



Dave Yost • Auditor of State

**City of Mansfield
Richland County**

Fiscal Emergency Termination

Local Government Services

City of Mansfield, Richland County

Fiscal Emergency Termination

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City of Mansfield Financial Forecast
For the Years Ending December 31, 2014 through December 31, 2018

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CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of the City of Mansfield, the Auditor of State performed an analysis of the City of Mansfield to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that the City of Mansfield no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the City of Mansfield and its role in the operation of the City of Mansfield is terminated as of July 7, 2014.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Timothy Theaker, Mayor of the City of Mansfield; Phillip Scott, Council President; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; Jon Husted, Secretary of State; and Patrick Dropsey, Richland County Auditor.

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

DAVE YOST
Auditor of State

July 7, 2014

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City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

Report on the Termination of the Mansfield Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission (the Commission) of the City of Mansfield, Richland County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages six through eight of the report indicate that the City has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page eight.

We have reviewed the objectives of the financial plan and determined that the City has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page fourteen.

We examined and issued a non-adverse report on the five-year forecast prepared by the City. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the City of Mansfield, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the City of Mansfield, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System

When a City is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the City's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the City of Mansfield (the City) and issued a Report on Accounting Methods, dated April 10, 2012. The report identified areas where the City's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct these issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary System

Auditor of State Comment from Report on Accounting Methods

Pursuant to Section 5705.10, Revised Code, the City should credit money levied and collected to the proper fund. During 2009, 2010, 2011 and 2012, the City had deficit fund cash balances in several funds. The City should no longer use the money from one fund to pay the obligations of another fund with a deficit.

Implemented

During 2013 and 2014 to date, the City no longer has a deficit cash balance in any fund. All money levied and collected is being credited to the proper fund and used to pay the obligations of that fund only.

Auditor of State Comment from Report on Accounting Methods

Pursuant to Section 5705.41(B), Revised Code, the City should not make any expenditure of money unless it has been appropriated. During 2009 and 2010, the City had expenditures plus encumbrances that exceeded the Council adopted appropriations. The City should only spend and encumber money within the amount of adopted appropriations.

Implemented

During 2013 and 2014 to date, the City has only spent and encumbered money within the amount of Council adopted appropriations.

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

Pursuant to Section 5705.39, Revised Code, the City should not appropriate money in any fund in excess of the total estimated revenue available for expenditure from that fund. During 2009, 2010, 2011 and 2012, the City had appropriations that exceeded estimated resources in several funds. The City should only appropriate an amount in each fund equal to or less than the amount of revenue certified by the budget commission as available to spend in each fund.

Implemented

During 2013 and 2014 to date, the City has only appropriated amounts in each fund equal to or less than the amount of revenue certified by the budget commission as available to spend in each fund.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The original purchase order is not sent to the vendor. The purchase order should be mailed or faxed to the vendor.

Implemented

The City now emails a copy of the original purchase order to each vendor.

Cash Disbursements

Auditor of State Comment from Report on Accounting Methods

The City should document the staff positions and their functions as related to cash disbursements. The document should be kept on file in the Director of Finance's office. The document should be reviewed periodically to ensure procedures are followed and it is kept up to date.

Implemented

The City has a list of staff positions and their functions as related to cash disbursements on file. This document is reviewed periodically, as staff members or positions change.

Cash Management and Investing

Auditor of State Comment from Report on Accounting Methods

The City does not post interest to the Street Construction and Maintenance or the State Highway special revenue funds as required by Article XII, Section 5a, Ohio Constitution. The City should allocate interest to the required funds.

Implemented

The City now posts interest to the Street Construction and Maintenance and the State Highway special revenue funds as required by Article XII, Section 5a, Ohio Constitution.

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The City's investment policy on file with the Clerk of the Bureau does not include the newly elected Finance Director's signature. It should be updated and filed with the Clerk of the Bureau.

Implemented

The City's investment policy includes the Finance Director's signature and is on file with the Clerk of the Bureau.

Auditor of State Comment from Report on Accounting Methods

The investment policy does not address the allocation of interest and should be updated to do so.

Implemented

The City's investment policy addresses the allocation of interest.

Audit Report and Management Letters

The City Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The letter that accompanied the December 31, 2012 audit identified a number of noncompliance issues and several recommendations.

The only noncompliance issue noted in the audit was a material weakness related to internal controls over financial reporting.

In addition, the management letter made several recommendations including: implementing procedures for computer account review to ensure only active users have accounts; reviewing capital asset useful lives to account for fully depreciated assets that were still in use; creating and using a comprehensive computer disaster recovery plan in the event of a disaster; searching the unresolved findings for recovery database on potential contractors; and, recording grant dollars paid directly to vendors in both the appropriations and the certificate of estimated resources.

The City is working on addressing the material weakness and the recommendations. These are not issues that would prevent termination of the Financial Planning and Supervision Commission.

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Ohio Revised Code, the City shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

City of Mansfield, Richland County
 Report on the Termination of the City of Mansfield
 Financial Planning and Supervision Commission

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

A summary of the City's outstanding debt as of December 31, 2013, is as follows:

Debt Issue	Year Issued	Interest Rate	Issue Amount
Governmental Activities			
Various Purpose Bonds	2009	4.00-6.00%	\$2,620,000
Refunding Various Purpose Bonds	2013	3.00-5.00	2,355,000
Section 108 Loan	1999	0.64-2.78	1,000,000
Capital Lease	2012	2.90	363,494
Business-Type Activities			
Waterworks Refunding Bonds	2008	3.50	2,230,000
Various Purpose Bonds	2009	4.00-6.00	1,080,000
OWDA Loan - Reid Industrial Park Utility Lines	2011	1.00	1,621,073
OPWC Loan - North Wells Water Line	1997	0.00	187,620
OPWC Loan - Bowman Street and Cairns Road Water Lines	2008	0.00	200,000

We reviewed the outstanding indebtedness as of December 31, 2013. The City had \$8,579,494 in outstanding debt at December 31, 2013, and had made all debt payments due as of that date.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. No default on any debt obligation for more than thirty days existed at December 31, 2013.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

We reviewed the payroll records of the City as of December 31, 2013. We reviewed Council minutes, ordinances, resolutions, and had discussions with the Finance Director to determine the employees of the City, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the payroll reports and the payroll bank statement to determine whether City employees had been paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of December 31, 2013. All employees had been paid in amounts and at the times required by ordinance.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Richland County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the City for 2013, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Richland County Budget Commission indicated that the Commission had not taken any action for tax year 2013 to increase the inside millage of the City.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of December 31, 2013.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds lawfully available to pay such accounts, excluded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

The general fund had no accounts payable at December 31, 2013 that had been due and payable at least thirty days. We prepared a schedule of accounts payable (as defined above) as of December 31, 2013, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2013, including, but not limited to, final judgments, fringe benefits

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. From this amount, we subtracted the year-end fund balance available to pay such outstanding bills. We then determined if the accounts payable in excess of the available fund balance exceeded one-sixth of the available revenues during 2013, excluding non-recurring receipts of all special funds from which such accounts are lawfully payable.

Schedule I

All Funds Accounts Payable Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 2013

Funds	Payables Over 30 Days Past Due	Fund Balance Available	Payables in Excess of Available Balances	One-Sixth of the Revenues Available	Accounts Payable in Excess of Available Revenues
Community Development	\$796	\$0	\$796	\$153,114	\$0
Safety Services	152	0	152	1,625,468	0
Information Technology	20,222	0	20,222	95,548	0

Conclusion: Schedule I indicates that a fiscal emergency condition does not exist under Section 118.03(A)(4) of the Ohio Revised Code as of December 31, 2013. Accounts payable in excess of the available fund balance in the two funds listed above did not exceed one-sixth of the available revenues in those funds.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2013, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. We then determined if the aggregate deficit fund balance exceeded one-sixth of the fund receipts of those deficit funds.

