217,650</u> | <u>\$ 56,357</u> |
| \$ 19 | \$ 47,132 | \$ 261 | \$ - | \$ 2,824 | \$ - |
| - | 26,751 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,340 | - | 892 | - |
| 1,404 | - | 17,187 | 1,530 | 1,973 | - |
| - | - | 803 | 9,575 | - | - |
| <u>1,423</u> | <u>73,883</u> | <u>19,591</u> | <u>11,105</u> | <u>5,689</u> | <u>-</u> |
| - | - | - | - | 8,797 | - |
| 71,301 | 1,253,964 | - | 133,940 | 203,164 | 56,357 |
| - | - | 1,286,529 | - | - | - |
| <u>71,301</u> | <u>1,253,964</u> | <u>1,286,529</u> | <u>133,940</u> | <u>211,961</u> | <u>56,357</u> |
| <u>\$ 72,724</u> | <u>\$ 1,327,847</u> | <u>\$ 1,306,120</u> | <u>\$ 145,045</u> | <u>\$ 217,650</u> | <u>\$ 56,357</u> |

(continued)

CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2011

| | <u>Probation Services</u> | <u>Court Costs</u> | <u>Total</u> |
|---|-------------------------------|------------------------|---------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 78,224 | \$ 491,441 | \$ 3,242,806 |
| Cash and cash equivalents with fiscal agent | - | - | 6,483 |
| Receivables (net of allowances of uncollectibles): | | | |
| Taxes | - | - | 1,548 |
| Accounts | 11,638 | 33,321 | 59,970 |
| Accrued interest. | - | - | 32,658 |
| Loans | - | - | 1,026,981 |
| Due from other governments | - | - | 1,435,703 |
| Materials and supplies inventory | 2,302 | - | 167,089 |
| Total assets. | <u>\$ 92,164</u> | <u>\$ 524,762</u> | <u>\$ 5,973,238</u> |
| Liabilities: | | | |
| Accounts payable. | \$ 325 | \$ 1,202 | \$ 61,316 |
| Contracts payable | - | - | 26,798 |
| Retainage payable | - | - | 6,483 |
| Accrued wages and benefits | 3,213 | 8,136 | 30,108 |
| Due to other governments | 450 | 9,313 | 74,332 |
| Deferred revenue | - | - | 1,083,026 |
| Total liabilities. | <u>3,988</u> | <u>18,651</u> | <u>1,282,063</u> |
| Fund Balances: | | | |
| Nonspendable | 2,302 | - | 167,089 |
| Restricted | 85,874 | - | 2,584,933 |
| Committed | - | 506,111 | 1,939,153 |
| Total fund balances | <u>88,176</u> | <u>506,111</u> | <u>4,691,175</u> |
| Total liabilities and fund balances | <u>\$ 92,164</u> | <u>\$ 524,762</u> | <u>\$ 5,973,238</u> |

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CITY OF MANSFIELD, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2011

| | Street Resurfacing | Miller Park Project | Total |
|---|-------------------------------|--------------------------------|--------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 2,976,192 | \$ 225,550 | \$ 3,201,742 |
| Cash and cash equivalents with fiscal agent | 9,394 | - | 9,394 |
| Receivables (net of allowances of uncollectibles): | | | |
| Taxes | 553,086 | - | 553,086 |
| Accounts | 6,040 | - | 6,040 |
| Due from other governments | - | 191,053 | 191,053 |
| Total assets | \$ 3,544,712 | \$ 416,603 | \$ 3,961,315 |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ 118,761 | \$ 118,761 |
| Contracts payable | 97,781 | 18,546 | 116,327 |
| Retainage payable | 9,394 | - | 9,394 |
| Loans from other funds | - | 46,425 | 46,425 |
| Deferred revenue | 287,018 | 77,798 | 364,816 |
| Total liabilities | 394,193 | 261,530 | 655,723 |
| Fund Balances: | | | |
| Restricted | 3,150,519 | 155,073 | 3,305,592 |
| Total fund balances | 3,150,519 | 155,073 | 3,305,592 |
| Total liabilities and fund balances | \$ 3,544,712 | \$ 416,603 | \$ 3,961,315 |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|---|--|--|
| Revenues: | | | | |
| Municipal income taxes | \$ 65,895 | \$ - | \$ 3,404,588 | \$ 3,470,483 |
| Charges for services | 218,838 | - | - | 218,838 |
| Licenses, permits and fees | 5,733 | - | - | 5,733 |
| Fines and forfeitures | 898,427 | - | - | 898,427 |
| Intergovernmental | 3,940,359 | - | 624,201 | 4,564,560 |
| Investment income | 32,484 | 2 | - | 32,486 |
| Other | 16,559 | 19,264 | - | 35,823 |
| Total revenues | <u>5,178,295</u> | <u>19,266</u> | <u>4,028,789</u> | <u>9,226,350</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,377,748 | - | - | 2,377,748 |
| Public safety | 52,552 | - | - | 52,552 |
| Transportation | 2,197,989 | - | - | 2,197,989 |
| Capital outlay | - | - | 3,897,330 | 3,897,330 |
| Debt service: | | | | |
| Principal retirement | - | 425,000 | - | 425,000 |
| Interest and fiscal charges | - | 268,236 | - | 268,236 |
| Total expenditures | <u>4,628,289</u> | <u>693,236</u> | <u>3,897,330</u> | <u>9,218,855</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>550,006</u> | <u>(673,970)</u> | <u>131,459</u> | <u>7,495</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | 572,687 | - | 572,687 |
| Transfers out | (95,995) | - | - | (95,995) |
| Total other financing sources (uses) | <u>(95,995)</u> | <u>572,687</u> | <u>-</u> | <u>476,692</u> |
| Net change in fund balances | 454,011 | (101,283) | 131,459 | 484,187 |
| Fund balances at beginning of year | 4,273,839 | 201,045 | 3,174,133 | 7,649,017 |
| Increase (decrease) in inventory balances | <u>(36,675)</u> | <u>-</u> | <u>-</u> | <u>(36,675)</u> |
| Fund balances at end of year | <u>\$ 4,691,175</u> | <u>\$ 99,762</u> | <u>\$ 3,305,592</u> | <u>\$ 8,096,529</u> |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Street Construction Maintenance and Repair | State Highway | Regional Community Advancement | Drug Law Enforcement |
|--|---|--------------------------|---|---------------------------------|
| Revenues: | | | | |
| Municipal income taxes | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | 2,550 | - |
| Licenses, permits and fees | - | - | - | - |
| Fines and forfeitures | - | - | - | 3,725 |
| Intergovernmental | 1,960,892 | 158,909 | 1,048,675 | - |
| Investment income | - | - | - | - |
| Other | 15,870 | - | 689 | - |
| Total revenues | <u>1,976,762</u> | <u>158,909</u> | <u>1,051,914</u> | <u>3,725</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 994,866 | - |
| Public safety | - | - | - | 6,769 |
| Transportation | 1,512,228 | 141,269 | - | - |
| Total expenditures | <u>1,512,228</u> | <u>141,269</u> | <u>994,866</u> | <u>6,769</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>464,534</u> | <u>17,640</u> | <u>57,048</u> | <u>(3,044)</u> |
| Other financing uses: | | | | |
| Transfers out | <u>(84,244)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing uses | <u>(84,244)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 380,290 | 17,640 | 57,048 | (3,044) |
| Fund balances at beginning of year | 521,457 | 27,706 | 77,242 | 30,352 |
| Decrease in inventory balances | <u>(25,855)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances at end of year | <u>\$ 875,892</u> | <u>\$ 45,346</u> | <u>\$ 134,290</u> | <u>\$ 27,308</u> |

| Law Enforcement | Permissive Sales Tax | Industrial Development | Indigent Drivers Alcohol Treatment | Court Computerization | Local Law Enforcement Block Grant |
|------------------------|-----------------------------|-------------------------------|---|------------------------------|--|
| \$ - | \$ - | \$ 65,895 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 19,958 | - | - | 34,722 | 134,184 | - |
| - | 612,909 | 138,464 | 20,510 | - | - |
| - | - | 32,484 | - | - | - |
| - | - | - | - | - | - |
| <u>19,958</u> | <u>612,909</u> | <u>236,843</u> | <u>55,232</u> | <u>134,184</u> | <u>-</u> |
| - | - | 290,179 | - | 210,460 | - |
| 26,574 | - | - | 18,979 | - | 230 |
| - | 544,492 | - | - | - | - |
| <u>26,574</u> | <u>544,492</u> | <u>290,179</u> | <u>18,979</u> | <u>210,460</u> | <u>230</u> |
| <u>(6,616)</u> | <u>68,417</u> | <u>(53,336)</u> | <u>36,253</u> | <u>(76,276)</u> | <u>(230)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (6,616) | 68,417 | (53,336) | 36,253 | (76,276) | (230) |
| 77,917 | 1,185,547 | 1,339,865 | 97,687 | 295,404 | 56,587 |
| - | - | - | - | (7,167) | - |
| <u>\$ 71,301</u> | <u>\$ 1,253,964</u> | <u>\$ 1,286,529</u> | <u>\$ 133,940</u> | <u>\$ 211,961</u> | <u>\$ 56,357</u> |

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Probation Services</u> | <u>Court Costs</u> | <u>Total</u> |
|--|-------------------------------|------------------------|---------------------|
| Revenues: | | | |
| Municipal income taxes | \$ - | \$ - | \$ 65,895 |
| Charges for services | 216,288 | - | 218,838 |
| Licenses, permits and fees | 5,733 | - | 5,733 |
| Fines and forfeitures | - | 705,838 | 898,427 |
| Intergovernmental | - | - | 3,940,359 |
| Investment income | - | - | 32,484 |
| Other | - | - | 16,559 |
| Total revenues | <u>222,021</u> | <u>705,838</u> | <u>5,178,295</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 199,294 | 682,949 | 2,377,748 |
| Public safety | - | - | 52,552 |
| Transportation | - | - | 2,197,989 |
| Total expenditures | <u>199,294</u> | <u>682,949</u> | <u>4,628,289</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>22,727</u> | <u>22,889</u> | <u>550,006</u> |
| Other financing sources: | | | |
| Transfers out | - | (11,751) | (95,995) |
| Total other financing uses | <u>-</u> | <u>(11,751)</u> | <u>(95,995)</u> |
| Net change in fund balances | 22,727 | 11,138 | 454,011 |
| Fund balances at beginning of year | 68,908 | 495,167 | 4,273,839 |
| Decrease in inventory balances | <u>(3,459)</u> | <u>(194)</u> | <u>(36,675)</u> |
| Fund balances at end of year | <u>\$ 88,176</u> | <u>\$ 506,111</u> | <u>\$ 4,691,175</u> |

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CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Street Resurfacing | Issue II Improvement | Miller Park Project | Total |
|---|-------------------------------|---------------------------------|--------------------------------|---------------------|
| Revenues: | | | | |
| Municipal income taxes | \$ 3,404,588 | \$ - | \$ - | \$ 3,404,588 |
| Intergovernmental | - | 443,595 | 180,606 | 624,201 |
| Total revenues | 3,404,588 | 443,595 | 180,606 | 4,028,789 |
| Expenditures: | | | | |
| Capital outlay | 2,827,482 | 443,595 | 626,253 | 3,897,330 |
| Total expenditures | 2,827,482 | 443,595 | 626,253 | 3,897,330 |
| Net change in fund balances | 577,106 | - | (445,647) | 131,459 |
| Fund balances at beginning of year | 2,573,413 | - | 600,720 | 3,174,133 |
| Fund balances at end of year | \$ 3,150,519 | \$ - | \$ 155,073 | \$ 3,305,592 |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,492,628 | \$ 2,162,628 | \$ 2,130,402 | \$ (32,226) |
| Charges for services | 77,300 | 75,552 | 73,954 | (1,598) |
| Licenses, permits and fees. | 2,892,798 | 2,916,444 | 3,211,810 | 295,366 |
| Fines and forfeitures. | 1,212,300 | 1,212,300 | 1,237,495 | 25,195 |
| Intergovernmental | 3,650,164 | 3,980,164 | 4,585,632 | 605,468 |
| Special assessments | 45,000 | 45,000 | 31,769 | (13,231) |
| Investment income | 145,000 | 145,000 | 169,359 | 24,359 |
| Other | 145,123 | 221,123 | 228,010 | 6,887 |
| Total revenues | 10,660,313 | 10,758,211 | 11,668,431 | 910,220 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Safety town | | | | |
| Personal services. | 7,560 | 7,560 | 7,296 | 264 |
| Fringe benefits | 1,360 | 1,360 | 1,319 | 41 |
| Materials and supplies | 5,608 | 5,608 | 961 | 4,647 |
| Street lighting | | | | |
| Utilities | 690,000 | 728,355 | 725,148 | 3,207 |
| Housing of prisoners | | | | |
| Contractual services | 1,328,402 | 1,400,376 | 1,399,514 | 862 |
| Total public safety | 2,032,930 | 2,143,259 | 2,134,238 | 9,021 |
| Public health and welfare | | | | |
| Human relations | | | | |
| Other. | 20,589 | 20,589 | 3,445 | 17,144 |
| Indigent burial | | | | |
| Other. | 8,000 | 8,000 | 7,567 | 433 |
| Total public health and welfare. | 28,589 | 28,589 | 11,012 | 17,577 |
| Leisure time activities | | | | |
| Parks and Recreation | | | | |
| Personal services | 111,437 | 93,437 | 92,104 | 1,333 |
| Fringe benefits | 90,116 | 94,411 | 86,761 | 7,650 |
| Materials and supplies | 29,640 | 13,895 | 11,572 | 2,323 |
| Contractual services | 18,688 | 82,688 | 70,263 | 12,425 |
| Utilities | 40,000 | 40,000 | 28,291 | 11,709 |
| Other. | 1,000 | 1,000 | 350 | 650 |
| Adopt-a-park | | | | |
| Other. | 1,000 | 1,000 | 598 | 402 |
| Total leisure time activities. | 291,881 | 326,431 | 289,939 | 36,492 |

(continued)