Schedule II

Deficit Fund Balances
Ohio Revised Code Section 118.03(A)(5)
As of December 31, 2013

Funds	Cash Fund Balances	Less Accounts Payable and Encumbrances	Adjusted Aggregate Sum of Funds With Deficit Balances	One-Sixth Fund Receipts	Unprovided Portion of Aggregate
Community Development	\$434,001	\$434,797	(\$796)	\$302,181	\$0
Safety Services	457,845	457,997	(152)	1,537,115	0
Information Technology	646,756	666,978	(20,222)	118,860	0

City of Mansfield, Richland County
 Report on the Termination of the City of Mansfield
 Financial Planning and Supervision Commission

Conclusion: Schedule II indicates that a fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. The adjusted aggregate deficit of the funds listed above did not exceed one-sixth of the receipts of those funds.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the City's reconciled bank balance to its cash summary by fund for all funds as of December 31, 2013, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all fund cash balances.

	Schedule III Treasury Balances Ohio Revised Code Section 118.03(A)(6) As of December 31, 2013
	Amounts at December 31, 2013
Bank Cash Balance	
General Account	\$1,010,059
Transport Account	2,298
HUD Loan Account	92,266
CDBG Accounts	276,726
Utility Accounts	1,069,433
Donation Account	4,065
Payroll Account	162,727
Income Tax Refund Account	4,841
Retainage Accounts	47,827
Investment Accounts	38,091,634
<i>Total Bank Cash</i>	40,761,876
<i>Adjustments for:</i>	
Outstanding Checks	(807,597)
Deposits in Transit	53,327
Other	868
<i>Total Adjustments</i>	(753,402)
<i>Total Treasury Balance</i>	40,008,474
Less: Positive Cash Fund Balances	
General	4,483,672
Stret Construction Maintenance and Repair	1,323,686
State Highway	59,275
Alarm Monitoring	35,486

(continued)

City of Mansfield, Richland County
 Report on the Termination of the City of Mansfield
 Financial Planning and Supervision Commission

Schedule III

Treasury Balances
 Ohio Revised Code Section 118.03(A)(6)
 As of December 31, 2013 (continued)

	Amounts at December 31, 2013
Regional Community Advancement	\$13,430
Community Development	434,001
Drug Enforcement	5,322
Drug Law Enforcement	18,704
Law Enforcement	120,227
Safety Services	457,845
Permissive Sales Tax	1,507,986
Industrial Development	217,874
Indigent Drivers Alcohol Treatment	133,028
Court Computerization	416,491
Grant	451,936
Probation Services	142,996
Court Costs	263,186
Boulevard Assessments	5,262
PAL Donations	2,667
DARE Donations	2,072
K-9 Donations	1,435
Donations Against Injection Wells	4,065
Separation Fund	1,073,051
Budget Stabilization Fund	1,000,000
Debt Service	108,273
Street Resurfacing	3,747,251
Reid Industrial Park/Miller Farm Project	119,197
Police Capital Equipment	24,998
Water Operating	10,306,532
Sewer Operating	10,594,720
Airport Operating	97,072
Garage Operating	55,019
Information Technology	646,756
Utility Collections	73,754
Health Insurance	1,000,000
Property/Liability Insurance	64,775
Workers' Compensation	599,163
Sub-Division	38,293
Unclaimed Money	167,609
Adopt-A-Park	7,538
Safety Town	8,647
Shade Tree	7
Sewer/Street Opening	31,897
Building Security	132,709
Board of Building Standards	567
Demolition Appeal Bond Fund	10,000
Total Positive Balances	40,008,474
Treasury Deficiency	\$0

City of Mansfield, Richland County
Report on the Termination of the City of Mansfield
Financial Planning and Supervision Commission

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2013. The treasury balance less the positive fund cash balances as of December 31, 2013, did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the City and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the City in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

**City of Mansfield
Richland County**

Financial Forecast

For the Years Ending December 31, 2014 through December 31, 2018

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City of Mansfield, Ohio

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Dave Yost • Auditor of State

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

Based upon the requirement set forth in section 118.27(A)(4) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statements of revenues, expenditures, expenses, and changes in fund balance of the various funds of the City of Mansfield, for the five years ending December 31, 2018. These statements are presented on the budget basis of accounting used by the City of Mansfield rather than on generally accepted accounting principles. The City of Mansfield's management is responsible for the forecast. Our responsibility is to determine whether the City has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the City of Mansfield and the Financial Planning and Supervision Commission of Mansfield and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

DAVE YOST
Auditor of State

June 9, 2014

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
General Fund

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Forecasted</u>
Revenues				
Property Taxes	\$1,660,000	\$1,467,000	\$1,510,000	\$1,464,000
Municipal Income Tax	13,485,000	13,335,000	13,750,000	14,321,000
Intergovernmental	4,586,000	3,436,000	3,680,000	2,024,000
Charges for Services	74,000	83,000	74,000	67,000
Fees, Licenses and Permits	962,000	915,000	982,000	891,000
Fines and Forfeitures	1,237,000	1,317,000	1,202,000	1,170,000
Investment Income	169,000	168,000	233,000	233,000
Other	152,000	154,000	97,000	68,000
Total Revenues	<u>22,325,000</u>	<u>20,875,000</u>	<u>21,528,000</u>	<u>20,238,000</u>
Expenditures				
Current:				
City Council				
Personal Services	141,000	149,000	141,000	142,000
Fringe Benefits	61,000	61,000	59,000	60,000
Contractual Services	2,000	1,000	4,000	9,000
Total City Council	<u>204,000</u>	<u>211,000</u>	<u>204,000</u>	<u>211,000</u>
Municipal Court				
Personal Services	400,000	399,000	532,000	528,000
Fringe Benefits	461,000	410,000	246,000	240,000
Contractual Services	216,000	298,000	208,000	275,000
Capital Outlay	0	0	0	30,000
Total Municipal Court	<u>1,077,000</u>	<u>1,107,000</u>	<u>986,000</u>	<u>1,073,000</u>
Clerk of Court				
Personal Services	605,000	665,000	668,000	726,000
Fringe Benefits	361,000	321,000	329,000	359,000
Contractual Services	101,000	68,000	66,000	77,000
Materials and Supplies	12,000	9,000	7,000	8,000
Capital Outlay	0	1,000	0	0
Total Clerk of Court	<u>\$1,079,000</u>	<u>\$1,064,000</u>	<u>\$1,070,000</u>	<u>\$1,170,000</u>

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$1,464,000	\$1,464,000	\$1,464,000	\$1,464,000
14,531,000	14,531,000	14,531,000	14,531,000
1,936,000	1,936,000	1,936,000	1,936,000
67,000	67,000	67,000	67,000
891,000	891,000	891,000	891,000
1,170,000	1,170,000	1,170,000	1,170,000
233,000	233,000	233,000	233,000
68,000	68,000	68,000	68,000
<u>20,360,000</u>	<u>20,360,000</u>	<u>20,360,000</u>	<u>20,360,000</u>
143,000	144,000	144,000	145,000
64,000	65,000	67,000	69,000
6,000	6,000	6,000	6,000
<u>213,000</u>	<u>215,000</u>	<u>217,000</u>	<u>220,000</u>
532,000	536,000	540,000	544,000
262,000	270,000	279,000	287,000
275,000	275,000	275,000	275,000
0	0	0	0
<u>1,069,000</u>	<u>1,081,000</u>	<u>1,094,000</u>	<u>1,106,000</u>
732,000	738,000	745,000	752,000
380,000	392,000	404,000	416,000
77,000	77,000	77,000	77,000
8,000	8,000	8,000	8,000
0	0	0	0
<u>\$1,197,000</u>	<u>\$1,215,000</u>	<u>\$1,234,000</u>	<u>\$1,253,000</u>

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Civil Service Commission				
Personal Services	\$18,000	\$18,000	\$18,000	\$18,000
Fringe Benefits	3,000	3,000	3,000	3,000
Contractual Services	0	7,000	21,000	25,000
Total Civil Service Commission	<u>21,000</u>	<u>28,000</u>	<u>42,000</u>	<u>46,000</u>
Law Director				
Personal Services	396,000	410,000	401,000	439,000
Fringe Benefits	230,000	235,000	175,000	196,000
Contractual Services	30,000	18,000	19,000	37,000
Materials and Supplies	19,000	15,000	18,000	22,000
Capital Outlay	7,000	0	0	2,000
Miscellaneous	2,000	6,000	0	19,000
Total Law Director	<u>684,000</u>	<u>684,000</u>	<u>613,000</u>	<u>715,000</u>
Finance Director				
Operations				
Personal Services	522,000	510,000	423,000	463,000
Fringe Benefits	277,000	308,000	216,000	227,000
Contractual Services	11,000	11,000	16,000	25,000
Materials and Supplies	5,000	8,000	4,000	9,000
Capital Outlay	0	14,000	2,000	5,000
Total Operations	<u>815,000</u>	<u>851,000</u>	<u>661,000</u>	<u>729,000</u>
Income Tax				
Personal Services	240,000	246,000	283,000	299,000
Fringe Benefits	154,000	222,000	165,000	182,000
Contractual Services	32,000	29,000	40,000	40,000
Materials and Supplies	2,000	2,000	4,000	4,000
Capital Outlay	0	10,000	2,000	6,000
Total Income Tax	<u>428,000</u>	<u>509,000</u>	<u>494,000</u>	<u>531,000</u>
Total Finance Director	<u>\$1,243,000</u>	<u>\$1,360,000</u>	<u>\$1,155,000</u>	<u>\$1,260,000</u>

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$18,000	\$18,000	\$18,000	\$18,000
3,000	3,000	3,000	3,000
25,000	25,000	25,000	25,000
46,000	46,000	46,000	46,000
442,000	446,000	450,000	454,000
210,000	216,000	223,000	229,000
37,000	37,000	37,000	37,000
22,000	22,000	22,000	22,000
0	0	0	0
19,000	19,000	19,000	19,000
730,000	740,000	751,000	761,000
488,000	492,000	496,000	500,000
263,000	271,000	279,000	288,000
25,000	25,000	25,000	25,000
9,000	9,000	9,000	9,000
1,000	1,000	1,000	1,000
786,000	798,000	810,000	823,000
300,000	303,000	306,000	309,000
190,000	196,000	201,000	207,000
40,000	40,000	40,000	40,000
4,000	4,000	4,000	4,000
3,000	3,000	3,000	3,000
537,000	546,000	554,000	563,000
\$1,323,000	\$1,344,000	\$1,364,000	\$1,386,000

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Mayor				
Personal Services	\$123,000	\$128,000	\$128,000	\$131,000
Fringe Benefits	58,000	48,000	47,000	49,000
Contractual Services	2,000	2,000	2,000	3,000
Materials and Supplies	2,000	2,000	1,000	4,000
Total Mayor	<u>185,000</u>	<u>180,000</u>	<u>178,000</u>	<u>187,000</u>
Safety-Service Director				
Personal Services	85,000	78,000	78,000	78,000
Fringe Benefits	60,000	31,000	29,000	31,000
Contractual Services	0	0	1,000	4,000
Materials and Supplies	0	0	0	2,000
Total Safety-Service Director	<u>145,000</u>	<u>109,000</u>	<u>108,000</u>	<u>115,000</u>
Human Resources				
Personal Services	108,000	108,000	109,000	110,000
Fringe Benefits	63,000	70,000	53,000	57,000
Contractual Services	62,000	65,000	98,000	84,000
Materials and Supplies	4,000	0	0	5,000
Total Human Resources	<u>237,000</u>	<u>243,000</u>	<u>260,000</u>	<u>256,000</u>
Engineering				
Personal Services	290,000	303,000	237,000	288,000
Fringe Benefits	204,000	156,000	132,000	158,000
Contractual Services	8,000	9,000	8,000	12,000
Materials and Supplies	1,000	0	12,000	3,000
Capital Outlay	0	0	15,000	5,000
Total Engineering	<u>\$503,000</u>	<u>\$468,000</u>	<u>\$404,000</u>	<u>\$466,000</u>

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$131,000	\$131,000	\$132,000	\$132,000
52,000	53,000	55,000	56,000
3,000	3,000	3,000	3,000
4,000	4,000	4,000	4,000
190,000	191,000	194,000	195,000
79,000	79,000	80,000	81,000
33,000	34,000	35,000	36,000
1,000	1,000	1,000	1,000
1,000	1,000	1,000	1,000
114,000	115,000	117,000	119,000
110,000	111,000	112,000	113,000
60,000	62,000	64,000	66,000
84,000	84,000	84,000	84,000
3,000	3,000	3,000	3,000
257,000	260,000	263,000	266,000
289,000	292,000	295,000	297,000
169,000	174,000	180,000	186,000
12,000	12,000	12,000	12,000
3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000
\$478,000	\$486,000	\$495,000	\$503,000

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
General Fund (continued)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Forecasted</u>
Codes and Permits				
Personal Services	\$193,000	\$224,000	\$240,000	\$253,000
Fringe Benefits	188,000	137,000	149,000	159,000
Contractual Services	30,000	30,000	24,000	40,000
Materials and Supplies	1,000	2,000	1,000	4,000
Capital Outlay	1,000	0	2,000	0
Miscellaneous	1,000	0	0	1,000
Total Codes and Permits	<u>414,000</u>	<u>393,000</u>	<u>416,000</u>	<u>457,000</u>
Maintenance				
Personal Services	133,000	145,000	137,000	144,000
Fringe Benefits	84,000	84,000	78,000	88,000
Contractual Services	182,000	173,000	177,000	214,000
Materials and Supplies	37,000	38,000	40,000	52,000
Capital Outlay	36,000	29,000	15,000	1,000
Total Maintenance	<u>472,000</u>	<u>469,000</u>	<u>447,000</u>	<u>499,000</u>
Parks and Recreation				
Personal Services	92,000	49,000	26,000	154,000
Fringe Benefits	87,000	35,000	28,000	104,000
Contractual Services	70,000	65,000	68,000	10,000
Materials and Supplies	12,000	11,000	7,000	11,000
Utilities	28,000	24,000	24,000	43,000
Miscellaneous	0	0	3,000	5,000
Total Parks and Recreation	<u>289,000</u>	<u>184,000</u>	<u>156,000</u>	<u>327,000</u>
Special Assessments				
Contractual Services	3,000	0	0	0
Total Special Assessments	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Human Relations				
Miscellaneous	3,000	1,000	0	17,000
Total Human Relations	<u>\$3,000</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$17,000</u>