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|----------------|---|
| | Original | Final | | |
| Community environment | | | | |
| Codes and permits | | | | |
| Personal services | \$ 196,726 | \$ 193,085 | \$ 193,027 | \$ 58 |
| Fringe benefits | 166,310 | 190,064 | 187,836 | 2,228 |
| Materials and supplies | 5,300 | 5,300 | 892 | 4,408 |
| Contractual services | 46,354 | 43,543 | 32,219 | 11,324 |
| Other. | 2,000 | 2,000 | 507 | 1,493 |
| Capital outlay | 1,000 | 1,000 | 760 | 240 |
| Regional planning | | | | |
| Other. | 24,100 | 24,100 | 24,100 | - |
| Total community environment | 441,790 | 459,092 | 439,341 | 19,751 |
| General government | | | | |
| Council | | | | |
| Personal services. | 140,779 | 140,780 | 140,780 | - |
| Fringe benefits | 59,398 | 61,414 | 61,363 | 51 |
| Materials and supplies | 444 | 444 | 166 | 278 |
| Contractual services | 3,166 | 2,975 | 2,343 | 632 |
| Human resource director | | | | |
| Personal services. | 101,968 | 107,768 | 107,759 | 9 |
| Fringe benefits | 65,844 | 66,527 | 63,468 | 3,059 |
| Contractual services | 98,559 | 89,593 | 61,681 | 27,912 |
| Materials and supplies | 3,400 | 3,746 | 3,746 | - |
| Mayor | | | | |
| Personal services. | 123,704 | 123,704 | 123,153 | 551 |
| Fringe benefits | 54,906 | 57,864 | 57,759 | 105 |
| Materials and supplies | 9,675 | 9,675 | 1,559 | 8,116 |
| Contractual services | 4,865 | 4,865 | 2,286 | 2,579 |
| Finance director | | | | |
| Personal services. | 520,929 | 522,639 | 522,160 | 479 |
| Fringe benefits | 272,529 | 278,072 | 276,795 | 1,277 |
| Materials and supplies | 10,000 | 9,100 | 7,868 | 1,232 |
| Contractual services | 12,000 | 13,965 | 13,589 | 376 |
| Capital outlay | - | 10,000 | 9,407 | 593 |
| Law director | | | | |
| Personal services. | 414,976 | 395,951 | 395,887 | 64 |
| Fringe benefits | 208,834 | 230,283 | 229,879 | 404 |
| Materials and supplies | 14,700 | 20,238 | 19,436 | 802 |
| Contractual services | 40,322 | 37,325 | 29,585 | 7,740 |
| Capital outlay | - | 7,000 | 6,978 | 22 |
| Other. | 12,000 | 11,000 | 1,726 | 9,274 |
| Municipal court | | | | |
| Personal services. | 400,579 | 400,579 | 400,076 | 503 |
| Fringe benefits | 447,787 | 462,884 | 460,609 | 2,275 |
| Contractual services | 340,000 | 340,000 | 216,081 | 123,919 |
| Clerk of court | | | | |
| Personal services. | 651,171 | 605,671 | 605,135 | 536 |
| Fringe benefits | 349,280 | 361,691 | 360,529 | 1,162 |
| Materials and supplies | 5,500 | 14,283 | 12,258 | 2,025 |
| Contractual services | 74,000 | 103,217 | 101,609 | 1,608 |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with |
|---|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Final Budget Positive (Negative) |
| Civil service commission | | | | |
| Personal services | \$ 19,500 | \$ 19,500 | \$ 17,550 | \$ 1,950 |
| Fringe benefits | 3,539 | 3,539 | 3,260 | 279 |
| Contractual services | 35,368 | 27,368 | 4,509 | 22,859 |
| Safety/service director | | | | |
| Personal services | 82,262 | 85,275 | 85,275 | - |
| Fringe benefits | 53,398 | 64,360 | 59,670 | 4,690 |
| Materials and supplies | 1,500 | 1,500 | 306 | 1,194 |
| Contractual services | 3,780 | 2,897 | 25 | 2,872 |
| Engineering | | | | |
| Personal services | 281,509 | 289,709 | 289,682 | 27 |
| Fringe benefits | 199,061 | 203,686 | 203,655 | 31 |
| Materials and supplies | 12,600 | 3,150 | 550 | 2,600 |
| Contractual services | 21,500 | 21,500 | 9,329 | 12,171 |
| Capital outlay | 1,200 | 1,200 | - | 1,200 |
| City building and public lands | | | | |
| Personal services | 143,074 | 143,074 | 133,302 | 9,772 |
| Fringe benefits | 90,095 | 87,533 | 84,289 | 3,244 |
| Materials and supplies | 39,000 | 49,000 | 43,809 | 5,191 |
| Capital outlay | 48,250 | 48,250 | 38,637 | 9,613 |
| Contractual services | 259,306 | 249,306 | 185,215 | 64,091 |
| Income tax administration | | | | |
| Personal services | 238,091 | 240,291 | 240,225 | 66 |
| Fringe benefits | 147,303 | 154,599 | 153,834 | 765 |
| Materials and supplies | 10,368 | 3,806 | 2,480 | 1,326 |
| Contractual services | 36,232 | 35,267 | 31,590 | 3,677 |
| Non-Departmental | | | | |
| Contractual services | 901,468 | 909,867 | 830,815 | 79,052 |
| Utilities | 245,000 | 188,290 | 174,064 | 14,226 |
| Other | 30,150 | 26,150 | 10,603 | 15,547 |
| Unclaimed money | | | | |
| Other | 15,000 | 15,000 | 30 | 14,970 |
| Special assessments | | | | |
| Materials and supplies | 1,000 | 1,000 | 261 | 739 |
| Contractual services | 5,000 | 5,000 | 2,883 | 2,117 |
| Total general government | 7,365,869 | 7,373,370 | 6,901,518 | 471,852 |
| Total expenditures | 10,161,059 | 10,330,741 | 9,776,048 | 554,693 |
| Excess of revenues over expenditures | 499,254 | 427,470 | 1,892,383 | 1,464,913 |
| Other financing sources (uses): | | | | |
| Loan to other funds | (1,620,540) | (1,620,540) | (1,620,540) | - |
| Payment on loan from other funds | (270,000) | (270,000) | (270,000) | - |
| Repayment of loan to other funds | 2,053,644 | 2,053,644 | 2,053,644 | - |
| Transfers out | (99,029) | (127,439) | (18,861) | 108,578 |
| Total other financing sources (uses) | 64,075 | 35,665 | 144,243 | 108,578 |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|------------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Net change in fund balance | \$ 563,329 | \$ 463,135 | \$ 2,036,626 | \$ 1,573,491 |
| Fund balance (deficit) at beginning of year | <u>(1,488,195)</u> | <u>(1,488,195)</u> | <u>(1,488,195)</u> | <u>-</u> |
| Fund balance (deficit) at end of year. | <u><u>\$ (924,866)</u></u> | <u><u>\$ (1,025,060)</u></u> | <u><u>\$ 548,431</u></u> | <u><u>\$ 1,573,491</u></u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental | \$ 4,394,541 | \$ 4,394,541 | \$ 1,676,786 | \$ (2,717,755) |
| Investment income | 60,000 | 60,000 | 53,352 | (6,648) |
| Other | 265,000 | 265,000 | 324,243 | 59,243 |
| | <u>4,719,541</u> | <u>4,719,541</u> | <u>2,054,381</u> | <u>(2,665,160)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community environment | | | | |
| Personal services | 400,321 | 402,353 | 285,014 | 117,339 |
| Fringe benefits | 231,495 | 276,651 | 221,617 | 55,034 |
| Materials and supplies | 19,500 | 21,500 | 3,110 | 18,390 |
| Contractual services | 3,736,225 | 3,664,537 | 1,395,866 | 2,268,671 |
| Utilities | 15,000 | 37,500 | 12,768 | 24,732 |
| Capital outlay | 52,000 | 52,000 | 6,500 | 45,500 |
| Other | 15,000 | 15,000 | 11,614 | 3,386 |
| | <u>4,469,541</u> | <u>4,469,541</u> | <u>1,936,489</u> | <u>2,533,052</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>250,000</u> | <u>250,000</u> | <u>117,892</u> | <u>(132,108)</u> |
| Other financing uses: | | | | |
| Transfers out | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Total other financing uses | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Net change in fund balance | - | - | (132,108) | (132,108) |
| Fund balance at beginning of year | <u>392,166</u> | <u>392,166</u> | <u>392,166</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 392,166</u> | <u>\$ 392,166</u> | <u>\$ 260,058</u> | <u>\$ (132,108)</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes | \$ 18,360,347 | \$ 18,696,098 | \$ 18,576,392 | \$ (119,706) |
| Charges for services | 1,512,000 | 1,512,000 | 1,558,071 | 46,071 |
| Licenses, permits and fees | 87,300 | 90,300 | 95,693 | 5,393 |
| Fines and forfeitures | 120,000 | 120,000 | 114,109 | (5,891) |
| Intergovernmental | 50,000 | 50,000 | 47,370 | (2,630) |
| Other | 76,500 | 176,500 | 199,734 | 23,234 |
| Total revenues | <u>20,206,147</u> | <u>20,644,898</u> | <u>20,591,369</u> | <u>(53,529)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Personal services | 10,543,130 | 10,522,691 | 10,350,801 | 171,890 |
| Fringe benefits | 6,998,527 | 7,432,675 | 7,295,873 | 136,802 |
| Materials and supplies | 368,833 | 398,533 | 264,530 | 134,003 |
| Contractual services | 1,831,594 | 1,831,382 | 1,670,764 | 160,618 |
| Utilities | 80,400 | 75,954 | 62,254 | 13,700 |
| Capital outlay | 140,000 | 504,495 | 91,324 | 413,171 |
| Other | 11,600 | 11,600 | 7,151 | 4,449 |
| Total expenditures | <u>19,974,084</u> | <u>20,777,330</u> | <u>19,742,697</u> | <u>1,034,633</u> |
| Excess of revenues over expenditures | <u>232,063</u> | <u>(132,432)</u> | <u>848,672</u> | <u>981,104</u> |
| Other financing sources (uses): | | | | |
| Loans from other funds | 1,377,188 | 1,377,188 | 1,377,188 | - |
| Repayment of loan from other funds | (1,994,476) | (1,994,476) | (1,994,476) | - |
| Transfers out | (232,063) | (232,063) | (231,384) | 679 |
| Total other financing sources (uses) | <u>(849,351)</u> | <u>(849,351)</u> | <u>(848,672)</u> | <u>679</u> |
| Net change in fund balance | (617,288) | (981,783) | - | 981,783 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ (617,288)</u> | <u>\$ (981,783)</u> | <u>\$ -</u> | <u>\$ 981,783</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental | \$ 3,941,581 | \$ 5,289,583 | \$ 3,136,589 | \$ (2,152,994) |
| Charges for services | 14,471 | 32,037 | 33,910 | 1,873 |
| Other | - | 5,000 | 5,490 | 490 |
| Total revenues | 3,956,052 | 5,326,620 | 3,175,989 | (2,150,631) |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Personal services | 725,199 | 789,784 | 626,081 | 163,703 |
| Fringe benefits | 284,642 | 318,745 | 256,233 | 62,512 |
| Materials and supplies | 76,050 | 95,514 | 65,992 | 29,522 |
| Contractual services | 342,798 | 396,129 | 286,514 | 109,615 |
| Capital outlay | 328,133 | 339,058 | 283,105 | 55,953 |
| Other | 172,776 | 167,416 | 115,000 | 52,416 |
| Total public safety | 1,929,598 | 2,106,646 | 1,632,925 | 473,721 |
| General government | | | | |
| Personal services | 95,209 | 158,337 | 127,585 | 30,752 |
| Materials and supplies | 195,354 | 220,956 | 164,840 | 56,116 |
| Capital outlay | 1,662,742 | 2,661,853 | 1,383,752 | 1,278,101 |
| Contractual services | 34,082 | 143,893 | 28,199 | 115,694 |
| Total general government | 1,987,387 | 3,185,039 | 1,704,376 | 1,480,663 |
| Total expenditures | 3,916,985 | 5,291,685 | 3,337,301 | 1,954,384 |
| Excess (deficiency) of revenues over (under) expenditures | 39,067 | 34,935 | (161,312) | (196,247) |
| Other financing sources (uses): | | | | |
| Loans from other funds | 196,927 | 196,927 | 196,927 | - |
| Repayment of loan from other funds | (59,168) | (59,168) | (59,168) | - |
| Transfers in | 20,100 | 24,232 | 23,553 | (679) |
| Total other financing sources (uses) | 157,859 | 161,991 | 161,312 | (679) |
| Net change in fund balance | 196,926 | 196,926 | - | (196,926) |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year | \$ 196,926 | \$ 196,926 | \$ - | \$ (196,926) |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 2,442 | \$ 2,442 |
| Intergovernmental | 1,760,000 | 1,760,000 | 1,940,148 | 180,148 |
| Other | 10,000 | 10,000 | 31,730 | 21,730 |
| | <u>1,770,000</u> | <u>1,770,000</u> | <u>1,974,320</u> | <u>204,320</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Personal services | 372,794 | 373,710 | 335,711 | 37,999 |
| Fringe benefits | 258,678 | 266,478 | 256,836 | 9,642 |
| Materials and supplies | 509,604 | 517,229 | 507,604 | 9,625 |
| Utilities | 38,080 | 38,080 | 21,694 | 16,386 |
| Capital outlay | 130,690 | 130,690 | 126,119 | 4,571 |
| Contractual services | 562,268 | 516,417 | 434,145 | 82,272 |
| | <u>1,872,114</u> | <u>1,842,604</u> | <u>1,682,109</u> | <u>160,495</u> |
| Excess (deficiency) of revenues over (under) expenditures | (102,114) | (72,604) | 292,211 | 364,815 |
| Other financing uses: | | | | |
| Transfers out | <u>(84,244)</u> | <u>(84,244)</u> | <u>(84,244)</u> | <u>-</u> |
| Total other financing uses | <u>(84,244)</u> | <u>(84,244)</u> | <u>(84,244)</u> | <u>-</u> |
| Net change in fund balance | (186,358) | (156,848) | 207,967 | 364,815 |
| Fund balance at beginning of year | <u>358,017</u> | <u>358,017</u> | <u>358,017</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 171,659</u> | <u>\$ 201,169</u> | <u>\$ 565,984</u> | <u>\$ 364,815</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 198 | \$ 198 |
| Intergovernmental | 148,000 | 148,000 | 157,309 | 9,309 |
| Total revenues | <u>148,000</u> | <u>148,000</u> | <u>157,507</u> | <u>9,507</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Personal services | 81,400 | 81,400 | 81,400 | - |
| Materials and supplies | 66,600 | 66,600 | 59,869 | 6,731 |
| Total expenditures | <u>148,000</u> | <u>148,000</u> | <u>141,269</u> | <u>6,731</u> |
| Net change in fund balance | - | - | 16,238 | 16,238 |
| Fund balance at beginning of year | <u>15,689</u> | <u>15,689</u> | <u>15,689</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 15,689</u> | <u>\$ 15,689</u> | <u>\$ 31,927</u> | <u>\$ 16,238</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REGIONAL COMMUNITY ADVANCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 817,440 | \$ 1,179,931 | \$ 1,056,867 | \$ (123,064) |
| Charges for services | - | - | 2,550 | 2,550 |
| Other | 2,700 | 2,700 | 47,145 | 44,445 |
| | <u>820,140</u> | <u>1,182,631</u> | <u>1,106,562</u> | <u>(76,069)</u> |
| Total revenues | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 453,289 | 690,979 | 605,389 | 85,590 |
| Fringe benefits. | 155,085 | 248,338 | 229,342 | 18,996 |
| Materials and supplies | 69,332 | 56,686 | 34,187 | 22,499 |
| Utilities | 68,000 | 68,000 | 51,521 | 16,479 |
| Contractual services | 153,084 | 198,317 | 132,037 | 66,280 |
| | <u>898,790</u> | <u>1,262,320</u> | <u>1,052,476</u> | <u>209,844</u> |
| Total expenditures | | | | |
| Net change in fund balance | <u>(78,650)</u> | <u>(79,689)</u> | <u>54,086</u> | <u>133,775</u> |
| Fund balance at beginning of year | <u>85,781</u> | <u>85,781</u> | <u>85,781</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 7,131</u> | <u>\$ 6,092</u> | <u>\$ 139,867</u> | <u>\$ 133,775</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 3,400 | \$ 3,400 | \$ 3,725 | \$ 325 |
| Total revenues | 3,400 | 3,400 | 3,725 | 325 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Materials and supplies | - | 5,000 | 360 | 4,640 |
| Capital outlay | - | 28,752 | 9,094 | 19,658 |
| Other. | 33,752 | - | - | - |
| Total expenditures | 33,752 | 33,752 | 9,454 | 24,298 |
| Net change in fund balance | (30,352) | (30,352) | (5,729) | 24,623 |
| Fund balance at beginning of year | <u>30,352</u> | <u>30,352</u> | <u>30,352</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,623</u> | <u>\$ 24,623</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 61,000 | \$ 61,000 | \$ 24,876 | \$ (36,124) |
| Other | - | - | 14,918 | 14,918 |
| Total revenues | <u>61,000</u> | <u>61,000</u> | <u>39,794</u> | <u>(21,206)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Contractual services | 14,514 | 14,514 | 2,124 | 12,390 |
| Other. | 121,040 | 121,040 | 43,415 | 77,625 |
| Total expenditures | <u>135,554</u> | <u>135,554</u> | <u>45,539</u> | <u>90,015</u> |
| Net change in fund balance | <u>(74,554)</u> | <u>(74,554)</u> | <u>(5,745)</u> | <u>68,809</u> |
| Fund balance at beginning of year | <u>74,554</u> | <u>74,554</u> | <u>74,554</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 68,809</u> | <u>\$ 68,809</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE SALES TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 678,500 | \$ 678,500 | \$ 668,754 | \$ (9,746) |
| Total revenues | 678,500 | 678,500 | 668,754 | (9,746) |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Capital outlay | 340,000 | 332,908 | 298,199 | 34,709 |
| Materials and supplies | 75,000 | 95,451 | 95,119 | 332 |
| Contractual services | 263,500 | 250,142 | 244,064 | 6,078 |
| Total expenditures | 678,500 | 678,501 | 637,382 | 41,119 |
| Net change in fund balance | - | (1) | 31,372 | 31,373 |
| Fund balance at beginning of year | <u>1,129,702</u> | <u>1,129,702</u> | <u>1,129,702</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,129,702</u> | <u>\$ 1,129,701</u> | <u>\$ 1,161,074</u> | <u>\$ 31,373</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDUSTRIAL DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes | \$ 162,495 | \$ 174,595 | \$ 75,914 | \$ (98,681) |
| Intergovernmental | 233,505 | 233,505 | - | (233,505) |
| Investment income | 8,000 | 8,000 | 11,743 | 3,743 |
| Other | 40,000 | 41,053 | 98,270 | 57,217 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 444,000 | 457,153 | 185,927 | (271,226) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 65,408 | 65,958 | 65,944 | 14 |
| Fringe benefits. | 11,213 | 11,288 | 11,288 | - |
| Materials and supplies | 4,870 | 4,870 | 595 | 4,275 |
| Utilities | 2,050 | 3,102 | 1,707 | 1,395 |
| Contractual services | 588,843 | 600,319 | 331,173 | 269,146 |
| Other. | 20,000 | 20,000 | 19,598 | 402 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 692,384 | 705,537 | 430,305 | 275,232 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net change in fund balance | (248,384) | (248,384) | (244,378) | 4,006 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance at beginning of year | 248,384 | 248,384 | 248,384 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance at end of year. | \$ - | \$ - | \$ 4,006 | \$ 4,006 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 21,000 | \$ 20,510 | \$ (490) |
| Fines and forfeitures | 56,860 | 35,860 | 34,617 | (1,243) |
| Total revenues | <u>56,860</u> | <u>56,860</u> | <u>55,127</u> | <u>(1,733)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Contractual services | <u>153,473</u> | <u>153,473</u> | <u>18,471</u> | <u>135,002</u> |
| Total expenditures | <u>153,473</u> | <u>153,473</u> | <u>18,471</u> | <u>135,002</u> |
| Net change in fund balance | (96,613) | (96,613) | 36,656 | 133,269 |
| Fund balance at beginning of year | <u>96,613</u> | <u>96,613</u> | <u>96,613</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 133,269</u> | <u>\$ 133,269</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 67,033 | \$ 67,033 | \$ 124,867 | \$ 57,834 |
| Total revenues | 67,033 | 67,033 | 124,867 | 57,834 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 52,328 | 97,328 | 97,328 | - |
| Fringe benefits | 18,024 | 18,488 | 18,423 | 65 |
| Materials and supplies | 18,366 | 13,366 | 4,806 | 8,560 |
| Capital outlay | 45,000 | 34,100 | 23,769 | 10,331 |
| Contractual services | 211,129 | 181,565 | 63,318 | 118,247 |
| Total expenditures | 344,847 | 344,847 | 207,644 | 137,203 |
| Net change in fund balance | (277,814) | (277,814) | (82,777) | 195,037 |
| Fund balance at beginning of year | 277,814 | 277,814 | 277,814 | - |
| Fund balance at end of year | \$ - | \$ - | \$ 195,037 | \$ 195,037 |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | | | | |
| Personal services | 30,643 | 30,643 | 230 | 30,413 |
| Total expenditures | <u>30,643</u> | <u>30,643</u> | <u>230</u> | <u>30,413</u> |
| Net change in fund balance | (30,643) | (30,643) | (230) | 30,413 |
| Fund balance at beginning of year | <u>56,587</u> | <u>56,587</u> | <u>56,587</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 25,944</u> | <u>\$ 25,944</u> | <u>\$ 56,357</u> | <u>\$ 30,413</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 175,000 | \$ 175,000 | \$ 216,288 | \$ 41,288 |
| Other | 3,000 | 3,000 | 3,708 | 708 |
| Total revenues | <u>178,000</u> | <u>178,000</u> | <u>219,996</u> | <u>41,996</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 165,610 | 165,610 | 165,432 | 178 |
| Contractual services | 51,132 | 51,132 | 22,543 | 28,589 |
| Capital outlay | - | 658 | 658 | - |
| Materials and supplies | 18,500 | 17,842 | 11,039 | 6,803 |
| Total expenditures | <u>235,242</u> | <u>235,242</u> | <u>199,672</u> | <u>35,570</u> |
| Net change in fund balance | <u>(57,242)</u> | <u>(57,242)</u> | <u>20,324</u> | <u>77,566</u> |
| Fund balance at beginning of year | <u>57,242</u> | <u>57,242</u> | <u>57,242</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 77,566</u> | <u>\$ 77,566</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COSTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 671,000 | \$ 671,000 | \$ 712,714 | \$ 41,714 |
| Other | - | - | 60,668 | 60,668 |
| Total revenues | <u>671,000</u> | <u>671,000</u> | <u>773,382</u> | <u>102,382</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 601,193 | 601,193 | 558,543 | 42,650 |
| Fringe benefits. | 103,327 | 110,205 | 105,410 | 4,795 |
| Contractual services | 230,001 | 223,123 | 54,165 | 168,958 |
| Capital outlay | 50,000 | 50,000 | 1,267 | 48,733 |
| Materials and supplies | 135,386 | 135,386 | 11,463 | 123,923 |
| Total expenditures | <u>1,119,907</u> | <u>1,119,907</u> | <u>730,848</u> | <u>389,059</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(448,907)</u> | <u>(448,907)</u> | <u>42,534</u> | <u>491,441</u> |
| Other financing uses: | | | | |
| Transfers out | <u>(11,751)</u> | <u>(11,751)</u> | <u>(11,751)</u> | <u>-</u> |
| Total other financing uses | <u>(11,751)</u> | <u>(11,751)</u> | <u>(11,751)</u> | <u>-</u> |
| Net change in fund balance | (460,658) | (460,658) | 30,783 | 491,441 |
| Fund balance at beginning of year | <u>460,658</u> | <u>460,658</u> | <u>460,658</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 491,441</u> | <u>\$ 491,441</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Other | \$ - | \$ - | \$ 19,264 | \$ 19,264 |
| Total revenues | - | - | 19,264 | 19,264 |
| Expenditures: | | | | |
| Debt service | | | | |
| Principal retirement | 425,000 | 425,000 | 425,000 | - |
| Interest and fiscal charges | 268,237 | 268,237 | 268,236 | 1 |
| Total expenditures | 693,237 | 693,237 | 693,236 | 1 |
| Deficiency of revenues under expenditures . . . | (693,237) | (693,237) | (673,972) | 19,265 |
| Other financing sources: | | | | |
| Transfers in | 572,687 | 572,687 | 572,687 | - |
| Total other financing sources | 572,687 | 572,687 | 572,687 | - |
| Net change in fund balance | (120,550) | (120,550) | (101,285) | 19,265 |
| Fund balance at beginning of year | 201,045 | 201,045 | 201,045 | - |
| Fund balance at end of year | \$ 80,495 | \$ 80,495 | \$ 99,760 | \$ 19,265 |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET RESURFACING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 3,241,275 | \$ 3,296,704 | \$ 3,295,077 | \$ (1,627) |
| Total revenues | 3,241,275 | 3,296,704 | 3,295,077 | (1,627) |
| Expenditures: | | | | |
| Capital outlay | 3,241,275 | 3,296,704 | 2,928,547 | 368,157 |
| Total expenditures | 3,241,275 | 3,296,704 | 2,928,547 | 368,157 |
| Net change in fund balance | - | - | 366,530 | 366,530 |
| Fund balance at beginning of year | <u>2,266,029</u> | <u>2,266,029</u> | <u>2,266,029</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 2,266,029</u> | <u>\$ 2,266,029</u> | <u>\$ 2,632,559</u> | <u>\$ 366,530</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ISSUE II IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,368,314 | \$ 1,368,314 | \$ 443,595 | \$ (924,719) |
| Total revenues | 1,368,314 | 1,368,314 | 443,595 | (924,719) |
| Expenditures: | | | | |
| Capital outlay | 1,368,314 | 1,368,314 | 443,595 | 924,719 |
| Total expenditures | 1,368,314 | 1,368,314 | 443,595 | 924,719 |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MILLER PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 280,033 | \$ 280,033 | \$ 88,979 | \$ (191,054) |
| Total revenues | 280,033 | 280,033 | 88,979 | (191,054) |
| Expenditures: | | | | |
| Capital outlay | 830,884 | 830,884 | 686,255 | 144,629 |
| Total expenditures | 830,884 | 830,884 | 686,255 | 144,629 |
| Deficiency of revenues under expenditures | (550,851) | (550,851) | (597,276) | (46,425) |
| Other financing sources: | | | | |
| Loan from other funds | 46,425 | 46,425 | 46,425 | - |
| Total other financing sources | 46,425 | 46,425 | 46,425 | - |
| Net change in fund balance | (504,426) | (504,426) | (550,851) | (46,425) |
| Fund balance at beginning of year | 550,851 | 550,851 | 550,851 | - |
| Fund balance at end of year | \$ 46,425 | \$ 46,425 | \$ - | \$ (46,425) |

CITY OF MANSFIELD, OHIO

STATEMENT - NONMAJOR ENTERPRISE FUND

FUND DESCRIPTION

Nonmajor Enterprise Fund

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

Airport Operating:

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

CITY OF MANSFIELD, OHIO

STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Airport Operating |
|---|------------------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 42,355 |
| Receivables (net of allowances of uncollectibles): | |
| Taxes | 140,497 |
| Accounts | 7,250 |
| Materials and supplies inventory. | 30,731 |
| Total current assets | 220,833 |
| Noncurrent assets: | |
| Capital assets: | |
| Land and construction in progress | 1,423,919 |
| Depreciable capital assets, net | 1,483,672 |
| Total capital assets | 2,907,591 |
| Total assets | 3,128,424 |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable. | 3,199 |
| Accrued wages and benefits | 5,147 |
| Due to other governments | 11,994 |
| Current portion of compensated absences | 28,366 |
| Total current liabilities | 48,706 |
| Long-term liabilities: | |
| Compensated absences | 38,722 |
| Total long-term liabilities. | 38,722 |
| Total liabilities. | 87,428 |
| Net assets: | |
| Invested in capital assets, net of related debt | 2,907,591 |
| Unrestricted | 133,405 |
| Total net assets | \$ 3,040,996 |

CITY OF MANSFIELD, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Airport Operating |
|---|------------------------------|
| Operating revenues: | |
| Charges for services | \$ 76,334 |
| Total operating revenues | 76,334 |
| Operating expenses: | |
| Personal services | 170,555 |
| Fringe benefits | 101,368 |
| Contractual services. | 70,695 |
| Materials and supplies | 44,198 |
| Depreciation | 153,821 |
| Utilities | 32,464 |
| Total operating expenses | 573,101 |
| Operating loss | (496,767) |
| Nonoperating revenues (expenses): | |
| Other nonoperating revenues | 855 |
| Loss on disposal of assets | (26,910) |
| Municipal income tax | 485,148 |
| Total nonoperating revenues (expenses) | 459,093 |
| Changes in net assets | (37,674) |
| Net assets at beginning of year (restated) . . . | 3,078,670 |
| Net assets at end of year | \$ 3,040,996 |

CITY OF MANSFIELD, OHIO
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Airport Operating |
|---|------------------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 84,862 |
| Cash received from other operating revenues | 855 |
| Cash payments to employees | (171,531) |
| Cash payments to suppliers | (148,614) |
| Cash payments for other operating expenses | (104,783) |
| | (339,211) |
| Cash flows from noncapital financing activities: | |
| Municipal income tax | 378,435 |
| | 378,435 |
| Net cash provided by noncapital financing activities | 378,435 |
| Net increase in cash and cash equivalents | 39,224 |
| Cash and cash equivalents at beginning of year | 3,131 |
| Cash and cash equivalents at end of year | \$ 42,355 |
| Reconciliation of operating loss to net cash used in operating activities: | |
| Operating loss | \$ (496,767) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 153,821 |
| Other non-operating revenues | (1,121) |
| Changes in assets and liabilities: | |
| Decrease in accounts receivable | 7,424 |
| (Increase) in inventory of supplies | (4,962) |
| (Decrease) in accounts payable | (783) |
| Increase in accrued wages and benefits | 582 |
| Increase in due to other governments | 4,153 |
| (Decrease) in compensated absences payable | (1,558) |
| | (1,558) |
| Net cash used in operating activities | \$ (339,211) |

CITY OF MANSFIELD, OHIO

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|---|-------------------------|---------------------|---------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Charges for services | \$ 7,368,300 | \$ 7,368,300 | \$ 8,431,498 | \$ 1,063,198 |
| Intergovernmental | - | - | 22,810 | 22,810 |
| Other | 22,000 | 22,000 | 11,684 | (10,316) |
| Total revenues. | <u>7,390,300</u> | <u>7,390,300</u> | <u>8,465,992</u> | <u>1,075,692</u> |
| Expenses: | | | | |
| Personal services. | 1,514,998 | 1,508,623 | 1,465,375 | 43,248 |
| Fringe benefits. | 956,907 | 1,090,663 | 1,050,018 | 40,645 |
| Materials and supplies | 759,110 | 786,177 | 766,604 | 19,573 |
| Contractual services | 2,059,541 | 2,187,387 | 1,883,365 | 304,022 |
| Utilities | 576,160 | 534,952 | 447,735 | 87,217 |
| Capital outlay | 357,080 | 340,416 | 194,392 | 146,024 |
| Other | 16,000 | 14,817 | 6,999 | 7,818 |
| Debt service | | | | |
| Principal retirement | 420,000 | 420,000 | 420,000 | - |
| Interest and fiscal charges | 37,100 | 37,100 | 37,100 | - |
| Total expenses | <u>6,696,896</u> | <u>6,920,135</u> | <u>6,271,588</u> | <u>648,547</u> |
| Excess of revenues over expenses | <u>693,404</u> | <u>470,165</u> | <u>2,194,404</u> | <u>1,724,239</u> |
| Other financing sources: | | | | |
| Note proceeds | <u>114,260</u> | <u>114,260</u> | <u>114,260</u> | <u>-</u> |
| Total other financing sources | <u>114,260</u> | <u>114,260</u> | <u>114,260</u> | <u>-</u> |
| Net change in fund equity | <u>807,664</u> | <u>584,425</u> | <u>2,308,664</u> | <u>1,724,239</u> |
| Fund equity at beginning of year | <u>3,854,251</u> | <u>3,854,251</u> | <u>3,854,251</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ 4,661,915</u> | <u>\$ 4,438,676</u> | <u>\$ 6,162,915</u> | <u>\$ 1,724,239</u> |

CITY OF MANSFIELD, OHIO

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--|-------------------------|---------------------|---------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Charges for services | \$ 7,361,651 | \$ 7,361,651 | \$ 8,555,763 | \$ 1,194,112 |
| Investment earnings | 10,530 | 10,530 | 10,530 | - |
| Other | 500 | 500 | 4,578 | 4,078 |
| Total revenues. | <u>7,372,681</u> | <u>7,372,681</u> | <u>8,570,871</u> | <u>1,198,190</u> |
| Expenses: | | | | |
| Personal services. | 1,569,005 | 1,616,372 | 1,575,764 | 40,608 |
| Fringe benefits. | 1,049,565 | 1,103,143 | 1,083,432 | 19,711 |
| Materials and supplies | 478,800 | 472,953 | 376,592 | 96,361 |
| Contractual services | 2,708,681 | 2,886,076 | 2,550,014 | 336,062 |
| Utilities | 628,560 | 628,560 | 391,089 | 237,471 |
| Capital Outlay | 3,165,681 | 3,186,861 | 1,228,536 | 1,958,325 |
| Other | 32,400 | 31,187 | 24,376 | 6,811 |
| Debt service | | | | |
| Principal retirement | 35,000 | 35,000 | 35,000 | - |
| Interest and fiscal charges | 53,832 | 53,832 | 53,832 | - |
| Total expenses | <u>9,721,524</u> | <u>10,013,984</u> | <u>7,318,635</u> | <u>2,695,349</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(2,348,843)</u> | <u>(2,641,303)</u> | <u>1,252,236</u> | <u>3,893,539</u> |
| Other financing sources: | | | | |
| Note proceeds | 265,215 | 265,215 | 265,215 | - |
| Payment on loan to other funds | 270,000 | 270,000 | 270,000 | - |
| Total other financing sources | <u>535,215</u> | <u>535,215</u> | <u>535,215</u> | <u>-</u> |
| Net change in fund equity | <u>(1,813,628)</u> | <u>(2,106,088)</u> | <u>1,787,451</u> | <u>3,893,539</u> |
| Fund equity at beginning of year | <u>6,443,838</u> | <u>6,443,838</u> | <u>6,443,838</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ 4,630,210</u> | <u>\$ 4,337,750</u> | <u>\$ 8,231,289</u> | <u>\$ 3,893,539</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AIRPORT OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Taxes | \$ 337,000 | \$ 342,999 | \$ 341,656 | \$ (1,343) |
| Charges for services | 71,655 | 71,655 | 84,862 | 13,207 |
| Intergovernmental | 60,580 | 60,580 | - | (60,580) |
| Other | 600 | 600 | 925 | 325 |
| | <u>469,835</u> | <u>475,834</u> | <u>427,443</u> | <u>(48,391)</u> |
| Expenses: | | | | |
| Personal services | 167,991 | 171,543 | 171,531 | 12 |
| Fringe benefits | 99,157 | 102,307 | 101,772 | 535 |
| Materials and supplies | 66,060 | 66,060 | 53,732 | 12,328 |
| Contractual services | 75,188 | 74,795 | 67,161 | 7,634 |
| Utilities | 52,000 | 51,690 | 33,247 | 18,443 |
| Capital outlay | 9,439 | 9,439 | - | 9,439 |
| | <u>469,835</u> | <u>475,834</u> | <u>427,443</u> | <u>48,391</u> |
| Net change in fund equity | - | - | - | - |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