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$253,000	\$255,000	\$258,000	\$260,000
168,000	173,000	178,000	183,000
31,000	31,000	31,000	31,000
2,000	2,000	2,000	2,000
1,000	1,000	1,000	1,000
0	0	0	0
455,000	462,000	470,000	477,000
139,000	141,000	142,000	143,000
91,000	94,000	97,000	100,000
186,000	186,000	186,000	186,000
42,000	42,000	42,000	42,000
20,000	20,000	20,000	20,000
478,000	483,000	487,000	491,000
157,000	158,000	160,000	161,000
112,000	115,000	119,000	122,000
10,000	10,000	10,000	10,000
11,000	11,000	11,000	11,000
43,000	43,000	43,000	43,000
5,000	5,000	5,000	5,000
338,000	342,000	348,000	352,000
0	0	0	0
0	0	0	0
0	0	0	0
\$0	\$0	\$0	\$0

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
General Fund (continued)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Forecasted</u>
Non-Departmental				
Fringe Benefits	\$0	\$45,000	\$0	\$0
Contractual Services	1,640,000	1,662,000	2,123,000	2,227,000
Utilities	899,000	645,000	640,000	653,000
Miscellaneous	35,000	277,000	269,000	377,000
Total Non-Departmental	<u>2,574,000</u>	<u>2,629,000</u>	<u>3,032,000</u>	<u>3,257,000</u>
<i>Total Expenditures</i>	<u>9,133,000</u>	<u>9,130,000</u>	<u>9,071,000</u>	<u>10,056,000</u>
<i>Excess of Revenues Over Expenditures</i>	<u>13,192,000</u>	<u>11,745,000</u>	<u>12,457,000</u>	<u>10,182,000</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	95,000	83,000	33,000	0
Transfers In	2,253,000	2,185,000	2,304,000	2,557,000
Transfers Out	<u>(13,894,000)</u>	<u>(12,641,000)</u>	<u>(14,083,000)</u>	<u>(13,515,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(11,546,000)</u>	<u>(10,373,000)</u>	<u>(11,746,000)</u>	<u>(10,958,000)</u>
<i>Changes in Fund Balance</i>	1,646,000	1,372,000	711,000	(776,000)
<i>Fund Balance Beginning of Year</i>	<u>981,000</u>	<u>2,627,000</u>	<u>3,999,000</u>	<u>4,710,000</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,627,000</u></u>	<u><u>\$3,999,000</u></u>	<u><u>\$4,710,000</u></u>	<u><u>\$3,934,000</u></u>

<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>
\$0	\$0	\$0	\$0
2,227,000	2,227,000	2,227,000	2,227,000
653,000	653,000	653,000	653,000
<u>377,000</u>	<u>377,000</u>	<u>377,000</u>	<u>377,000</u>
<u>3,257,000</u>	<u>3,257,000</u>	<u>3,257,000</u>	<u>3,257,000</u>
<u>10,145,000</u>	<u>10,237,000</u>	<u>10,337,000</u>	<u>10,432,000</u>
<u>10,215,000</u>	<u>10,123,000</u>	<u>10,023,000</u>	<u>9,928,000</u>
0	0	0	0
2,324,000	2,324,000	2,324,000	2,324,000
<u>(11,328,000)</u>	<u>(12,643,000)</u>	<u>(13,306,000)</u>	<u>(13,575,000)</u>
<u>(9,004,000)</u>	<u>(10,319,000)</u>	<u>(10,982,000)</u>	<u>(11,251,000)</u>
1,211,000	(196,000)	(959,000)	(1,323,000)
<u>3,934,000</u>	<u>5,145,000</u>	<u>4,949,000</u>	<u>3,990,000</u>
<u>\$5,145,000</u>	<u>\$4,949,000</u>	<u>\$3,990,000</u>	<u>\$2,667,000</u>

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Safety Services Fund

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues				
Property Taxes	\$380,000	\$334,000	\$320,000	\$311,000
Municipal Income Tax	6,590,000	6,667,000	6,875,000	8,099,000
Intergovernmental	49,000	47,000	46,000	45,000
Charges for Services	1,558,000	1,587,000	1,709,000	1,688,000
Fees, Licenses and Permits	96,000	96,000	85,000	83,000
Fines and Forfeitures	114,000	43,000	26,000	68,000
Other	564,000	134,000	161,000	152,000
Total Revenues	9,351,000	8,908,000	9,222,000	10,446,000
Expenditures				
Current:				
Police				
Personal Services	4,524,000	4,832,000	4,881,000	5,292,000
Fringe Benefits	3,120,000	2,768,000	2,565,000	2,843,000
Contractual Services	98,000	137,000	165,000	231,000
Materials and Supplies	100,000	108,000	110,000	133,000
Utilities	8,000	7,000	5,000	9,000
Capital Outlay	36,000	174,000	43,000	104,000
Miscellaneous	4,000	4,000	5,000	6,000
Total Police	7,890,000	8,030,000	7,774,000	8,618,000
Fire				
Personal Services	5,255,000	5,135,000	4,654,000	4,857,000
Fringe Benefits	3,782,000	3,010,000	2,665,000	2,928,000
Contractual Services	165,000	176,000	207,000	264,000
Materials and Supplies	150,000	167,000	181,000	224,000
Utilities	54,000	48,000	50,000	70,000
Capital Outlay	402,000	47,000	65,000	157,000
Miscellaneous	3,000	1,000	0	2,000
Debt Service:				
Principal Retirement	0	36,000	69,000	71,000
Interest and Fiscal Charges	0	2,000	9,000	7,000
Total Fire	9,811,000	8,622,000	7,900,000	8,580,000
Public Safety Communications Center				
Personal Services	572,000	593,000	594,000	629,000
Fringe Benefits	394,000	358,000	314,000	349,000
Contractual Services	41,000	55,000	55,000	88,000
Materials and Supplies	2,000	2,000	1,000	4,000
Capital Outlay	3,000	0	2,000	28,000
Total Public Safety Communications Center	\$1,012,000	\$1,008,000	\$966,000	\$1,098,000

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$311,000	\$311,000	\$311,000	\$311,000
8,448,000	8,448,000	8,448,000	8,448,000
45,000	45,000	45,000	45,000
1,688,000	1,688,000	1,688,000	1,688,000
83,000	83,000	83,000	83,000
68,000	68,000	68,000	68,000
152,000	152,000	152,000	152,000
<u>10,795,000</u>	<u>10,795,000</u>	<u>10,795,000</u>	<u>10,795,000</u>
5,197,000	5,260,000	5,500,000	5,417,000
2,956,000	2,959,000	3,128,000	3,134,000
231,000	231,000	231,000	231,000
133,000	133,000	133,000	133,000
9,000	9,000	9,000	9,000
74,000	74,000	74,000	74,000
6,000	6,000	6,000	6,000
<u>8,606,000</u>	<u>8,672,000</u>	<u>9,081,000</u>	<u>9,004,000</u>
5,377,000	5,470,000	5,566,000	5,709,000
3,447,000	3,430,000	3,529,000	3,653,000
264,000	264,000	264,000	264,000
224,000	224,000	224,000	224,000
56,000	56,000	56,000	56,000
85,000	85,000	85,000	85,000
2,000	2,000	2,000	2,000
73,000	74,000	37,000	0
5,000	4,000	2,000	0
<u>9,533,000</u>	<u>9,609,000</u>	<u>9,765,000</u>	<u>9,993,000</u>
660,000	670,000	701,000	749,000
380,000	391,000	407,000	426,000
60,000	60,000	60,000	60,000
2,000	2,000	2,000	2,000
278,000	28,000	28,000	28,000
<u>\$1,380,000</u>	<u>\$1,151,000</u>	<u>\$1,198,000</u>	<u>\$1,265,000</u>

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Safety Services Fund (continued)