FUND DESCRIPTIONS

Internal Service Funds

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

Garage Operating:

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

Information Technology:

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

Utility Collections:

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

Health Insurance:

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

OML Self Insurance:

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

Workers' Compensation:

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

| | <u>Garage Operating</u> | <u>Information Technology</u> | <u>Utility Collections</u> |
|--|-----------------------------|-----------------------------------|--------------------------------|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 34,504 | \$ 14,995 | \$ 9,079 |
| Materials and supplies inventory | <u>8,338</u> | <u>1,771</u> | <u>2,604</u> |
| Total current assets. | <u>42,842</u> | <u>16,766</u> | <u>11,683</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and construction in progress | - | 262,482 | 493,142 |
| Depreciable capital assets, net | <u>7,089</u> | <u>25,403</u> | <u>45,189</u> |
| Total capital assets | <u>7,089</u> | <u>287,885</u> | <u>538,331</u> |
| Total assets | <u>49,931</u> | <u>304,651</u> | <u>550,014</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable. | 23,120 | 1,260 | 288 |
| Accrued wages and benefits | 6,686 | 1,702 | 11,023 |
| Due to other governments | 12,073 | 4,049 | 27,750 |
| Claims payable. | - | - | - |
| Current portion of compensated absences | <u>29,926</u> | <u>586</u> | <u>28,166</u> |
| Total current liabilities. | <u>71,805</u> | <u>7,597</u> | <u>67,227</u> |
| Long-term liabilities: | | | |
| Compensated absences | <u>65,077</u> | <u>1,854</u> | <u>68,224</u> |
| Total long-term liabilities. | <u>65,077</u> | <u>1,854</u> | <u>68,224</u> |
| Total liabilities | <u>136,882</u> | <u>9,451</u> | <u>135,451</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt. | 7,089 | 287,885 | 538,331 |
| Unrestricted (deficit). | <u>(94,040)</u> | <u>7,315</u> | <u>(123,768)</u> |
| Total net assets (deficit). | <u>\$ (86,951)</u> | <u>\$ 295,200</u> | <u>\$ 414,563</u> |

| <u>Health Insurance</u> | <u>Workers' Compensation</u> | <u>Total</u> |
|-----------------------------|----------------------------------|---------------------|
| \$ 891 | \$ 222,492 | \$ 281,961 |
| <u>-</u> | <u>-</u> | <u>12,713</u> |
| <u>891</u> | <u>222,492</u> | <u>294,674</u> |
| - | - | 755,624 |
| <u>-</u> | <u>-</u> | <u>77,681</u> |
| <u>-</u> | <u>-</u> | <u>833,305</u> |
| <u>891</u> | <u>222,492</u> | <u>1,127,979</u> |
| 1,183 | - | 25,851 |
| - | - | 19,411 |
| - | - | 43,872 |
| 1,023,350 | - | 1,023,350 |
| <u>-</u> | <u>-</u> | <u>58,678</u> |
| <u>1,024,533</u> | <u>-</u> | <u>1,112,484</u> |
| <u>-</u> | <u>-</u> | <u>135,155</u> |
| <u>-</u> | <u>-</u> | <u>135,155</u> |
| <u>1,024,533</u> | <u>-</u> | <u>1,247,639</u> |
| - | - | 833,305 |
| <u>(1,023,642)</u> | <u>222,492</u> | <u>(1,011,643)</u> |
| <u>\$ (1,023,642)</u> | <u>\$ 222,492</u> | <u>\$ (178,338)</u> |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Garage Operating</u> | <u>Information Technology</u> | <u>Utility Collections</u> |
|---|-----------------------------|-----------------------------------|--------------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 1,404,257 | \$ 643,224 | \$ 1,683,716 |
| Total operating revenues | <u>1,404,257</u> | <u>643,224</u> | <u>1,683,716</u> |
| Operating expenses: | | | |
| Personal services | 325,543 | 80,888 | 589,900 |
| Fringe benefits | 195,729 | 73,100 | 413,231 |
| Contractual services | 138,816 | 181,286 | 342,771 |
| Materials and supplies. | 717,059 | 17,789 | 23,880 |
| Depreciation. | 5,942 | 9,531 | 18,516 |
| Utilities | 13,496 | - | 1,639 |
| Claims expense | - | - | - |
| Total operating expenses | <u>1,396,585</u> | <u>362,594</u> | <u>1,389,937</u> |
| Operating income (loss) | <u>7,672</u> | <u>280,630</u> | <u>293,779</u> |
| Nonoperating revenues: | | | |
| Other nonoperating revenue | <u>135</u> | <u>-</u> | <u>-</u> |
| Total nonoperating revenues | <u>135</u> | <u>-</u> | <u>-</u> |
| Income (loss) before capital contributions | 7,807 | 280,630 | 293,779 |
| Capital contributions | <u>-</u> | <u>163</u> | <u>-</u> |
| Changes in net assets | 7,807 | 280,793 | 293,779 |
| Net assets (deficit) at beginning of year (restated) | <u>(94,758)</u> | <u>14,407</u> | <u>120,784</u> |
| Net assets (deficit) at end of year | <u>\$ (86,951)</u> | <u>\$ 295,200</u> | <u>\$ 414,563</u> |

| Health Insurance | OML Self Insurance | Workers' Compensation | Total |
|-----------------------------|-------------------------------|----------------------------------|---------------|
| \$ 6,175,423 | \$ 503,630 | \$ 622,852 | \$ 11,033,102 |
| 6,175,423 | 503,630 | 622,852 | 11,033,102 |
| - | - | - | 996,331 |
| - | - | - | 682,060 |
| 515,636 | 334,124 | 499,563 | 2,012,196 |
| - | - | - | 758,728 |
| - | - | - | 33,989 |
| - | - | - | 15,135 |
| 6,001,463 | 57,110 | - | 6,058,573 |
| 6,517,099 | 391,234 | 499,563 | 10,557,012 |
| (341,676) | 112,396 | 123,289 | 476,090 |
| - | - | - | 135 |
| - | - | - | 135 |
| (341,676) | 112,396 | 123,289 | 476,225 |
| - | - | - | 163 |
| (341,676) | 112,396 | 123,289 | 476,388 |
| (681,966) | (112,396) | 99,203 | (654,726) |
| \$ (1,023,642) | \$ - | \$ 222,492 | \$ (178,338) |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Garage Operating</u> | <u>Information Technology</u> | <u>Utility Collections</u> |
|---|-----------------------------|-----------------------------------|--------------------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 1,404,257 | \$ 643,224 | \$ 1,683,716 |
| Cash received from other operating revenues | 135 | - | - |
| Cash payments to employees | (303,340) | (133,098) | (576,284) |
| Cash payments for suppliers | (869,826) | (233,044) | (454,896) |
| Cash payments for claims expense | - | - | - |
| Cash payments for other operating expenses | <u>(196,722)</u> | <u>(76,867)</u> | <u>(418,751)</u> |
| Net cash provided by (used in) operating activities | <u>34,504</u> | <u>200,215</u> | <u>233,785</u> |
| Cash flows from capital and related financing activities: | | | |
| Acquisition of capital assets | <u>-</u> | <u>(185,220)</u> | <u>(224,956)</u> |
| Net cash used in capital and related financing activities | <u>-</u> | <u>(185,220)</u> | <u>(224,956)</u> |
| Net increase (decrease) in cash and cash equivalents | 34,504 | 14,995 | 8,829 |
| Cash and cash equivalents at beginning of year | <u>-</u> | <u>-</u> | <u>250</u> |
| Cash and cash equivalents at end of year. | <u>\$ 34,504</u> | <u>\$ 14,995</u> | <u>\$ 9,079</u> |
| Reconciliation of operating income to net cash provided by (used in) operating activities: | | | |
| Operating income | \$ 7,672 | \$ 280,630 | \$ 293,779 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation | 5,942 | 9,531 | 18,516 |
| Other nonoperating revenues | 135 | - | - |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in inventory of supplies | (2,719) | 4,365 | 830 |
| Increase (decrease) in accounts payable | 2,264 | (1,147) | (1,230) |
| Increase (decrease) in contracts payable | - | (37,187) | (86,206) |
| Increase (decrease) in accrued wages and benefits | 374 | (1,147) | (1,796) |
| (Decrease) in due to other governments | (993) | (3,767) | (5,520) |
| Increase (decrease) in compensated absences payable | 21,829 | (51,063) | 15,412 |
| Increase in claims payable | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided by (used in) operating activities | <u>\$ 34,504</u> | <u>\$ 200,215</u> | <u>\$ 233,785</u> |

| Health Insurance | OML Self Insurance | Workers' Compensation | Total |
|-------------------------|---------------------------|------------------------------|-------------------|
| \$ 6,175,423 | \$ 503,630 | \$ 622,852 | \$ 11,033,102 |
| - | - | - | 135 |
| - | - | - | (1,012,722) |
| (515,558) | (446,520) | (499,563) | (3,019,407) |
| (5,658,974) | (57,110) | - | (5,716,084) |
| - | - | - | (692,340) |
| <u>891</u> | <u>-</u> | <u>123,289</u> | <u>592,684</u> |
| - | - | - | (410,176) |
| - | - | - | (410,176) |
| 891 | - | 123,289 | 182,508 |
| - | - | 99,203 | 99,453 |
| <u>\$ 891</u> | <u>\$ -</u> | <u>\$ 222,492</u> | <u>\$ 281,961</u> |
| \$ (341,676) | \$ 112,396 | \$ 123,289 | \$ 476,090 |
| - | - | - | 33,989 |
| - | - | - | 135 |
| - | - | - | 2,476 |
| 78 | (112,396) | - | (112,431) |
| - | - | - | (123,393) |
| - | - | - | (2,569) |
| - | - | - | (10,280) |
| - | - | - | (13,822) |
| <u>342,489</u> | <u>-</u> | <u>-</u> | <u>342,489</u> |
| <u>\$ 891</u> | <u>\$ -</u> | <u>\$ 123,289</u> | <u>\$ 592,684</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GARAGE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Charges for services | \$ 1,387,359 | \$ 1,509,046 | \$ 1,403,054 | \$ (105,992) |
| Other | - | - | 3,446 | 3,446 |
| Total revenues. | <u>1,387,359</u> | <u>1,509,046</u> | <u>1,406,500</u> | <u>(102,546)</u> |
| Expenses: | | | | |
| Personal services. | 292,741 | 305,741 | 303,340 | 2,401 |
| Fringe benefits | 199,016 | 199,475 | 196,722 | 2,753 |
| Materials and supplies | 679,041 | 777,316 | 747,162 | 30,154 |
| Contractual services | 160,761 | 170,714 | 143,886 | 26,828 |
| Capital outlay | 32,000 | 32,000 | 2,258 | 29,742 |
| Utilities | 23,800 | 23,800 | 13,132 | 10,668 |
| Total expenses | <u>1,387,359</u> | <u>1,509,046</u> | <u>1,406,500</u> | <u>102,546</u> |
| Net change in fund equity | - | - | - | - |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INFORMATION TECHNOLOGY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 685,670 | \$ 742,833 | \$ 643,224 | \$ (99,609) |
| Other | - | - | 205 | 205 |
| Total revenues. | <u>685,670</u> | <u>742,833</u> | <u>643,429</u> | <u>(99,404)</u> |
| Expenses: | | | | |
| Personal services. | 148,127 | 148,127 | 133,098 | 15,029 |
| Fringe benefits | 79,308 | 82,731 | 76,867 | 5,864 |
| Materials and supplies | 20,500 | 20,400 | 13,489 | 6,911 |
| Contractual services | 412,385 | 465,969 | 394,370 | 71,599 |
| Capital outlay | 25,350 | 25,606 | 25,605 | 1 |
| Total expenses | <u>685,670</u> | <u>742,833</u> | <u>643,429</u> | <u>99,404</u> |
| Net change in fund equity | - | - | - | - |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UTILITY COLLECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Charges for services | \$ 1,741,126 | \$ 1,787,810 | \$ 1,683,716 | \$ (104,094) |
| Other | - | - | 1,916 | 1,916 |
| Total revenues. | <u>1,741,126</u> | <u>1,787,810</u> | <u>1,685,632</u> | <u>(102,178)</u> |
| Expenses: | | | | |
| Personal services. | 571,446 | 607,375 | 576,284 | 31,091 |
| Fringe benefits | 380,881 | 428,947 | 420,667 | 8,280 |
| Materials and supplies | 20,000 | 24,000 | 23,791 | 209 |
| Contractual services | 683,799 | 652,488 | 594,785 | 57,703 |
| Capital outlay | 80,000 | 70,000 | 68,255 | 1,745 |
| Utilities | <u>5,000</u> | <u>5,000</u> | <u>1,850</u> | <u>3,150</u> |
| Total expenses | <u>1,741,126</u> | <u>1,787,810</u> | <u>1,685,632</u> | <u>102,178</u> |
| Net change in fund equity | - | - | - | - |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 5,344,022 | \$ 5,912,159 | \$ 5,880,203 | \$ (31,956) |
| Other | 450,000 | 787,067 | 760,431 | (26,636) |
| Total revenues. | <u>5,794,022</u> | <u>6,699,226</u> | <u>6,640,634</u> | <u>(58,592)</u> |
| Expenses: | | | | |
| Contractual services | 530,000 | 524,828 | 515,558 | 9,270 |
| Claims expense | <u>5,264,022</u> | <u>6,174,398</u> | <u>6,124,185</u> | <u>50,213</u> |
| Total expenses | <u>5,794,022</u> | <u>6,699,226</u> | <u>6,639,743</u> | <u>59,483</u> |
| Net change in fund equity | - | - | 891 | 891 |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 891</u> | <u>\$ 891</u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OML SELF INSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 500,000 | \$ 525,000 | \$ 503,630 | \$ (21,370) |
| Total revenues. | <u>500,000</u> | <u>525,000</u> | <u>503,630</u> | <u>(21,370)</u> |
| Expenses: | | | | |
| Contractual services | 450,000 | 449,400 | 446,520 | 2,880 |
| Claims expense | <u>50,000</u> | <u>75,600</u> | <u>57,110</u> | <u>18,490</u> |
| Total expenses | <u>500,000</u> | <u>525,000</u> | <u>503,630</u> | <u>21,370</u> |
| Net change in fund equity | - | - | - | - |
| Fund equity at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund equity at end of year. | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

CITY OF MANSFIELD, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS' COMPENSATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 621,528 | \$ 621,528 | \$ 622,852 | \$ 1,324 |
| Other | - | - | 175,279 | 175,279 |
| Total revenues. | <u>621,528</u> | <u>621,528</u> | <u>798,131</u> | <u>176,603</u> |
| Expenses: | | | | |
| Contractual services | <u>674,842</u> | <u>674,842</u> | <u>674,842</u> | <u>-</u> |
| Total expenses | <u>674,842</u> | <u>674,842</u> | <u>674,842</u> | <u>-</u> |
| Net change in fund equity | (53,314) | (53,314) | 123,289 | 176,603 |
| Fund equity at beginning of year | <u>99,203</u> | <u>99,203</u> | <u>99,203</u> | <u>-</u> |
| Fund equity at end of year. | <u>\$ 45,889</u> | <u>\$ 45,889</u> | <u>\$ 222,492</u> | <u>\$ 176,603</u> |

CITY OF MANSFIELD, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

FUND DESCRIPTIONS

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

Agency Funds

OSP Fines Fund

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

Sewer and Street Opening Fund

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

Building Security Fund

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

Payroll Agency Fund

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

Municipal Court Fund

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

Transient Occupancy Tax Fund

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

Board of Standards Assessments Fund

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

Utility Deposits Fund

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

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Balance 01/01/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/11</u> |
|--|-----------------------------|----------------------|----------------------|-----------------------------|
| OSP Fines | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 4,900 | \$ 65,632 | \$ 70,532 | \$ - |
| Receivables (net of allowances of uncollectibles): | | | | |
| Accounts | <u>4,507</u> | <u>65,570</u> | <u>65,632</u> | <u>4,445</u> |
| Total assets | <u>\$ 9,407</u> | <u>\$ 131,202</u> | <u>\$ 136,164</u> | <u>\$ 4,445</u> |
| Liabilities: | | | | |
| Due to individuals | <u>\$ 9,407</u> | <u>\$ 65,570</u> | <u>\$ 70,532</u> | <u>\$ 4,445</u> |
| Total liabilities. | <u>\$ 9,407</u> | <u>\$ 65,570</u> | <u>\$ 70,532</u> | <u>\$ 4,445</u> |
| Sewer and Street Opening | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | <u>\$ 20,688</u> | <u>\$ 3,130</u> | <u>\$ 5,050</u> | <u>\$ 18,768</u> |
| Total assets | <u>\$ 20,688</u> | <u>\$ 3,130</u> | <u>\$ 5,050</u> | <u>\$ 18,768</u> |
| Liabilities: | | | | |
| Due to individuals | <u>\$ 20,688</u> | <u>\$ 3,130</u> | <u>\$ 5,050</u> | <u>\$ 18,768</u> |
| Total liabilities. | <u>\$ 20,688</u> | <u>\$ 3,130</u> | <u>\$ 5,050</u> | <u>\$ 18,768</u> |
| Building Security | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | <u>\$ 55,390</u> | <u>\$ 57,440</u> | <u>\$ 46,607</u> | <u>\$ 66,223</u> |
| Total assets | <u>\$ 55,390</u> | <u>\$ 57,440</u> | <u>\$ 46,607</u> | <u>\$ 66,223</u> |
| Liabilities: | | | | |
| Due to individuals | <u>\$ 55,390</u> | <u>\$ 57,440</u> | <u>\$ 46,607</u> | <u>\$ 66,223</u> |
| Total liabilities. | <u>\$ 55,390</u> | <u>\$ 57,440</u> | <u>\$ 46,607</u> | <u>\$ 66,223</u> |
| Payroll Agency | | | | |
| Assets: | | | | |
| Cash and cash equivalents with fiscal agents | <u>\$ 447,171</u> | <u>\$ 22,666,107</u> | <u>\$ 22,680,149</u> | <u>\$ 433,129</u> |
| Total assets | <u>\$ 447,171</u> | <u>\$ 22,666,107</u> | <u>\$ 22,680,149</u> | <u>\$ 433,129</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 48,459 | \$ 9,503,328 | \$ 9,508,828 | \$ 42,959 |
| Due to other governments | 276,829 | 5,820,881 | 5,827,448 | 270,262 |
| Due to individuals | <u>121,883</u> | <u>7,341,898</u> | <u>7,343,873</u> | <u>119,908</u> |
| Total liabilities. | <u>\$ 447,171</u> | <u>\$ 22,666,107</u> | <u>\$ 22,680,149</u> | <u>\$ 433,129</u> |

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Balance</u> <u>01/01/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/11</u> |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|
| Municipal Court | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 741,488 | \$ 5,692,598 | \$ 5,718,104 | \$ 715,982 |
| Total assets | <u>\$ 741,488</u> | <u>\$ 5,692,598</u> | <u>\$ 5,718,104</u> | <u>\$ 715,982</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 139,716 | \$ 2,389,404 | \$ 2,397,007 | \$ 132,113 |
| Accounts payable | 80,883 | 1,130,364 | 1,134,685 | 76,562 |
| Due to individuals | 1,938 | 45,609 | 45,317 | 2,230 |
| Undistributed monies | 518,951 | 2,127,221 | 2,141,095 | 505,077 |
| Total liabilities. | <u>\$ 741,488</u> | <u>\$ 5,692,598</u> | <u>\$ 5,718,104</u> | <u>\$ 715,982</u> |
| Transient Occupancy Tax | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ - | \$ 231,772 | \$ 231,772 | \$ - |
| Receivables (net of allowances of uncollectibles): | | | | |
| Taxes | 9,999 | 233,196 | 231,772 | 11,423 |
| Total assets | <u>\$ 9,999</u> | <u>\$ 464,968</u> | <u>\$ 463,544</u> | <u>\$ 11,423</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 2,587 | \$ 36,660 | \$ 36,589 | \$ 2,658 |
| Due to individuals | 7,412 | 196,536 | 195,183 | 8,765 |
| Total liabilities. | <u>\$ 9,999</u> | <u>\$ 233,196</u> | <u>\$ 231,772</u> | <u>\$ 11,423</u> |
| Board of Standards Assessments | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 468 | \$ 2,319 | \$ 2,283 | \$ 504 |
| Total assets | <u>\$ 468</u> | <u>\$ 2,319</u> | <u>\$ 2,283</u> | <u>\$ 504</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 468 | \$ 2,319 | \$ 2,283 | \$ 504 |
| Total liabilities. | <u>\$ 468</u> | <u>\$ 2,319</u> | <u>\$ 2,283</u> | <u>\$ 504</u> |

(continued)

CITY OF MANSFIELD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Balance</u> <u>01/01/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/11</u> |
|--|-----------------------------------|----------------------|----------------------|-----------------------------------|
| Total Agency Funds | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 822,934 | \$ 6,052,891 | \$ 6,074,348 | \$ 801,477 |
| Cash and cash equivalents with fiscal agents | 447,171 | 22,666,107 | 22,680,149 | 433,129 |
| Receivables (net of allowances of uncollectibles): | | | | |
| Taxes | 9,999 | 233,196 | 231,772 | 11,423 |
| Accounts | 4,507 | 65,570 | 65,632 | 4,445 |
| Total assets | <u>\$ 1,284,611</u> | <u>\$ 29,017,764</u> | <u>\$ 29,051,901</u> | <u>\$ 1,250,474</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 358,180 | \$ 6,953,564 | \$ 6,964,416 | \$ 347,328 |
| Accounts payable | 190,762 | 11,929,392 | 11,942,424 | 177,730 |
| Due to individuals | 216,718 | 7,710,183 | 7,706,562 | 220,339 |
| Undistributed monies | 518,951 | 2,127,221 | 2,141,095 | 505,077 |
| Total liabilities. | <u>\$ 1,284,611</u> | <u>\$ 28,720,360</u> | <u>\$ 28,754,497</u> | <u>\$ 1,250,474</u> |

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Statistical Section

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

| <u>Contents</u> | <u>Page(s)</u> |
|--|-----------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 140 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax. | 150 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 158 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | 167 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 169 |

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

CITY OF MANSFIELD, OHIO

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

| | 2011 | 2010 | 2009 | 2008 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 53,334,491 | \$ 50,022,359 | \$ 45,218,744 | \$ 48,572,308 |
| Restricted | 21,247,684 | 17,794,871 | 8,528,084 | 7,647,351 |
| Unrestricted | (3,281,906) | (1,923,290) | 5,929,372 | 3,618,921 |
| <i>Total Governmental Activities Net Assets</i> | <u>71,300,269</u> | <u>65,893,940</u> | <u>59,676,200</u> | <u>59,838,580</u> |
| Business-Type Activities | | | | |
| Invested in Capital Assets, Net of Related Debt | 44,431,737 | 46,700,688 | 38,192,427 | 37,203,838 |
| Restricted | 3,512,498 | 3,231,968 | 2,998,376 | 4,040,936 |
| Unrestricted | 15,677,070 | 10,104,011 | 6,363,897 | 8,637,779 |
| <i>Total Business-Type Activities Net Assets</i> | <u>63,621,305</u> | <u>60,036,667</u> | <u>47,554,700</u> | <u>49,882,553</u> |
| Primary Government | | | | |
| Invested in Capital Assets, Net of Related Debt | 97,766,228 | 96,723,047 | 83,411,171 | 85,776,146 |
| Restricted | 24,760,182 | 21,026,839 | 11,526,460 | 11,688,287 |
| Unrestricted | 12,395,164 | 8,180,721 | 12,293,269 | 12,256,700 |
| <i>Total Primary Government Net Assets</i> | <u>\$ 134,921,574</u> | <u>\$ 125,930,607</u> | <u>\$ 107,230,900</u> | <u>\$ 109,721,133</u> |

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|----|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ | 46,575,580 | \$ 45,098,513 | \$ 46,367,183 | \$ 47,833,128 | \$ 48,523,672 |
| | 12,085,390 | 15,824,043 | 15,521,272 | 15,950,708 | 26,640,679 |
| | 1,118,449 | 1,740,055 | (413,024) | (1,266,633) | (11,680,081) |
| | <u>59,779,419</u> | <u>62,662,611</u> | <u>61,475,431</u> | <u>62,517,203</u> | <u>63,484,270</u> |
| | 37,016,539 | 37,078,689 | 37,370,730 | 36,878,972 | 39,814,666 |
| | 3,979,276 | 3,979,276 | 3,979,276 | 4,070,672 | 1,457,668 |
| | <u>8,911,886</u> | <u>12,340,798</u> | <u>10,362,772</u> | <u>8,135,785</u> | <u>7,912,220</u> |
| | <u>49,907,701</u> | <u>53,398,763</u> | <u>51,712,778</u> | <u>49,085,429</u> | <u>49,184,554</u> |
| | 83,592,119 | 82,177,202 | 83,737,913 | 84,712,100 | 88,338,338 |
| | 16,064,666 | 19,803,319 | 19,500,548 | 20,021,380 | 28,098,347 |
| | <u>10,030,335</u> | <u>14,080,853</u> | <u>9,949,748</u> | <u>6,869,152</u> | <u>(3,767,861)</u> |
| \$ | <u>109,687,120</u> | <u>116,061,374</u> | <u>113,188,209</u> | <u>111,602,632</u> | <u>112,668,824</u> |

CITY OF MANSFIELD, OHIO

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

| | 2011 | 2010 | 2009 | 2008 |
|--|----------------------|----------------------|----------------------|----------------------|
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General government | \$ 3,600,006 | \$ 4,218,337 | \$ 3,354,171 | \$ 2,743,160 |
| Public safety | 1,865,400 | 1,816,016 | 1,696,761 | 1,635,098 |
| Public health and welfare | - | 9,792 | 99,625 | - |
| Transportation | 15,870 | 147,242 | 130,933 | 900,705 |
| Community environment | 156,965 | 125,865 | 79,013 | 188,869 |
| Leisure time activities | 12,190 | 17,500 | 20,050 | 35,048 |
| Operating Grants and Contributions | 7,540,551 | 9,097,678 | 6,807,761 | 11,077,411 |
| Capital Grants and Contributions | 1,721,169 | 5,928,197 | 1,424,961 | 1,674,288 |
| <i>Total Governmental Activities Program Revenues</i> | <u>14,912,151</u> | <u>21,360,627</u> | <u>13,613,275</u> | <u>18,254,579</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water | 9,423,857 | 8,041,727 | 7,088,115 | 8,000,336 |
| Sewer | 8,219,010 | 7,301,003 | 7,816,211 | 8,001,563 |
| Airport | 76,334 | 69,590 | 63,969 | 66,965 |
| Parking Garage | - | - | - | - |
| Capital Grants and Contributions | 7,650 | 1,821,086 | 1,916,402 | 1,511,417 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>17,726,851</u> | <u>17,233,406</u> | <u>16,884,697</u> | <u>17,580,281</u> |
| <i>Total Primary Government Program Revenues</i> | <u>32,639,002</u> | <u>38,594,033</u> | <u>30,497,972</u> | <u>35,834,860</u> |
| Expenses | | | | |
| Governmental Activities: | | | | |
| General government | 10,117,137 | 12,081,564 | 12,462,297 | 14,474,385 |
| Public safety | 21,292,633 | 25,028,107 | 23,263,250 | 23,624,982 |
| Public health and welfare | 3,006 | 69,089 | 110,876 | 128,164 |
| Transportation | 3,385,047 | 2,196,791 | 8,313,893 | 9,917,676 |
| Community environment | 2,198,250 | 2,697,080 | 2,623,592 | 1,669,302 |
| Leisure time activities | 328,411 | 215,429 | 500,889 | 879,341 |
| Interest and fiscal charges | 266,520 | 292,388 | 276,828 | 288,073 |
| <i>Total Governmental Activities Expenses</i> | <u>37,591,004</u> | <u>42,580,448</u> | <u>47,551,625</u> | <u>50,981,923</u> |
| Business-Type Activities: | | | | |
| Water | 6,105,309 | 4,573,816 | 7,759,063 | 7,604,723 |
| Sewer | 7,960,497 | 5,334,940 | 9,898,811 | 9,821,326 |
| Airport | 600,011 | 193,147 | 683,312 | 646,544 |
| Parking Garage | - | - | - | 251,712 |
| <i>Total Business-Type Activities Expenses</i> | <u>14,665,817</u> | <u>10,101,903</u> | <u>18,341,186</u> | <u>18,324,305</u> |
| <i>Total Primary Government Expenses</i> | <u>\$ 52,256,821</u> | <u>\$ 52,682,351</u> | <u>\$ 65,892,811</u> | <u>\$ 69,306,228</u> |

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

(continued)

CITY OF MANSFIELD, OHIO

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

| | 2011 | 2010 | 2009 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (22,678,853) | \$ (21,219,821) | \$ (33,938,350) | \$ (32,727,344) |
| Business-Type Activities | 3,061,034 | 7,131,503 | (1,456,489) | (744,024) |
| <i>Total Primary Government Net Expense</i> | <u>\$ (19,617,819)</u> | <u>\$ (14,088,318)</u> | <u>\$ (35,394,839)</u> | <u>\$ (33,471,368)</u> |
| | | | | |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental Activities: | | | | |
| Taxes: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 1,200,704 | \$ 2,024,365 | \$ 1,921,449 | \$ 2,119,802 |
| Debt service | - | - | - | - |
| Special purposes | 272,948 | 417,383 | 382,588 | 422,629 |
| Income taxes levied for: | | | | |
| General purposes | 1,018,570 | 365,730 | 339,453 | 309,108 |
| Special purposes | 18,400,012 | 18,211,023 | 18,035,032 | 20,226,017 |
| Capital projects | 3,431,901 | 3,050,004 | 3,089,291 | 4,706,268 |
| Grants and entitlements not restricted to specific programs | 3,225,813 | 3,719,190 | 8,094,480 | 3,972,491 |
| Investment earnings | 310,072 | 326,473 | 413,969 | 932,920 |
| Gain on sale of capital assets | 225,027 | 84,756 | 167,581 | - |
| Miscellaneous | 135 | 1,927 | 68,484 | 97,270 |
| Transfers | - | (763,290) | - | - |
| Special item - donation of land | - | - | - | - |
| <i>Total Governmental Activities</i> | <u>28,085,182</u> | <u>27,437,561</u> | <u>32,512,327</u> | <u>32,786,505</u> |
| | | | | |
| Business-Type Activities: | | | | |
| Income taxes levied for: | | | | |
| Airport | 485,148 | 257,365 | 263,384 | 604,380 |
| Grants and entitlements not restricted to specific programs | 22,810 | 53,198 | 73,888 | 73,888 |
| Investment earnings | 10,530 | 15,600 | 20,670 | 25,545 |
| Miscellaneous | 5,116 | 18,366 | 34,337 | 15,063 |
| Transfers | - | 763,290 | - | - |
| <i>Total Business-Type Activities</i> | <u>523,604</u> | <u>1,107,819</u> | <u>392,279</u> | <u>718,876</u> |
| | | | | |
| <i>Total Primary Government</i> | <u>28,608,786</u> | <u>28,545,380</u> | <u>32,904,606</u> | <u>33,505,381</u> |
| | | | | |
| Change in Net Assets | | | | |
| Governmental Activities | 5,406,329 | 6,217,740 | (1,426,023) | 59,161 |
| Business-Type Activities | 3,584,638 | 8,239,322 | (1,064,210) | (25,148) |
| <i>Total Primary Government Change in Net Assets</i> | <u>\$ 8,990,967</u> | <u>\$ 14,457,062</u> | <u>\$ (2,490,233)</u> | <u>\$ 34,013</u> |