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Non-Departmental				
Contractual Services	\$6,000	\$6,000	\$7,000	\$8,000
Miscellaneous	0	128,000	126,000	171,000
Total Non-Departmental	6,000	134,000	133,000	179,000
<i>Total Expenditures</i>	<u>18,719,000</u>	<u>17,794,000</u>	<u>16,773,000</u>	<u>18,475,000</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(9,368,000)</u>	<u>(8,886,000)</u>	<u>(7,551,000)</u>	<u>(8,029,000)</u>
Other Financing Sources (Uses)				
Transfers In	11,605,000	11,352,000	10,283,000	10,954,000
Transfers Out	<u>(1,569,000)</u>	<u>(1,719,000)</u>	<u>(1,905,000)</u>	<u>(2,055,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>10,036,000</u>	<u>9,633,000</u>	<u>8,378,000</u>	<u>8,899,000</u>
<i>Changes in Fund Balance</i>	668,000	747,000	827,000	870,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(1,782,000)</u>	<u>(1,114,000)</u>	<u>(367,000)</u>	<u>460,000</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$1,114,000)</u></u>	<u><u>(\$367,000)</u></u>	<u><u>\$460,000</u></u>	<u><u>\$1,330,000</u></u>

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$8,000	\$8,000	\$8,000	\$8,000
187,000	184,000	185,000	186,000
195,000	192,000	193,000	194,000
19,714,000	19,624,000	20,237,000	20,456,000
(8,919,000)	(8,829,000)	(9,442,000)	(9,661,000)
9,544,000	10,784,000	11,397,000	11,616,000
(1,955,000)	(1,955,000)	(1,955,000)	(1,955,000)
7,589,000	8,829,000	9,442,000	9,661,000
(1,330,000)	0	0	0
1,330,000	0	0	0
\$0	\$0	\$0	\$0

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Grant Fund

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues				
Intergovernmental	\$3,137,000	\$2,571,000	\$2,951,000	\$4,147,000
Charges for Services	34,000	97,000	33,000	34,000
Other	5,000	51,000	51,000	446,000
Total Revenues	3,176,000	2,719,000	3,035,000	4,627,000
Expenditures				
Current:				
Municipal Court				
Personal Services	56,000	152,000	137,000	166,000
Fringe Benefits	6,000	43,000	43,000	46,000
Contractual Services	26,000	47,000	58,000	144,000
Materials and Supplies	1,000	1,000	0	5,000
Total Municipal Court	89,000	243,000	238,000	361,000
Law Director				
Personal Services	61,000	53,000	33,000	26,000
Fringe Benefits	0	2,000	11,000	18,000
Contractual Services	1,000	1,000	1,000	2,000
Materials and Supplies	2,000	3,000	3,000	1,000
Total Law Director	64,000	59,000	48,000	47,000
Finance Director				
Personal Services	0	0	1,000	21,000
Fringe Benefits	0	0	0	3,000
Contractual Services	0	0	7,000	30,000
Total Finance Director	0	0	8,000	54,000
Engineering				
Personal Services	4,000	6,000	5,000	70,000
Contractual Services	1,000	200,000	12,000	49,000
Materials and Supplies	162,000	17,000	2,000	2,000
Capital Outlay	1,283,000	637,000	679,000	788,000
Total Engineering	\$1,450,000	\$860,000	\$698,000	\$909,000

2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$2,131,000	\$2,131,000	\$1,869,000	\$1,869,000
34,000	34,000	34,000	34,000
27,000	27,000	27,000	27,000
<u>2,192,000</u>	<u>2,192,000</u>	<u>1,930,000</u>	<u>1,930,000</u>
167,000	169,000	171,000	172,000
46,000	47,000	47,000	48,000
157,000	154,000	152,000	150,000
5,000	5,000	5,000	5,000
<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>
26,000	26,000	27,000	27,000
18,000	18,000	18,000	19,000
2,000	2,000	2,000	1,000
2,000	2,000	2,000	1,000
<u>48,000</u>	<u>48,000</u>	<u>49,000</u>	<u>48,000</u>
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0
71,000	71,000	72,000	73,000
49,000	49,000	49,000	49,000
2,000	2,000	2,000	2,000
512,000	511,000	510,000	510,000
<u>\$634,000</u>	<u>\$633,000</u>	<u>\$633,000</u>	<u>\$634,000</u>

(continued)

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Grant Fund (continued)

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Police				
Personal Services	\$626,000	\$365,000	\$212,000	\$423,000
Fringe Benefits	256,000	200,000	75,000	205,000
Contractual Services	274,000	188,000	174,000	114,000
Materials and Supplies	61,000	103,000	51,000	67,000
Capital Outlay	230,000	92,000	114,000	145,000
Miscellaneous	115,000	115,000	120,000	120,000
Total Police	<u>1,562,000</u>	<u>1,063,000</u>	<u>746,000</u>	<u>1,074,000</u>
Fire				
Personal Services	0	0	560,000	564,000
Fringe Benefits	0	0	310,000	338,000
Capital Outlay	28,000	0	0	0
Total Fire	<u>28,000</u>	<u>0</u>	<u>870,000</u>	<u>902,000</u>
Community Development				
Personal Services	0	4,000	17,000	7,000
Fringe Benefits	0	2,000	17,000	6,000
Contractual Services	0	4,000	446,000	336,000
Total Community Development	<u>0</u>	<u>10,000</u>	<u>480,000</u>	<u>349,000</u>
Industrial Development				
Contractual Services	0	0	0	1,446,000
Total Industrial Development	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,446,000</u>
Total Expenditures	<u>3,193,000</u>	<u>2,235,000</u>	<u>3,088,000</u>	<u>5,142,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,000)	484,000	(53,000)	(515,000)
Other Financing Sources				
Transfers In	24,000	52,000	35,000	62,000
<i>Changes in Fund Balance</i>	7,000	536,000	(18,000)	(453,000)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(71,000)</u>	<u>(64,000)</u>	<u>472,000</u>	<u>454,000</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$64,000)</u>	<u>\$472,000</u>	<u>\$454,000</u>	<u>\$1,000</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
\$428,000	\$432,000	\$256,000	\$259,000
207,000	209,000	122,000	123,000
114,000	114,000	114,000	114,000
67,000	67,000	67,000	67,000
71,000	65,000	65,000	61,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>887,000</u>	<u>887,000</u>	<u>624,000</u>	<u>624,000</u>
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,000	7,000	7,000	7,000
6,000	6,000	6,000	6,000
271,000	271,000	271,000	271,000
<u>284,000</u>	<u>284,000</u>	<u>284,000</u>	<u>284,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,228,000</u>	<u>2,227,000</u>	<u>1,965,000</u>	<u>1,965,000</u>
(36,000)	(35,000)	(35,000)	(35,000)
<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
(1,000)	0	0	0
<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Mansfield - Richland County

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis

For the Years Ended December 31, 2011, Through 2013, Actual

and Ending December 31, 2014, Through 2018, Forecasted

Reid Industrial Park/Miller Farm Fund

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues				
Intergovernmental	\$89,000	\$189,000	\$0	\$0
Other	0	1,000	1,000	0
Total Revenues	<u>89,000</u>	<u>190,000</u>	<u>1,000</u>	<u>0</u>
Expenditures				
Capital Outlay	<u>868,000</u>	<u>147,000</u>	<u>76,000</u>	<u>119,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(779,000)	43,000	(75,000)	(119,000)
Other Financing Sources				
Loan Proceeds	<u>379,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>379,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Changes in Fund Balance</i>	(400,000)	43,000	(75,000)	(119,000)
<i>Fund Balance Beginning of Year</i>	<u>551,000</u>	<u>151,000</u>	<u>194,000</u>	<u>119,000</u>
<i>Fund Balance End of Year</i>	<u><u>\$151,000</u></u>	<u><u>\$194,000</u></u>	<u><u>\$119,000</u></u>	<u><u>\$0</u></u>