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|----|--------------|-----------------|-----------------|-----------------|-----------------|
| \$ | (34,719,192) | \$ (33,128,676) | \$ (32,528,842) | \$ (31,158,320) | \$ (29,919,342) |
| | (4,234,927) | 1,071,522 | 1,577,501 | 405,031 | (158,409) |
| \$ | (38,954,119) | \$ (32,057,154) | \$ (30,951,341) | \$ (30,753,289) | \$ (30,077,751) |
| \$ | 2,026,704 | \$ 2,301,741 | \$ 2,520,948 | \$ 1,895,024 | \$ 1,956,016 |
| | - | - | 1,062 | 2,522 | 8,037 |
| | 403,991 | 471,426 | 784,511 | 368,905 | 394,563 |
| | 833,459 | 642,031 | 714,984 | 797,061 | 295,182 |
| | 18,832,225 | 20,554,764 | 19,109,121 | 18,116,003 | 19,085,840 |
| | 4,258,507 | 2,336,710 | 3,893,063 | 3,062,798 | 3,297,494 |
| | 4,072,562 | 6,409,483 | 2,646,945 | 5,169,330 | 5,520,410 |
| | 1,259,757 | 1,548,036 | 1,029,572 | 411,338 | 629,575 |
| | - | - | - | 89,416 | 18,581 |
| | 7,204 | 51,665 | 174,500 | 231,320 | 134,162 |
| | - | - | - | - | 337,209 |
| | - | - | - | - | (180,484) |
| | 31,694,409 | 34,315,856 | 30,874,706 | 30,143,717 | 31,496,585 |
| | 413,685 | 421,564 | 439,395 | 256,830 | 271,518 |
| | 194,738 | 86,433 | 486,715 | - | - |
| | 2,658 | 7,305 | - | 44,265 | 48,750 |
| | 59,950 | 99,161 | 123,738 | 32,238 | 19,182 |
| | - | - | - | - | (337,209) |
| | 671,031 | 614,463 | 1,049,848 | 333,333 | 2,241 |
| | 32,365,440 | 34,930,319 | 31,924,554 | 30,477,050 | 31,498,826 |
| | (3,024,783) | 1,187,180 | (1,654,136) | (1,014,603) | 1,577,243 |
| | (3,563,896) | 1,685,985 | 2,627,349 | 738,364 | (156,168) |
| \$ | (6,588,679) | \$ 2,873,165 | \$ 973,213 | \$ (276,239) | \$ 1,421,075 |

CITY OF MANSFIELD, OHIO

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

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund | | | | | |
| Nonspendable | \$ 49,520 | \$ 42,336 | N/A | N/A | N/A |
| Restricted | 102,904 | 26,618 | N/A | N/A | N/A |
| Committed | 6,919 | 8,873 | N/A | N/A | N/A |
| Assigned | 556,695 | 4,288 | N/A | N/A | N/A |
| Unassigned | 2,709,874 | 757,213 | N/A | N/A | N/A |
| Reserved | N/A | N/A | 2,306,556 | 439,910 | 1,116,618 |
| Unreserved | N/A | N/A | (2,314,562) | 984,869 | 509,765 |
| Total General Fund | 3,425,912 | 839,328 | (8,006) | 1,424,779 | 1,626,383 |
| All Other Governmental Funds | | | | | |
| Nonspendable | 252,126 | 304,188 | N/A | N/A | N/A |
| Restricted | 7,496,881 | 7,281,498 | N/A | N/A | N/A |
| Committed | 1,939,153 | 1,912,080 | N/A | N/A | N/A |
| Assigned | - | - | N/A | N/A | N/A |
| Unassigned (deficit) | (526,512) | (1,550,062) | N/A | N/A | N/A |
| Reserved | N/A | N/A | 3,430,572 | 5,372,506 | 7,821,162 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | N/A | N/A | 2,281,100 | 1,418,680 | 1,495,324 |
| Debt service fund | N/A | N/A | 14,364 | - | - |
| Capital project funds | N/A | N/A | 2,828,450 | (1,650,762) | (650,979) |
| Total All Other Governmental Funds | 9,161,648 | 7,947,704 | 8,554,486 | 5,140,424 | 8,665,507 |
| Total Governmental Funds | \$ 12,587,560 | \$ 8,787,032 | \$ 8,546,480 | \$ 6,565,203 | \$ 10,291,890 |

Note: The City implemented GASB 54 in 2011.

| 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------|---------------|---------------|---------------|---------------|
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| 359,737 | 506,487 | 727,717 | 756,972 | 153,728 |
| 2,014,261 | (210,543) | (1,213,843) | 479,177 | 73,735 |
| 2,373,998 | 295,944 | (486,126) | 1,236,149 | 227,463 |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |
| 5,886,752 | 6,479,670 | 6,010,557 | 7,135,246 | 8,179,023 |
| 3,480,884 | 3,664,556 | 2,564,398 | 1,723,601 | 2,484,448 |
| - | - | - | - | - |
| 1,335,060 | 1,698,691 | 2,056,068 | 12,997,592 | 11,213,435 |
| 10,702,696 | 11,842,917 | 10,631,023 | 21,856,439 | 21,876,906 |
| \$ 13,076,694 | \$ 12,138,861 | \$ 10,144,897 | \$ 23,092,588 | \$ 22,104,369 |

CITY OF MANSFIELD, OHIO

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

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------------------|-------------------|--------------------|-----------------------|-----------------------|
| Revenues: | | | | | |
| Municipal income taxes | \$ 22,716,085 | \$ 21,595,452 | \$ 21,515,827 | \$ 24,241,438 | \$ 24,369,037 |
| Property and other taxes | 1,507,537 | 2,445,489 | 2,386,719 | 2,542,983 | 2,545,865 |
| Charges for services | 1,884,773 | 2,014,192 | 1,699,492 | 2,501,935 | 1,747,742 |
| Licenses, permits and fees | 1,059,463 | 597,049 | 754,461 | 1,009,895 | 898,192 |
| Fines and forfeitures | 2,508,701 | 2,830,775 | 2,317,850 | 1,819,253 | 1,724,413 |
| Intergovernmental | 14,199,861 | 18,788,739 | 12,094,597 | 17,757,450 | 14,866,082 |
| Special assessments | 31,769 | 49,359 | 56,273 | 41,680 | 26,093 |
| Investment income | 310,072 | 326,473 | 413,969 | 932,920 | 1,259,757 |
| Other | 165,725 | 843,375 | 552,476 | 132,868 | 227,968 |
| <i>Total revenues</i> | <u>44,383,986</u> | <u>49,490,903</u> | <u>41,791,664</u> | <u>50,980,422</u> | <u>47,665,149</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 9,157,244 | 8,615,629 | 9,262,486 | 10,838,867 | 10,254,320 |
| Public safety | 20,852,533 | 25,333,268 | 24,600,304 | 24,477,914 | 24,230,031 |
| Public health and welfare | 7,052 | 76,351 | 109,486 | 129,965 | 154,251 |
| Transportation | 2,197,989 | 2,300,961 | 2,528,206 | 3,895,775 | 4,454,990 |
| Community environment | 2,259,281 | 2,778,561 | 2,573,024 | 1,654,607 | 1,787,617 |
| Leisure time activities | 283,280 | 419,944 | 460,698 | 766,628 | 1,231,940 |
| Capital outlay | 5,312,992 | 8,185,288 | 3,965,385 | 12,556,339 | 8,054,070 |
| Debt service: | | | | | |
| Principal retirement | 425,000 | 415,000 | 320,000 | 310,000 | 305,000 |
| Interest and fiscal charges | 268,236 | 307,533 | 292,983 | 327,285 | 242,972 |
| Bond issuance costs | - | - | - | - | - |
| <i>Total expenditures</i> | <u>40,763,607</u> | <u>48,432,535</u> | <u>44,112,572</u> | <u>54,957,380</u> | <u>50,715,191</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>3,620,379</u> | <u>1,058,368</u> | <u>(2,320,908)</u> | <u>(3,976,958)</u> | <u>(3,050,042)</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | 225,027 | 84,756 | 167,581 | 155,939 | 110,990 |
| Proceeds from sale of note premium | - | - | - | - | - |
| Proceeds of bonds | - | - | 2,620,000 | - | - |
| Proceeds from sale of bond premium | - | - | 64,448 | - | - |
| Proceeds from capital lease transaction | - | - | 100,000 | - | - |
| Transfers in | 596,240 | 1,584,644 | 1,660,461 | 766,165 | 1,833,962 |
| Transfers out | (596,240) | (2,347,934) | (1,660,461) | (686,305) | (1,833,962) |
| <i>Total other financing sources (uses)</i> | <u>225,027</u> | <u>(678,534)</u> | <u>2,952,029</u> | <u>235,799</u> | <u>110,990</u> |
| <i>Net change in fund balances</i> | <u>\$ 3,845,406</u> | <u>\$ 379,834</u> | <u>\$ 631,121</u> | <u>\$ (3,741,159)</u> | <u>\$ (2,939,052)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 2.0% | 2.0% | 1.6% | 1.6% | 1.4% |

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|----|-------------------|---------------------|------------------------|-------------------|-------------------|
| \$ | 23,449,356 | \$ 23,254,583 | \$ 22,444,242 | \$ 22,322,290 | \$ 22,319,628 |
| | 2,707,079 | 3,044,029 | 2,376,280 | 2,337,097 | 2,228,152 |
| | 1,456,616 | 2,055,269 | 1,239,855 | 499,903 | 454,980 |
| | 809,274 | 954,917 | 1,805,151 | 975,739 | 887,891 |
| | 1,682,073 | 1,716,546 | 1,792,353 | 1,851,684 | 2,189,288 |
| | 12,612,732 | 14,082,197 | 11,687,464 | 12,195,703 | 12,346,111 |
| | 24,533 | 148,266 | 25,415 | 46,263 | 53,288 |
| | 1,441,036 | 1,029,572 | 411,338 | 629,575 | 905,511 |
| | 1,585,563 | 1,135,627 | 314,086 | 288,727 | 434,977 |
| | <u>45,768,262</u> | <u>47,421,006</u> | <u>42,096,184</u> | <u>41,146,981</u> | <u>41,819,826</u> |
| | 9,970,709 | 10,250,858 | 9,576,262 | 9,458,715 | 11,241,914 |
| | 23,679,137 | 22,892,003 | 21,695,859 | 20,501,227 | 20,870,709 |
| | 140,291 | 132,170 | 159,014 | 166,115 | 131,019 |
| | 3,580,149 | 3,681,798 | 2,753,622 | 2,620,323 | 4,450,234 |
| | 1,953,994 | 1,442,988 | 2,105,021 | 2,223,299 | 2,326,942 |
| | 1,061,524 | 474,764 | 390,776 | 527,494 | 835,660 |
| | 3,957,967 | 5,621,233 | 4,691,108 | 3,771,501 | 5,289,272 |
| | 300,430 | 765,000 | 11,035,000 | 10,910,000 | 12,875,000 |
| | 255,687 | 256,095 | 504,235 | 727,275 | 551,689 |
| | - | - | - | - | 135,530 |
| | <u>44,899,888</u> | <u>45,516,909</u> | <u>52,910,897</u> | <u>50,905,949</u> | <u>58,707,969</u> |
| | 868,374 | 1,904,097 | (10,814,713) | (9,758,968) | (16,888,143) |
| | 42,471 | 114,467 | 89,416 | 112,981 | 118,144 |
| | - | 1,303 | - | 10,260,000 | 10,000,000 |
| | - | - | - | - | 7,068,855 |
| | - | - | - | - | - |
| | - | - | 93,572 | - | - |
| | 849,352 | 1,501,262 | 790,958 | 3,395,104 | 6,122,852 |
| | (849,352) | (1,501,262) | (790,958) | (3,057,895) | (6,260,956) |
| | <u>42,471</u> | <u>115,770</u> | <u>182,988</u> | <u>10,710,190</u> | <u>17,048,895</u> |
| \$ | <u>910,845</u> | <u>\$ 2,019,867</u> | <u>\$ (10,631,725)</u> | <u>951,222</u> | <u>\$ 160,752</u> |

1.4%

2.7%

24.1%

25.7%

25.1%

CITY OF MANSFIELD, OHIO

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

| Year | Real Property | | Personal Property (1) (5) | |
|----------|----------------|------------------|---------------------------|------------------|
| | Assessed | Estimated Actual | Assessed | Estimated Actual |
| 2011 | \$ 569,038,870 | \$ 1,625,825,343 | - | - |
| 2010 | 601,577,670 | 1,718,793,343 | - | - |
| 2009 | 612,474,640 | 1,749,927,543 | - | - |
| 2008 (3) | 611,164,890 | 1,746,185,400 | 43,950,179 | 703,202,864 |
| 2007 | 613,362,160 | 1,752,463,229 | 58,600,238 | 468,801,904 |
| 2006 | 612,365,730 | 1,749,616,371 | 110,363,727 | 588,363,727 |
| 2005 (4) | 615,981,970 | 1,759,948,486 | 145,405,712 | 605,857,133 |
| 2004 | 553,471,750 | 1,581,347,857 | 145,331,157 | 631,874,595 |
| 2003 | 547,450,210 | 1,564,143,457 | 135,796,578 | 565,819,075 |
| 2002 (3) | 516,602,240 | 1,474,320,690 | 135,757,108 | 543,028,432 |

(1) Other than public utility.

(2) Real and tangible personal.

(3) Update year

(4) Reappraisal year

(5) Personal property taxes were phased out.

Source: Richland County Auditor

| Public Utility (2) | | Totals | | | Assessed Value as a percent of Estimated Actual Value |
|--------------------|---------------------|----------------|--------------------|---------------------|--|
| Assessed | Estimated Actual | Assessed | Direct Tax Rate | Estimated Actual | |
| \$ 14,972,140 | \$ 42,777,543 | \$ 584,011,010 | 3.60% | \$ 1,668,602,886 | 35.00% |
| 14,328,390 | 40,938,257 | 615,906,060 | 3.60% | 1,759,731,600 | 35.00% |
| 13,795,680 | 39,416,229 | 626,270,320 | 3.60% | 1,789,343,772 | 35.00% |
| 13,509,070 | 38,597,343 | 668,624,139 | 3.60% | 2,487,985,607 | 26.87% |
| 13,435,490 | 38,387,114 | 685,397,888 | 3.60% | 2,259,652,247 | 30.33% |
| 19,584,030 | 55,954,371 | 742,313,487 | 3.60% | 2,393,934,469 | 31.01% |
| 22,294,140 | 63,697,543 | 783,681,822 | 3.60% | 2,429,503,162 | 32.26% |
| 22,170,430 | 63,344,086 | 720,973,337 | 3.60% | 2,276,566,538 | 31.67% |
| 22,535,120 | 64,386,057 | 705,781,908 | 3.60% | 2,194,348,589 | 32.16% |
| 22,651,870 | 64,719,630 | 675,011,218 | 3.60% | 2,082,068,752 | 32.42% |

CITY OF MANSFIELD, OHIO

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

| Collection Year | Operating (3) | Police and Fire Pension | Debt Retirement (2) | City of Mansfield | Richland County | Mansfield City School District | Total |
|-----------------|---------------|-------------------------|---------------------|-------------------|-----------------|--------------------------------|----------|
| 2011 | \$ 3.00 | \$ 0.60 | \$ - | \$ 3.60 | \$ 11.70 | \$ 69.65 | \$ 84.95 |
| 2010 | 3.00 | 0.60 | - | 3.60 | 12.40 | 68.65 | 84.65 |
| 2009 | 3.00 | 0.60 | - | 3.60 | 12.40 | 68.65 | 84.65 |
| 2008 | 3.00 | 0.60 | - | 3.60 | 11.40 | 69.25 | 84.25 |
| 2007 | 3.00 | 0.60 | - | 3.60 | 11.40 | 60.55 | 75.55 |
| 2006 | 3.00 | 0.60 | - | 3.60 | 11.40 | 60.75 | 75.75 |
| 2005 | 3.00 | 0.60 | - | 3.60 | 11.40 | 66.05 | 81.05 |
| 2004 | 3.00 | 0.60 | - | 3.60 | 11.40 | 66.05 | 81.05 |
| 2003 | 3.00 | 0.60 | - | 3.60 | 9.00 | 66.15 | 78.75 |
| 2002 | 3.00 | 0.60 | - | 3.60 | 9.00 | 66.15 | 78.75 |

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

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

(3) Includes Mansfield Township portion.