City of Mansfield - Richland County

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Information Technology Fund*

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Information Technology				
Personal Services	133,000	120,000	84,000	103,000
Fringe Benefits	77,000	70,000	50,000	66,000
Contractual Services	331,000	336,000	225,000	325,000
Materials and Supplies	13,000	8,000	14,000	14,000
Capital Outlay	25,000	13,000	167,000	584,000
<i>Total Expenditures</i>	579,000	547,000	540,000	1,092,000
<i>Excess of Revenues Under Expenditures</i>	(579,000)	(547,000)	(540,000)	(1,092,000)
Other Financing Sources (Uses)				
Transfers In	643,000	663,000	1,146,000	561,000
Transfers Out	(49,000)	(47,000)	(44,000)	(42,000)
<i>Total Other Financing Sources (Uses)</i>	594,000	616,000	1,102,000	519,000
<i>Changes in Fund Balance</i>	15,000	69,000	562,000	(573,000)
<i>Fund Balance Beginning of Year</i>	0	15,000	84,000	646,000
<i>Fund Balance End of Year</i>	\$15,000	\$84,000	\$646,000	\$73,000

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
105,000	106,000	107,000	108,000
66,000	67,000	68,000	68,000
304,000	307,000	310,000	314,000
12,000	13,000	13,000	13,000
19,000	19,000	19,000	20,000
<u>506,000</u>	<u>512,000</u>	<u>517,000</u>	<u>523,000</u>
<u>(506,000)</u>	<u>(512,000)</u>	<u>(517,000)</u>	<u>(523,000)</u>
479,000	558,000	563,000	569,000
<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>
<u>433,000</u>	<u>512,000</u>	<u>517,000</u>	<u>523,000</u>
(73,000)	0	0	0
<u>73,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Mansfield - Richland County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Utility Collections Fund

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues				
Other	\$2,000	\$0	\$9,000	\$5,000
Expenditures				
Utility Collections				
Personal Services	576,000	527,000	510,000	525,000
Fringe Benefits	421,000	353,000	350,000	375,000
Contractual Services	317,000	167,000	159,000	250,000
Materials and Supplies	23,000	16,000	26,000	30,000
Utilities	2,000	8,000	7,000	10,000
Capital Outlay	64,000	44,000	91,000	140,000
<i>Total Expenditures</i>	<u>1,403,000</u>	<u>1,115,000</u>	<u>1,143,000</u>	<u>1,330,000</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,401,000)</u>	<u>(1,115,000)</u>	<u>(1,134,000)</u>	<u>(1,325,000)</u>
Other Financing Sources (Uses)				
Transfers In	1,684,000	1,400,000	1,453,000	1,617,000
Transfers Out	<u>(274,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>(292,000)</u>
Total Other Financing Sources (Uses)	<u>1,410,000</u>	<u>1,130,000</u>	<u>1,183,000</u>	<u>1,325,000</u>
<i>Changes in Fund Balance</i>	9,000	15,000	49,000	0
<i>Fund Balance Beginning of Year</i>	<u>1,000</u>	<u>10,000</u>	<u>25,000</u>	<u>74,000</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,000</u></u>	<u><u>\$25,000</u></u>	<u><u>\$74,000</u></u>	<u><u>\$74,000</u></u>

<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>
<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>
530,000	536,000	541,000	546,000
388,000	392,000	396,000	400,000
199,000	199,000	199,000	199,000
30,000	30,000	30,000	30,000
10,000	10,000	10,000	10,000
<u>83,000</u>	<u>83,000</u>	<u>83,000</u>	<u>83,000</u>
<u>1,240,000</u>	<u>1,250,000</u>	<u>1,259,000</u>	<u>1,268,000</u>
<u>(1,235,000)</u>	<u>(1,245,000)</u>	<u>(1,254,000)</u>	<u>(1,263,000)</u>
1,438,000	1,524,000	1,536,000	1,548,000
<u>(277,000)</u>	<u>(279,000)</u>	<u>(282,000)</u>	<u>(285,000)</u>
<u>1,161,000</u>	<u>1,245,000</u>	<u>1,254,000</u>	<u>1,263,000</u>
(74,000)	0	0	0
<u>74,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Mansfield - Richland County

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011, Through 2013, Actual
and Ending December 31, 2014, Through 2018, Forecasted
Workers' Compensation Fund*

	2011 Actual	2012 Actual	2013 Actual	2014 Forecasted
Revenues				
Other	\$175,000	\$45,000	\$342,000	\$0
Expenditures				
Contractual Services	675,000	610,000	590,000	652,000
<i>Excess of Revenues Under Expenditures</i>	(500,000)	(565,000)	(248,000)	(652,000)
Other Financing Sources				
Transfers In	623,000	602,000	587,000	276,000
<i>Changes in Fund Balance</i>	123,000	37,000	339,000	(376,000)
<i>Fund Balance Beginning of Year</i>	99,000	222,000	259,000	598,000
<i>Fund Balance End of Year</i>	<u>\$222,000</u>	<u>\$259,000</u>	<u>\$598,000</u>	<u>\$222,000</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
\$0	\$0	\$0	\$0
<u>658,000</u>	<u>665,000</u>	<u>671,000</u>	<u>678,000</u>
(658,000)	(665,000)	(671,000)	(678,000)
<u>658,000</u>	<u>665,000</u>	<u>671,000</u>	<u>678,000</u>
0	0	0	0
<u>222,000</u>	<u>222,000</u>	<u>222,000</u>	<u>222,000</u>
<u><u>\$222,000</u></u>	<u><u>\$222,000</u></u>	<u><u>\$222,000</u></u>	<u><u>\$222,000</u></u>

City of Mansfield – Richland County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014, through 2018

Note 1 - The City

The City of Mansfield (the City) is located in Northeast Ohio in Richland County and 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.

On August 19, 2010, the Auditor of State's office declared the City of Mansfield to be in a state of fiscal emergency in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor of the City, Council President, three financial consultants whose residency or principal place of business is within the City, and a designee from both the State Treasurer's Office and the Office of Budget and Management. The City has 120 days after the first meeting of the Commission to approve a financial recovery plan. Once the plan has been adopted, the City's discretion is limited in that all financial activity of the City must be in accordance with the plan.

The City of Mansfield 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.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the City's knowledge and belief, the expected revenues, expenditures, expenses, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the City's judgment, as of June 9, 2014, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the City. These funds include:

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

Safety Services Fund – This fund accounts for and reports monies collected for police and fire department operations.

Grant Fund – This fund accounts for and reports Federal, State, and/or local grants received by the City.

Reid Industrial Park/Miller Farm Fund – This fund accounts for and reports 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 – Richland County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014, through 2018

Information Technology Fund – This fund accounts for and reports the operation of the City’s data processing department for work performed for all departments within the City.

Utility Collections Fund – This fund accounts for and reports 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.

Workers’ Compensation Fund – This fund accounts for and reports the expenses incurred in the activity of the State Workers’ Compensation System.

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the City is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. Fund Accounting

The City maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

Debt Service Funds - Debt service funds are used to account for and report resources that are restricted, committed, or assigned to disbursement for principal, interest, and related costs.

Capital Projects Funds - Capital projects funds are used to account for and report resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds).

City of Mansfield – Richland County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014, through 2018

Permanent Funds - Permanent funds account for and report financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the City or its residents.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Internal Service Funds - 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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the City, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriation for the full year is not ready for approval by City Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the City Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The City uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

City of Mansfield – Richland County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014, through 2018

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property, public utility real and personal property, and prior to 2011, tangible personal property taxes. The City may request advances from the Richland County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the City are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the City for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account “intergovernmental revenue”.