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO
PRINCIPAL TAXPAYERS
(EXCLUDING PUBLIC UTILITY)
DECEMBER 31, 2011 AND DECEMBER 31, 2002

| Name of Taxpayer | December 31, 2011 | |
|---------------------------|-----------------------|---|
| | Assessed Valuation | Percentage of Total Assessed Valuation |
| Kurt Stimens | \$ 5,668,870 | 1.00% |
| Newman Technology | 5,054,090 | 0.89% |
| Gorman Rupp | 3,470,120 | 0.61% |
| Wal Mart Real Estate | 2,996,180 | 0.53% |
| SSI Mansfield LLC | 2,655,920 | 0.47% |
| Jay Industries | 2,015,420 | 0.35% |
| Willard Rental Properties | 1,818,500 | 0.32% |
| Armco | 1,756,500 | 0.31% |
| Graham Chevrolet | 1,481,480 | 0.26% |
| MedCentral | 1,341,990 | 0.24% |
| Totals | <u>\$ 28,259,070</u> | <u>4.98%</u> |

| Name of Taxpayer | December 31, 2002 | |
|----------------------|-----------------------|---|
| | Assessed Valuation | Percentage of Total Assessed Valuation |
| AK Steel Corporation | \$ 7,230,360 | 1.40% |
| Mansfield Square | 3,432,800 | 0.66% |
| Newman Technology | 3,124,830 | 0.60% |
| Cambridge Woodbridge | 2,913,240 | 0.56% |
| Jay Plastics | 1,975,800 | 0.38% |
| Gorman Rupp | 1,814,870 | 0.35% |
| Skilken, Morris B. | 1,796,130 | 0.35% |
| Therm-O-Disc | 1,577,270 | 0.31% |
| Richland Bank | 1,354,330 | 0.26% |
| Mansfield Motel | 1,270,340 | 0.25% |
| Totals | <u>\$ 26,489,970</u> | <u>5.12%</u> |

Source: Richland County Auditor

CITY OF MANSFIELD, OHIO

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

| <u>Collection Year</u> | <u>Total Tax Levy (1)</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Levy Collected</u> |
|----------------------------|-------------------------------|--|--|---|--------------------------------------|--|
| 2011 | \$ 2,557,902 | \$ 2,068,897 | 80.9% | \$ 489,005 | \$ 2,557,902 | 100.0% |
| 2010 | 2,608,552 | 1,955,101 | 74.9% | 653,451 | 2,608,552 | 100.0% |
| 2009 | 2,181,153 | 1,856,901 | 85.1% | 324,252 | 2,181,153 | 100.0% |
| 2008 | 2,186,409 | 2,172,251 | 99.4% | 14,159 | 2,186,410 | 100.0% |
| 2007 | 2,203,918 | 1,960,848 | 89.0% | 243,070 | 2,203,918 | 100.0% |
| 2006 | 2,208,475 | 2,060,648 | 93.3% | 147,827 | 2,208,475 | 100.0% |
| 2005 | 2,005,354 | 1,715,128 | 85.5% | 290,225 | 2,005,353 | 100.0% |
| 2004 | 2,004,286 | 2,002,840 | 99.9% | 266,966 | 2,269,806 | 113.2% |
| 2003 | 1,900,247 | 1,715,056 | 90.3% | 262,544 | 1,977,600 | 104.1% |
| 2002 | 1,868,997 | 1,636,801 | 87.6% | 243,604 | 1,880,405 | 100.6% |

Source: Richland County Auditor

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

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

CITY OF MANSFIELD, OHIO

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

| <u>Tax Year</u> | <u>Tax Rate</u> | <u>Total Tax Collected</u> | <u>Taxes From Withholding</u> | <u>Percentage of Taxes From Withholding</u> | <u>Taxes From Net Profits</u> | <u>Percentage of Taxes From Net Profits</u> | <u>Taxes From Individuals</u> | <u>Percentage of Taxes From Individuals</u> |
|-----------------|-----------------|----------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2011 | 1.75% | \$ 23,740,740 | \$ 18,569,475 | 78.2% | \$ 3,684,580 | 15.5% | \$ 1,486,685 | 6.3% |
| 2010 | 1.75% | 23,162,331 | 18,375,043 | 79.3% | 3,296,900 | 14.2% | 1,490,388 | 6.5% |
| 2009 | 1.75% | 22,962,928 | 18,533,033 | 80.7% | 2,914,595 | 12.7% | 1,515,300 | 6.6% |
| 2008 | 1.75% | 25,100,403 | 19,618,191 | 78.2% | 3,886,377 | 15.5% | 1,595,835 | 6.3% |
| 2007 | 1.75% | 25,952,247 | 20,333,797 | 78.4% | 4,030,366 | 15.5% | 1,588,084 | 6.1% |
| 2006 | 1.75% | 24,586,419 | 19,853,408 | 80.7% | 3,214,402 | 13.1% | 1,518,609 | 6.2% |
| 2005 | 1.75% | 24,229,207 | 19,233,753 | 79.4% | 3,460,874 | 14.3% | 1,534,580 | 6.3% |
| 2004 | 1.75% | 22,855,984 | 18,651,034 | 81.6% | 2,773,583 | 12.1% | 1,431,367 | 6.3% |
| 2003 | 1.75% | 23,289,856 | 19,165,146 | 82.3% | 2,634,031 | 11.3% | 1,490,679 | 6.4% |
| 2002 | 1.75% | 23,232,422 | 18,614,963 | 80.1% | 3,106,239 | 13.4% | 1,511,220 | 6.5% |

% Represents percent of total tax collected

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

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

CITY OF MANSFIELD, OHIO

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

| Tax Year | Company Rank | Amount Paid | Percent of Total Withholding Collections | Tax Year | Company Rank | Amount Paid | Percent of Total Withholding Collections |
|----------|--------------|---------------------|--|----------|--------------|---------------------|--|
| 2011 | 1 | \$ 1,448,975 | 7.80% | 2010 | 1 | \$ 1,434,242 | 7.81% |
| 2011 | 2 | 1,035,504 | 5.58% | 2010 | 2 | 1,032,882 | 5.62% |
| 2011 | 3 | 701,425 | 3.78% | 2010 | 3 | 725,392 | 3.95% |
| 2011 | 4 | 539,267 | 2.90% | 2010 | 4 | 543,692 | 2.96% |
| 2011 | 5 | 512,125 | 2.76% | 2010 | 5 | 517,690 | 2.82% |
| 2011 | 6 | 473,930 | 2.55% | 2010 | 6 | 476,933 | 2.60% |
| 2011 | 7 | 413,655 | 2.23% | 2010 | 7 | 460,848 | 2.51% |
| 2011 | 8 | 402,901 | 2.17% | 2010 | 8 | 444,903 | 2.42% |
| 2011 | 9 | 381,222 | 2.05% | 2010 | 9 | 428,300 | 2.33% |
| 2011 | 10 | 366,206 | 1.97% | 2010 | 10 | 321,869 | 1.75% |
| | Total | \$ 6,275,210 | 33.79% | | Total | \$ 6,386,751 | 34.77% |
| 2009 | 1 | \$ 1,460,849 | 7.97% | 2008 | 1 | \$ 1,502,047 | 7.60% |
| 2009 | 2 | 1,065,900 | 5.82% | 2008 | 2 | 1,131,253 | 5.72% |
| 2009 | 3 | 736,239 | 4.02% | 2008 | 3 | 755,505 | 3.82% |
| 2009 | 4 | 568,663 | 3.10% | 2008 | 4 | 696,592 | 3.52% |
| 2009 | 5 | 496,749 | 2.71% | 2008 | 5 | 544,279 | 2.75% |
| 2009 | 6 | 493,879 | 2.70% | 2008 | 6 | 499,176 | 2.52% |
| 2009 | 7 | 423,830 | 2.31% | 2008 | 7 | 483,435 | 2.44% |
| 2009 | 8 | 394,803 | 2.16% | 2008 | 8 | 458,232 | 2.32% |
| 2009 | 9 | 358,432 | 1.96% | 2008 | 9 | 455,986 | 2.31% |
| 2009 | 10 | 282,799 | 1.54% | 2008 | 10 | 419,777 | 2.12% |
| | Total | \$ 6,282,143 | 34.29% | | Total | \$ 6,946,282 | 35.13% |
| 2007 | 1 | \$ 1,496,224 | 7.56% | 2006 | 1 | \$ 1,451,196 | 7.40% |
| 2007 | 2 | 1,063,689 | 5.38% | 2006 | 2 | 1,014,812 | 5.17% |
| 2007 | 3 | 734,413 | 3.71% | 2006 | 3 | 719,457 | 3.67% |
| 2007 | 4 | 726,067 | 3.67% | 2006 | 4 | 695,250 | 3.54% |
| 2007 | 5 | 596,997 | 3.02% | 2006 | 5 | 663,162 | 3.38% |
| 2007 | 6 | 532,024 | 2.69% | 2006 | 6 | 539,103 | 2.75% |
| 2007 | 7 | 487,347 | 2.46% | 2006 | 7 | 491,989 | 2.51% |
| 2007 | 8 | 477,848 | 2.42% | 2006 | 8 | 488,376 | 2.49% |
| 2007 | 9 | 472,978 | 2.39% | 2006 | 9 | 471,966 | 2.41% |
| 2007 | 10 | 453,490 | 2.29% | 2006 | 10 | 438,761 | 2.24% |
| | Total | \$ 7,041,077 | 35.60% | | Total | \$ 6,974,072 | 35.56% |

% Represents percent of total withholding tax collected

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

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CITY OF MANSFIELD, OHIO

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

| Year | Governmental Activities | | | |
|------|-----------------------------|-----------------------------|------------|----------------|
| | General Obligation Bonds | Special Assessment Bonds | Notes | Capital Leases |
| 2011 | \$ 5,010,000 | \$ - | \$ 230,000 | \$ - |
| 2010 | 5,365,000 | - | 300,000 | - |
| 2009 | 5,710,000 | - | 370,000 | 100,000 |
| 2008 | 3,340,000 | - | 440,000 | 20,473 |
| 2007 | 3,580,000 | - | 510,000 | 39,982 |
| 2006 | 3,815,000 | - | 580,000 | 58,582 |
| 2005 | 4,040,000 | - | 655,430 | 76,309 |
| 2004 | 4,735,000 | 3,139 | 730,862 | 93,572 |
| 2003 | 5,440,000 | 3,268 | 11,066,293 | - |
| 2002 | 4,565,000 | 3,758 | 10,881,724 | 38,711 |

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

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

| Business-type Activities | | | | | |
|-----------------------------|-----------|--------------|---------------|----------------------------------|------------|
| General Obligation Bonds | | Notes | Total Debt | Percentage of Personal Income | Per Capita |
| \$ | 1,650,000 | \$ 1,837,668 | \$ 8,727,668 | 1.05% | \$ 183 |
| | 2,105,000 | 1,477,574 | 9,247,574 | 1.11% | 193 |
| | 2,550,000 | 255,358 | 8,985,358 | 0.98% | 174 |
| | 1,865,000 | 2,259,739 | 7,925,212 | 0.87% | 154 |
| | 2,165,000 | 2,154,120 | 8,449,102 | 0.92% | 164 |
| | 2,490,000 | 2,163,501 | 9,107,083 | 1.00% | 176 |
| | 2,805,000 | 2,732,881 | 10,547,830 | 1.15% | 204 |
| | 3,100,000 | 2,742,263 | 11,643,045 | 1.27% | 226 |
| | 3,380,000 | 2,711,644 | 22,786,561 | 2.49% | 442 |
| | 5,135,000 | 159,953 | 20,976,155 | 2.29% | 407 |

CITY OF MANSFIELD, OHIO

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

| Year | Population (1) | Assessed Value (3) | Gross General Obligation Bonded Debt (2,4) | Less Debt Payable from Enterprise Revenues | Net General Obligation Bonded Debt |
|------|----------------|-----------------------|---|---|---------------------------------------|
| 2011 | 47,821 | \$ 584,011 | \$ 6,660 | \$ 1,650 | \$ 5,010 |
| 2010 | 47,821 | 615,906 | 7,470 | 2,105 | 5,365 |
| 2009 | 51,600 | 626,270 | 8,260 | 2,550 | 5,710 |
| 2008 | 51,600 | 668,624 | 5,205 | 1,865 | 3,340 |
| 2007 | 51,600 | 685,398 | 5,745 | 2,165 | 3,580 |
| 2006 | 51,600 | 742,313 | 6,305 | 2,490 | 3,815 |
| 2005 | 51,600 | 783,682 | 6,845 | 2,805 | 4,040 |
| 2004 | 51,600 | 720,973 | 7,835 | 3,100 | 4,735 |
| 2003 | 51,600 | 705,782 | 11,090 | 3,380 | 7,710 |
| 2002 | 51,600 | 675,011 | 12,200 | 3,650 | 8,550 |

(1) Source: U.S. Census Bureau

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

(3) Source: Richland County Auditor

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

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

| Ratio of Net General Bonded Debt to Assessed Value | Net General Bonded Debt Per Capita |
|--|--|
| 0.86% | \$ 104.77 |
| 0.87% | 112.19 |
| 0.91% | 110.66 |
| 0.50% | 64.73 |
| 0.52% | 69.38 |
| 0.51% | 73.93 |
| 0.52% | 78.29 |
| 0.66% | 91.76 |
| 1.09% | 149.42 |
| 1.27% | 165.70 |

CITY OF MANSFIELD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
NET GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2011

| <u>Political Subdivision</u> | <u>Amount of Debt</u> | <u>Percent Applicable to City (1)</u> | <u>City's Share</u> |
|---------------------------------------|---------------------------|---------------------------------------|--------------------------|
| Direct: | | | |
| City of Mansfield | \$ 5,240,000 | 100.00% | \$ 5,240,000 |
| Total Direct Debt | <u>5,240,000</u> | | <u>5,240,000</u> |
| Overlapping Debt: (2) | | | |
| Richland County | 28,127,391 | 31.58% | 8,882,630 |
| Mansfield City School District | 12,768,631 | 65.18% | 8,322,594 |
| Crestview Local School District | 3,520,858 | 0.45% | 15,844 |
| Madison Local School District | 25,897,438 | 18.62% | 4,822,103 |
| Ontario Local School District | 14,505,851 | 0.02% | 2,901 |
| Pioneer Career and Technology Center | 11,820,000 | 16.20% | 1,914,840 |
| Total Overlapping Debt | <u>96,640,169</u> | | <u>23,960,912</u> |
| Total Direct and Overlapping Debt | <u>\$ 101,880,169</u> | | <u>\$ 29,200,912</u> |

Source: Richland County Auditor

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

(2) Debt outstanding for school districts is shown as of June 30, 2011.