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2012 for taxes collected in 2013. The next triennial update will take place in 2015 for taxes collected in 2016 with the next reappraisal scheduled for 2018. The City’s assessed values upon which property tax receipts were based for the last four years are as follows:

<u>Class of Property</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Real Property	\$601,577,670	\$569,038,870	\$555,161,930	\$545,780,020
Public Utility	14,328,390	14,972,140	16,081,610	17,701,700
Total Assessed Value	<u>\$615,906,060</u>	<u>\$584,011,010</u>	<u>\$571,243,540</u>	<u>\$563,481,720</u>

The property tax revenues are generated from inside and Charter millage and receipted into the general fund and the safety services fund.

The levies being collected by fund, the year approved, and the full tax rate are as follows:

<u>Fund</u>	<u>Tax Levies</u>	<u>Full Tax Rate (Per \$1,000 of Assessed Valuation)</u>
General Fund	Inside Ten Mill Limitation (Unvoted)	\$3.00
Safety Services Fund	Inside Ten Mill Limitation (Unvoted)	<u>0.60</u>
Total Tax Rate		<u><u>\$3.60</u></u>

Public utility real and personal property taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25

City of Mansfield – Richland County
Summary of Significant Accounting Policies and Forecast Assumptions
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percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property - Real property taxes are forecasted to decrease slightly in 2014 due to slight decreases in real property assessed values, based on the estimates from the County Auditor. The property values are expected to remain the same through 2018 due to the overall economy of the City. Although the County updates or reappraises property values every three years, values have been fairly stagnant recently and that is expected to continue.

B. Municipal Income Taxes

The City levies and collects a municipal income tax of two percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually. In 2013 and prior years, the City had a 1.75 percent tax, made up of the following: a one percent general tax, credited to the general fund, a half percent safety tax, credited to the safety services fund, and a quarter percent street tax, credited to the street resurfacing fund. In 2014, the City began collecting an additional quarter percent income tax, which is credited as follows: 22 percent to parks and recreation, 8 percent to street lighting, 20 percent to demolitions, and 50 percent to safety services.

Based upon the increase in the tax rate and currently known information, the City is anticipating an increase in income tax revenue for 2014 and again in 2015, as the new revenue is fully collected. The remaining forecast years are anticipated to remain consistent with 2015.

C. Intergovernmental Revenues

Intergovernmental revenues include local government monies, property tax allocations for rollback, homestead, and tangible personal property tax loss reimbursements, grants, and estate tax. The local government funds are distributed monthly by the State to the County and by the County Auditor to the City. The property tax allocations for rollback, homestead, and tangible personal property are received from the State and are based on information provided by the County Auditor.

Beginning in 2006, the State reimbursed the City for lost revenue due to the phase-out of tangible personal property tax. In the first five years, the City was fully reimbursed relative to prior law for revenue lost due to the taxable value reductions prescribed by House Bill 66. Over the next seven years, the reimbursements are phased-out. The reimbursement will be for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the City is only reimbursed for the difference between the amounts that would have been received under the prior law and amounts actually received as the phase-outs in House Bill 66 are implemented. In 2011, HB153 accelerates the phase-out of the tangible personal property tax reimbursements by two percentage points per year based on the entity's 2010 tax year reimbursements.

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State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the City for the loss of real property taxes caused by the homestead and rollback tax relief programs.

In tax collection year 2008, the State granted an additional homestead exemption for the first \$25,000 in market value. This exemption increases property tax allocation receipts and decreases general property tax receipts by an equal amount.

Section 503.12(B) of House Bill 66 established a Task Force to study potential sources of State funding for the local government and the local government revenue assistance programs that have the capacity for growth and stability in the funding levels and that considers the changes to the Ohio tax code. In December 2006, the Task Force submitted a report to the Governor and to the General Assembly setting forth its recommendations. The State Budget bill for fiscal years 2008 and 2009 replaced the percentage of tax methodology with a percentage of tax receipts formula. In general, the formula proposes that the three local government funds at the State level receive a percentage of the general revenue fund tax receipts in total collected by the State. In 2011, HB153 made reductions in the local government funding for fiscal years 2012 and 2013. These reductions were approximately 25 percent and 50 percent less than 2011 funding amounts for 2012 and 2013, respectively. No increases are projected for future years.

The City received significant intergovernmental revenue in prior years due to the estate tax. This revenue source was phased out by the State for deaths after December 31, 2012. Due to the time needed to settle and process estates, the City still received estate tax during 2013, in the amount of \$1,612,760. The County Auditor has estimated that the City will receive estate tax of approximately \$88,000 in 2014. No estate tax revenue is anticipated for 2015 and beyond.

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Charges for Services – Charges for services represent revenues received from the clerk of courts processing and administrative charges. No increase is anticipated in these revenues.

Fees, Licenses and Permits – Fees, licenses and permits receipts represent building and housing permits, licenses and exam fees, refuse hauling permits, a billing late fee, as well as cable franchise fees. Cable franchise fees are 3 percent of gross receipts collected by the cable provider. Amounts collected for the various permits, licenses and fees remain approximately the same annually throughout the forecast period.

Fines and Forfeitures - Fines and forfeitures represent revenues received from court fines and income tax penalties. No increase is anticipated in these revenues.

Investment Income - Interest receipts are expected to be minimal due to very low interest rates and a relatively static cash balance throughout the forecast period.

Other – Other revenues consist mainly of various refunds and reimbursements which are projected to remain consistent throughout the forecast period.

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Transfers In – Transfers in represent monies transferred from other funds of the City in order to reimburse the general fund for administrative work done on behalf of those funds.

B. Safety Services Fund

Charges for Services – Charges for services include transport fees related to emergency medical services provided by the fire department and crime lab charges.

Fees, Licenses and Permits – Fees, licenses and permits receipts represent parking meter fees, towing operator fees, and record and report fees.

Fines and Forfeitures - Fines and forfeitures revenue represents parking fines.

Transfers In – Transfers in represent income tax monies transferred from the general fund to support safety services operations.

C. Grant Fund

Intergovernmental - Intergovernmental receipts consist of various grants received by the City. Revenue in 2014 is anticipated to increase, due to an industrial development grant. In 2015, revenue is forecasted to decline, as the industrial development grant is a one-time revenue source and the SAFER grant for fire employees is expiring in 2014. Revenues are anticipated to decrease again in 2017, as the COPS grant for police employees is expiring in 2016.

Charges for Services – Charges for services represent crime lab charges.

Other – Other revenues consist mainly of various refunds and reimbursements which are projected to remain consistent throughout the forecast period. In 2014, a one-time sale of scrap materials is anticipated to increase this line item.

D. Reid Industrial Park/Miller Farm Fund

Intergovernmental – The City received grant monies for an industrial park project. Once this project is completed, this fund is not anticipated to receive additional revenue.

E. Information Technology Fund

Transfers In – The City charges other City funds for information technology services. These revenues will decrease in 2014 as the 2013 amount was received to pay for increased capital outlay expenditures. Transfers for the forecast period are increasing to keep pace with anticipated expenditures in the fund.

F. Utility Collections Fund

Other – Other revenues consist mainly of various refunds and reimbursements which are projected to remain consistent throughout the forecast period.

Transfers In – The City charges other City funds for billing services. These revenues will increase in 2014 to pay for increased capital outlay expenditures but then will return to a lower level in 2015. Transfers for 2016 through 2018 are anticipated to increase in order to cover the forecasted expenditures of the fund.

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G. Workers' Compensation Fund

Other – Other revenue represents workers' compensation refunds and reimbursements. No refunds or reimbursements are anticipated for the forecast period.