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CITY OF MANSFIELD, OHIO

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

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Assessed Value | \$ 569,038,870 | \$ 601,577,670 | \$ 626,270,320 | \$ 668,624,139 |
| Overall Debt Limitation | | | | |
| 10 1/2 Percent of Assessed Valuation | <u>59,749,081</u> | <u>63,165,655</u> | <u>65,758,384</u> | <u>70,205,535</u> |
| Total Voted and Unvoted Debt Outstanding at December 31st | 6,660,000 | 7,470,000 | 8,260,000 | 5,205,000 |
| Less: Exempt Debt | | | | |
| Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues | (1,650,000) | (2,105,000) | (2,550,000) | (1,865,000) |
| Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt Within 10 1/2 Percent Limitation | 5,010,000 | 5,365,000 | 5,710,000 | 3,340,000 |
| Less: Debt Service Fund Balance | <u>(99,762)</u> | <u>(201,045)</u> | <u>(86,281)</u> | <u>(71,917)</u> |
| Net Debt Subject to 10 1/2 Percent Limitation | <u>4,910,238</u> | <u>5,163,955</u> | <u>5,623,719</u> | <u>3,268,083</u> |
| Legal Debt Margin Within 10 1/2 Percent Limitation | <u>\$ 54,838,843</u> | <u>\$ 58,001,700</u> | <u>\$ 60,134,665</u> | <u>\$ 66,937,452</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 91.78% | 91.82% | 91.45% | 95.34% |
| | | | | |
| Assessed Value | \$ 569,038,870 | \$ 601,577,670 | \$ 626,270,320 | \$ 668,624,139 |
| Unvoted Debt Limitation | | | | |
| 5 1/2 Percent of Assessed Valuation | <u>31,297,138</u> | <u>33,086,772</u> | <u>34,444,868</u> | <u>36,774,328</u> |
| Total Unvoted Debt Outstanding at December 31st | 6,660,000 | 7,470,000 | 8,260,000 | 5,205,000 |
| Less: Exempt Debt | | | | |
| Unvoted General Obligation Bonds to be paid from Water and Sewer system revenues | (1,650,000) | (2,105,000) | (2,550,000) | (1,865,000) |
| Unvoted General Obligation Bonds issued in anticipation of the collection of Special Assessments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt Within 5 1/2 Percent Limitation | 5,010,000 | 5,365,000 | 5,710,000 | 3,340,000 |
| Less: Debt Service Fund Balance | <u>(99,762)</u> | <u>(201,045)</u> | <u>(86,281)</u> | <u>(71,917)</u> |
| Net Debt Subject to 5 1/2 Percent Limitation | <u>4,910,238</u> | <u>5,163,955</u> | <u>5,623,719</u> | <u>3,268,083</u> |
| Legal Debt Margin Within 5 1/2 Percent Limitation | <u>\$ 26,386,900</u> | <u>\$ 27,922,817</u> | <u>\$ 28,821,149</u> | <u>\$ 33,506,245</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 84.31% | 84.39% | 83.67% | 91.11% |

Source: City of Mansfield, Ohio; Finance Department

| <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 685,397,888 | \$ 742,313,487 | \$ 783,681,822 | \$ 720,973,337 | \$ 705,781,908 | \$ 675,011,218 |
| <u>71,966,778</u> | <u>77,942,916</u> | <u>82,286,591</u> | <u>75,702,200</u> | <u>74,107,100</u> | <u>70,876,178</u> |
| 5,745,000 | 6,305,000 | 6,845,000 | 7,838,139 | 11,093,268 | 5,138,758 |
| (2,165,000) | (2,490,000) | (2,805,000) | (3,100,000) | (3,380,000) | (3,650,000) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,139)</u> | <u>(3,268)</u> | <u>(3,758)</u> |
| 3,580,000 | 3,815,000 | 4,040,000 | 4,735,000 | 7,710,000 | 1,485,000 |
| <u>(61,604)</u> | <u>(177,796)</u> | <u>(1,202,435)</u> | <u>(1,945,879)</u> | <u>(2,987,309)</u> | <u>(3,686,787)</u> |
| <u>3,518,396</u> | <u>3,637,204</u> | <u>2,837,565</u> | <u>2,789,121</u> | <u>4,722,691</u> | <u>-</u> |
| <u>\$ 68,448,382</u> | <u>\$ 74,305,712</u> | <u>\$ 79,449,026</u> | <u>\$ 72,913,079</u> | <u>\$ 69,384,409</u> | <u>\$ 70,876,178</u> |
| 95.11% | 95.33% | 96.55% | 96.32% | 93.63% | 100.00% |
| \$ 685,397,888 | \$ 742,313,487 | \$ 783,681,822 | \$ 720,973,337 | \$ 705,781,908 | \$ 675,011,218 |
| <u>37,696,884</u> | <u>40,827,242</u> | <u>43,102,500</u> | <u>39,653,534</u> | <u>38,818,005</u> | <u>37,125,617</u> |
| 5,745,000 | 6,305,000 | 6,845,000 | 7,358,139 | 10,118,268 | 10,718,758 |
| (2,165,000) | (2,490,000) | (2,805,000) | (3,100,000) | (3,380,000) | (3,650,000) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,139)</u> | <u>(3,268)</u> | <u>(3,758)</u> |
| 3,580,000 | 3,815,000 | 4,040,000 | 4,255,000 | 6,735,000 | 7,065,000 |
| <u>(61,604)</u> | <u>(177,796)</u> | <u>(1,202,435)</u> | <u>(1,945,879)</u> | <u>(2,987,309)</u> | <u>(3,686,787)</u> |
| <u>3,518,396</u> | <u>3,637,204</u> | <u>2,837,565</u> | <u>2,309,121</u> | <u>3,747,691</u> | <u>3,378,213</u> |
| <u>\$ 34,178,488</u> | <u>\$ 37,190,038</u> | <u>\$ 40,264,935</u> | <u>\$ 37,344,413</u> | <u>\$ 35,070,314</u> | <u>\$ 33,747,404</u> |
| 90.67% | 91.09% | 93.42% | 94.18% | 90.35% | 90.90% |

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

| Year | Special Assessment Collections (1) | Debt Service (2) | | | Coverage |
|------|--|------------------|----------|--------|----------|
| | | Principal | Interest | Total | |
| 2011 | \$ 31,770 | \$ - | \$ - | \$ - | - |
| 2010 | 47,852 | - | - | - | - |
| 2009 | 67,654 | - | - | - | - |
| 2008 | 53,316 | - | - | - | - |
| 2007 | 32,941 | - | - | - | - |
| 2006 | 34,109 | - | - | - | - |
| 2005 | 29,714 | 3,139 | - | 3,139 | 9.47 |
| 2004 | 37,359 | 129 | 245 | 374 | 99.89 |
| 2003 | 61,697 | 490 | 282 | 772 | 79.92 |
| 2002 | 66,195 | 33,390 | 2,813 | 36,203 | 1.83 |

(1) Source: Richland County Auditor

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

CITY OF MANSFIELD, OHIO

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal Income (2)</u> | <u>Per Capita Personal Income (1)</u> | <u>Median Household Income (1)</u> | <u>Unemployment Rate (3)</u> |
|-------------|-----------------------|--|---|--|----------------------------------|
| 2011 | 47,821 | \$ 830,220,381 | \$ 17,361 | \$ 32,076 | 10.3% |
| 2010 | 47,821 | 830,220,381 | 17,361 | 32,076 | 11.8% |
| 2009 | 51,600 | 914,661,600 | 17,726 | 30,176 | 12.6% |
| 2008 | 51,600 | 914,661,600 | 17,726 | 30,176 | 7.4% |
| 2007 | 51,600 | 914,661,600 | 17,726 | 30,176 | 6.5% |
| 2006 | 51,600 | 914,661,600 | 17,726 | 30,176 | 6.1% |
| 2005 | 51,600 | 914,661,600 | 17,726 | 30,176 | 6.5% |
| 2004 | 51,600 | 914,661,600 | 17,726 | 30,176 | 7.2% |
| 2003 | 51,600 | 914,661,600 | 17,726 | 30,176 | 7.2% |
| 2002 | 51,600 | 914,661,600 | 17,726 | 30,176 | 6.7% |

(1) Source: U.S. Census Bureau

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

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

CITY OF MANSFIELD, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2011 AND DECEMBER 31, 2002

| 2011 | | | |
|------------------------------------|----------|---------------|---|
| Employer (1) | Rank (1) | Employees (1) | Percentage of Total City Employment (2) |
| MedCentral Health Systems | 1 | 2,400 | 4.51% |
| Richland County Government | 2 | 1,250 | 2.35% |
| Jay Industries, Inc. | 3 | 950 | 1.79% |
| Newman Technology | 4 | 850 | 1.60% |
| StarTek, Inc. | 5 | 800 | 1.50% |
| CenturyLink, Inc. | 6 | 750 | 1.41% |
| Mansfield Board of Education | 7 | 700 | 1.32% |
| Mansfield Correctional Institution | 8 | 680 | 1.28% |
| Therm-O-Disc, Inc. | 9 | 575 | 1.08% |
| Gorman Rupp Company | 10 | 525 | 0.99% |
| | Total | <u>9,480</u> | <u>17.83%</u> |
| Total employment within the City | | <u>53,219</u> | |

| 2002 | | | |
|------------------------------------|----------|---------------|---|
| Employer (1) | Rank (1) | Employees (1) | Percentage of Total City Employment (2) |
| MedCentral Health Systems | 1 | 2,700 | 4.55% |
| Jay Industries, Inc. | 2 | 1,100 | 1.85% |
| Sprint / EMBARQ | 3 | 1,000 | 1.69% |
| Newman Technology | 4 | 900 | 1.52% |
| Mansfield Board of Education | 5 | 900 | 1.52% |
| Therm-O-Disc, Inc. | 6 | 900 | 1.52% |
| Mansfield Correctional Institution | 7 | 790 | 1.33% |
| City of Mansfield Government | 8 | 600 | 1.01% |
| AK Steel | 9 | 600 | 1.01% |
| Gorman Rupp Company | 10 | 505 | 0.85% |
| | Total | <u>9,995</u> | <u>16.85%</u> |
| Total employment within the City | | <u>59,330</u> | |

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

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

CITY OF MANSFIELD, OHIO

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

| <u>Function/Program</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Council | 11 | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 |
| Administration | 3 | 3 | 4 | 4 | 5 | 4 | 6 | 6 | 6 | 6 |
| Finance | 18 | 18 | 17 | 27 | 28 | 26 | 23 | 22 | 20 | 20 |
| Law | 11 | 12 | 12 | 14 | 13 | 13 | 15 | 14 | 13 | 13 |
| Courts | 50 | 50 | 52 | 54 | 54 | 53 | 49 | 54 | 54 | 53 |
| General Government | 6 | 7 | 7 | 7 | 8 | 8 | 7 | 7 | 8 | 9 |
| Economic/Community Development | 6 | 7 | 6 | 6 | 6 | 6 | 8 | 7 | 7 | 7 |
| Engineering | 6 | 6 | 8 | 10 | 11 | 11 | 8 | 8 | 8 | 8 |
| Maintenance | 3 | 4 | 3 | 4 | 4 | 5 | 4 | 4 | 4 | 4 |
| Codes/Permits | 4 | 6 | 7 | 10 | 9 | 11 | 9 | 9 | 9 | 11 |
| Litter Control | 0 | 1 | 1 | 2 | 2 | 1 | 2 | 2 | 2 | 2 |
| Regional Community Advancement | 26 | 31 | 27 | 26 | 16 | 23 | 24 | 27 | 26 | 35 |
| Parks/Recreation | 1 | 6 | 6 | 11 | 12 | 9 | 10 | 9 | 12 | 16 |
| Street/Highway | 6 | 10 | 14 | 34 | 35 | 35 | 32 | 33 | 33 | 37 |
| Police | 111 | 121 | 127 | 144 | 150 | 148 | 142 | 139 | 145 | 154 |
| Fire | 85 | 96 | 100 | 102 | 98 | 100 | 102 | 95 | 98 | 102 |
| Water | 58 | 57 | 61 | 68 | 67 | 62 | 54 | 54 | 53 | 55 |
| Sewer | 36 | 38 | 41 | 41 | 40 | 41 | 50 | 56 | 56 | 56 |
| Airport | 4 | 4 | 4 | 6 | 5 | 5 | 6 | 6 | 5 | 7 |
| Repair Garage | 5 | 5 | 5 | 9 | 9 | 9 | 9 | 9 | 9 | 11 |
| Information Technology | 3 | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 |
| Total | 453 | 498 | 518 | 595 | 588 | 585 | 574 | 576 | 583 | 621 |

Source: City of Mansfield, Ohio Payroll Department

CITY OF MANSFIELD, OHIO

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

| <u>Function/Program</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Building permits issued | 190 | 185 | 164 | 174 | 207 | 231 | 288 | 331 | 332 | 313 |
| Code enforcements | 2,155 | 2,426 | 3,070 | 4,633 | 5,519 | 4,195 | 2,922 | 3,301 | 3,921 | 4,533 |
| Police | | | | | | | | | | |
| Calls for service | 35,613 | 37,352 | 37,548 | 42,062 | 42,072 | 44,417 | 43,876 | 47,328 | 48,348 | 51,729 |
| Traffic violations | 5,106 | 6,348 | 5,616 | 6,221 | 6,741 | 5,958 | 4,760 | 7,056 | 6,104 | 10,703 |
| Parking violations | 4,363 | 4,957 | 6,928 | 7,684 | 5,896 | 9,530 | 9,337 | 10,639 | 9,671 | 12,112 |
| Physical arrests | 4,975 | 5,090 | 4,364 | 4,987 | 4,924 | 4,840 | 4,328 | 4,476 | 4,269 | 4,610 |
| Fire | | | | | | | | | | |
| Emergency responses | 6,997 | 6,608 | 6,234 | 6,441 | 6,109 | 6,079 | 6,290 | 5,787 | 5,662 | 5,459 |
| Fire responses | 1,556 | 1,547 | 1,450 | 1,653 | 1,470 | 1,304 | 1,543 | 1,732 | 1,784 | 1,682 |
| Street/Highway | | | | | | | | | | |
| Street resurfacing mileage (1) | 11 | 8 | 15 | 20 | 19 | 18 | 24 | 26 | 26 | 28 |
| Number of streets resurfaced (1) | 64 | 51 | 104 | 81 | 96 | 95 | 127 | 145 | 143 | 147 |
| Tons of salt used | 4,285 | 8,045 | 7,742 | 14,355 | 6,240 | 6,498 | 10,528 | 7,590 | 9,647 | 7,901 |
| Leaf removal (cubic yards) (2) | 4,215 | 1,789 | 9,170 | 9,288 | 11,642 | 11,438 | 11,500 | 11,984 | 15,536 | 17,059 |
| Water | | | | | | | | | | |
| Number of customers | 18,652 | 18,628 | 19,800 | 20,448 | 20,394 | 20,335 | 20,329 | 20,152 | 20,152 | 19,546 |
| Average daily consumption (thousands of gallons) | 9,190 | 8,930 | 7,860 | 8,920 | 8,480 | 9,000 | 10,000 | 10,000 | 10,000 | 9,430 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 10,910 | 9,910 | 9,809 | 10,348 | 9,870 | 10,360 | 9,130 | 9,580 | 10,520 | 9,400 |

Sources: Various City departments - some amounts may be estimates

(-) Not available

(1) Funded by income tax dollars only

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

CITY OF MANSFIELD, OHIO

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

| <u>Function/Program</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of offices | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of police vehicles | 47 | 49 | 48 | 42 | 45 | 42 | 38 | 39 | 40 | 38 |
| Fire | | | | | | | | | | |
| Number of stations | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of fire trucks | 8 | 9 | 9 | 9 | 8 | 6 | 6 | 6 | 6 | 6 |
| Number of rescue squads | 6 | 8 | 8 | 8 | 6 | 6 | 7 | 6 | 6 | 6 |
| Streets/Highways | | | | | | | | | | |
| Mileage | 295 | 295 | 295 | 295 | 295 | 295 | 295 | 295 | 295 | 295 |
| Street signs | 13,338 | 13,330 | 13,325 | 13,300 | 13,270 | 13,262 | 13,203 | 13,147 | 13,125 | 13,045 |
| Parks/Recreation | | | | | | | | | | |
| Number of Parks | 34 | 34 | 34 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Acreage | 435 | 435 | 435 | 435 | 435 | 435 | 435 | 435 | 435 | 435 |
| Playgrounds | 21 | 21 | 21 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Swimming pools | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Water | | | | | | | | | | |
| Miles of water mains | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| Storage capacity (thousands of gallons) | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 |
| Wastewater | | | | | | | | | | |
| Miles of sanitary sewer | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Treatment capacity (thousands of gallons) | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |

Sources: Various City departments

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Dave Yost • Auditor of State

CITY OF MANSFIELD

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 22, 2013