Transfers In – The City charges other City funds for workers' compensation related to each fund's employees. These revenues will decrease in 2014 as the 2013 carryover balance is used but then will increase in 2015 through 2018, based on a percentage of employee salaries.

Note 6 - Expenditure Assumptions - All Funds

A. Personal Services

Personal services include the salaries paid to the employees and elected officials of the City. The City's employees and elected officials, other than City Council and Civil Service Commission members, are paid on a bi-weekly basis. City Council and Civil Service Commission members are paid monthly. City Council, by ordinance, sets the salary or hourly rates and other forms of compensation, such as paid leave.

The City has labor agreements with the Fraternal Order of Police (FOP) Patrol Officers and Command Officers, International Association of Fire Fighters (IAFF), Local 266, and American Federation of State, County and Municipal Employees (AFSCME), Ohio Council 8, Local 3088. The FOP agreement expires on July 31, 2016. The IAFF agreement expires on March 31, 2016. The AFSCME agreement expires on April 30, 2015. All bargaining unit employees are paid longevity based on years of service.

The current AFSCME agreement provided each bargaining unit employee with two \$350 lump sum payments, one in January of 2014 and one in January of 2015. The current FOP and IAFF agreements provided for a one percent wage increase in each year of the agreement.

No increases are expected for the elected officials within the forecast period. The forecast assumes that FOP and IAFF bargaining unit members will continue to receive wage increases of one percent per year throughout the forecast period. It is also assumed that AFSCME employees will receive an annual wage increase of one percent once the current agreement expires. A wage increase of one percent has also been forecasted each year for non-bargaining employees for 2015 through 2018. Each additional wage increase of one percent would increase the salaries of all employees approximately \$221,000 each year.

B. Fringe Benefits

Fringe benefits include employer contributions to the State pension system, workers' compensation, Medicare, vacation, sick leave, personal days and medical, prescription, eye care and dental health coverage.

All employees and/or elected officials, except police and fire, participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual salary and the City is required to contribute 14 percent (the maximum) of their annual salary.

Police and fire employees participate in the Ohio Police and Fire Retirement System (OP&F). OP&F provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual salary and the City is

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required to contribute 19.5 percent for police and 24 percent for fire (the maximum) of their annual salary. Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. A slight increase is expected annually, based on forecasted annual salary increases.

Employees, except elected officials, are entitled to one to six weeks of vacation leave depending on length of service. Employees, other than fire fighters, earn sick leave at a rate of .05769 hours per each non-overtime hour worked. Fire fighters earn sick leave at a rate of .0769 hours per each non-overtime hour worked.

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic hospital/medical/surgical plans with deductibles of \$200 per person and \$400 per family.

A third-party administrator reviews all claims which are then paid by the City. An excess coverage insurance (stop-loss) policy covers claims in excess of \$160,000 per employee and \$1,000,000 in aggregate. The benefit is paid by the health insurance fund and is based on historical cost information and third-party administrator estimates. The fund that pays the salary for the employee transfers an amount per employee, per month to the health insurance fund. The City's health insurance costs are forecasted to rise four percent annually for each year of the forecast period.

C. Contractual Services

Contractual services include utility charges (street lighting, telephone, internet, electricity, natural gas, and garbage), postage, advertising, legal fees, auditor and treasurer fees, County jail fees, and accounting and auditing services. The City has worked to constrain spending in as many areas as possible over the last several years and plans to continue to do so in the future. However, some small increases in contractual services are forecasted as the price of some services will rise over time, based on historical data.

D. Supplies and Materials

Supplies and materials expenditures include office supplies, operating supplies, fuel, emergency medical service supplies, information technology supplies, and repair and maintenance costs. Supplies and materials are anticipated to remain consistent for years 2014 through 2018.

E. Capital Outlay

In 2014, the City is expected to purchase additional capital items in the courts department in the general fund and in the police and fire departments in the safety services fund. The City will also complete ongoing projects in several departments within the grant fund, as well as in the Reid Industrial Park and the information technology department. In 2015, the City plans to do a required upgrade to the 911 communications system, which will be purchased from the public safety communications center department in the safety services fund. There are no unusual capital outlay expenditures for the remaining forecast period; however, the City purchases some equipment each year from various departments, as the need arises.

F. Debt Service

The City has a capital lease for three EMS vehicles. The debt service payments are made from the fire department in the safety services fund.

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Principal and interest requirements to retire the lease at December 31, 2013 are as follows:

	2014	\$78,000
	2015	78,000
	2016	78,000
	2017	39,000
	Total Minimum Lease Payments	273,000
	Less: Amount Representing Interest	(18,000)
	Total	\$255,000

Note 7 – Transfers

The City expects to transfer the following amounts from the general fund during the forecast period:

Transfer to:	Year				
	2014	2015	2016	2017	2018
Safety Services	\$10,954,000	\$9,544,000	\$10,784,000	\$11,397,000	\$11,616,000
Budget Stabilization	1,193,000	0	0	0	0
Court Funds	0	366,000	412,000	433,000	455,000
Other Funds	1,368,000	1,418,000	1,447,000	1,476,000	1,504,000
Total	\$13,515,000	\$11,328,000	\$12,643,000	\$13,306,000	\$13,575,000

The transfers to the safety services fund are to support the operations of that fund. The transfer to the budget stabilization fund is to meet the fund balance goal that the City set when establishing the fund. The transfers to the court funds are due to projected shortfalls in those funds as their fund balances have been depleted over the past several years. The general fund makes transfers to numerous other funds to support operations and to pay general fund’s share of property and liability insurance, information technology services, garage services, and compensated absences.

The safety services fund transfers an amount annually to the general fund for administrative costs, as well as making transfers to other funds to pay safety service fund’s share of property and liability insurance, information technology services, garage services, and compensated absences. These transfers are anticipated to remain fairly consistent throughout the forecast period.

The information technology and utility collections funds transfer amounts annually to the general fund for administrative costs, as well as transferring amounts to the separation fund to pay the information technology and utility collections funds’ share of compensated absences. These transfers are anticipated to remain fairly consistent throughout the forecast period.

Note 8 - Other Funds

The City has numerous other funds that account for resources that are restricted for specific purposes. Most of these funds are anticipated to have sufficient resources to meet their obligations during the forecasted period. Certain court special revenue funds are anticipated to have expenditures exceeding revenues and carryover fund balance during the forecasted period. A transfer from general fund to these funds is forecasted, see Note 7.

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A. Benefits Fund

When declared in fiscal emergency, the benefits fund also had a deficit fund balance. The City discontinued use of this fund at the end of 2010. Once the fund was closed, the City began paying the costs of most benefits directly from the fund which pays the salary of each employee.

B. Health Insurance Fund

The City provides medical and dental benefits through a self-insured program. The City maintains an internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator reviews all claims which are then paid by the City. The City pays a monthly premium for each employee into the internal service fund. The premium is paid by the fund that pays the salary for the employee and differs for single and family benefits. Monthly premiums are recommended by the third party administrator. The fund purchases annual stop loss coverage for claims in excess of \$160,000 per employee, per year and an aggregate of \$1,000,000. The City anticipates the cost of claims to increase over the forecast period, based on estimates provided by the third party administrator. A corresponding increase in premiums paid by the other funds has been included throughout the forecast period to cover the claims and administrative costs. The third party administrator recommends that the City maintain a reserve in the internal service fund of at least \$498,000. The City anticipates maintaining a reserve of \$1,000,000 throughout the forecast period.

Note 9 - Contingencies

A. Litigation

The City is party to legal proceedings. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position during the forecast period.



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
JULY 7, 2014**