

2003

CITY OF MANSFIELD, TEXAS
ANNUAL REPORT 2003

BLUEPRINT
For Success



City Manager's Message



As the Chief Executive Officer of the City of Mansfield, I am pleased to report that 2003 was another banner year, measured by strong economic growth, continued infrastructure improvements and quality services to our community.

Strong leadership, progressive planning and strong management of financial resources and services are just some of the critical elements of the city's blueprint for success. Critical timing of infrastructure improvements with the future in mind has enabled Mansfield to stay ahead of the growth and enhance value to all properties. Additionally, a city service organization of more than 400 dedicated employees has committed to the highest level of service.

As the city has grown and visions have changed, we have maintained a common emphasis on building a safe community for families and businesses. A dominant goal for many years has been to build value measured by the growth of value in one's home, land or

business. It is not by accident we have succeeded in a volatile economy and in the face of explosive growth.

As we have built our community, we have also built a strong desire of citizens to participate in leading their community. Strong leadership from City Council and the many boards and commissions comprised of volunteers from our community are critical components of the results that have been achieved. Many tough decisions must be made each year as capital infrastructure is prioritized and funded, and city services are analyzed, prioritized and budgeted. City resources, land and amenities are examined and planned. The involvement of so many volunteers in addition to a highly innovative and creative team of employee professionals provides the tools to make the many decisions that are needed to grow our community. Your city has been a leader and a model in strategic planning as recognized by the country's top investment rating services. A highly commended independent review and audit of the city's financial practices for the year 2003 exemplify the city management team's emphasis on accountability.

We have many strong allies assisting us in the accomplishment of our goals and contributing to our success. Your city service organization, your water treatment program, your finance department, your parks program and your economic development program have all been acclaimed as the best by different independent agencies. Last but certainly not least, nothing could have been accomplished without the overwhelming support which we have received from the citizens of our community.

Sincerely,

A handwritten signature in black ink that reads "Clayton W. Chandler". The signature is written in a cursive, flowing style.

Clayton W. Chandler
City Manager



A message from the City Manager, Clayton Chandler

CITY OF MANSFIELD
ANNUAL REPORT 2003



PROJECT
3.15.04
Sheet #1

Strong leadership, dedicated volunteers guide community decisions

From its early days as a rural farming community to its present life as one of the region's fastest growing cities, Mansfield has been guided by strong leaders who offer support to staff and employees and provide the tools necessary for the city's success.

They applaud hard work and encourage innovation. They seek visionary answers to the city's tough problems. And they



Groundbreakings are becoming a regular part of the Mansfield City Council's schedule. Back row, from left, Marvin Kahlden, Linda Herndon, Mayor David Harry, Dick Littell, Tracy Doyle, City Manager Clayton Chandler, Mayor Pro Tem Mary Ann Johnston. Front center: Jeff Newberry.

view the continuing development of Mansfield as a partnership between City Hall and the community where feedback is welcomed and new ideas celebrated.

"It's not often easy to deal with the growing pains we face in Mansfield," says Mayor David Harry. "We are fortunate to have the experiences of our neighbors, both good and bad, to guide us. We have an experienced and talented staff working diligently to manage our growth. And we have citizens willing to assist us in making this a quality place to own a home, raise a family and be a part of something special."

Mansfield leaders make a difference in their community, from a City Council that works closely with management to provide the best for citizens, to dozens of volunteers who serve on



Mayor Pro Tem Mary Ann Johnston, left, has spent more than 25 years serving the City of Mansfield, first as an employee and later as a city council member.

boards and commissions that advise the council and staff on everything from zoning issues to park development.

"We ask a lot of our volunteers," Harry says. "They put in hundreds of hours each year attending meetings and work sessions. Their perspective is critical in helping the council and staff make decisions that impact the entire community."

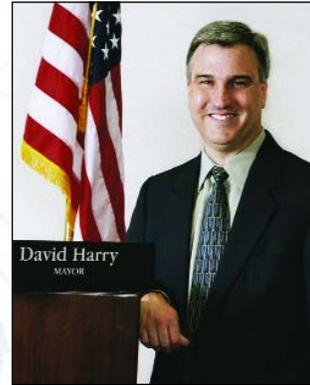
Guidance from community leaders goes a long way in promoting confidence among residents, who then support bond issues and other referendums that further the city's planning efforts.

"Working closely together to maximize every resource we have is essential to make

our city successful," Harry says. "The strength of that community bond is our greatest asset."

"Keeping up with our growth is certainly a challenge.

But thanks to strong management, good planning and positive leadership, Mansfield is successfully meeting these challenges and building a quality community."



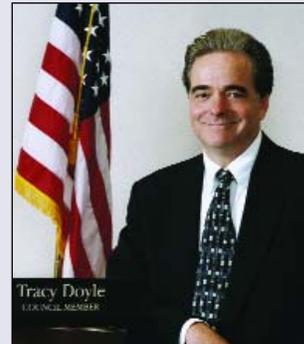
Mayor
David Harry
Elected 1998



Mayor Pro Tem
Mary Ann Johnston
Elected - 1992



City Council Place 3
Dick Littell
Elected - 2003



City Council Place 4
Tracy Doyle
Elected - 2003



City Council Place 5
Linda Herndon
Elected - 1997, 2003



City Council Place 6
Jeff Newberry
Elected - 2002



City Council Place 7
Marvin Kahlden
Elected - 2002



Strong Leadership offering support and the tools to succeed

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Sheet #3

Progressive planning keeps Mansfield in control of its growth

Planning has played a key role in Mansfield's ability to manage its growth and attract quality development. In 2003, city leaders took steps to solidify the city's reputation as an innovative planning leader by redefining ordinances that will impact development in the city for years to come.

"We've had the benefit in Mansfield of learning from the past mistakes, and successes, of communities in the region that already experienced the kind of explosive growth we are currently seeing," says Director of Planning Felix Wong. "We are also fortunate we have a community that



Mansfield residents attend a meeting at City Hall to discuss future development on the city's southeastern section and look at land use maps prepared by consultants.

Planning & Zoning Activity	2001	2002	2003
Number of preliminary residential plats	382	403	696
Number of final residential plats	2,104	1,548	1,191
Total number of lots	2,701	1,966	1,894

Building Permit Activity	Number of Permits	Value
Commercial building permits	26	\$19.2 million
Residential building permits	1,358	\$204.7 million
Commercial remodels	60	\$3.8 million

articulates how well they want their city to grow and what they view as the important elements of a successful city in terms of development."

The decision by the city council and staff, Wong said, has been to take a comprehensive approach to planning. From parks and drainage to roads and zoning, the goal has been to master plan all areas of the city's

development and growth to achieve the kind of community desired by residents.

Mansfield's blueprint for success in planning and development also included a complete review of the city's zoning ordinances, with special attention paid to revising the sign ordinance and developing architectural standards for commercial development. These measures came as city leaders

also solidified its land use plan, key to the future growth of a city where 60 percent of its land remains undeveloped.

The clutter of homebuilder signs along the roadways made way for eye-catching kiosk signage directing potential buyers to the dozens of new residential developments springing up along the city's southeast side. Pole signs made way for monument signs and extensive

landscaping at commercial and retail projects. Construction material requirements improved the overall look of new shopping centers and office developments.

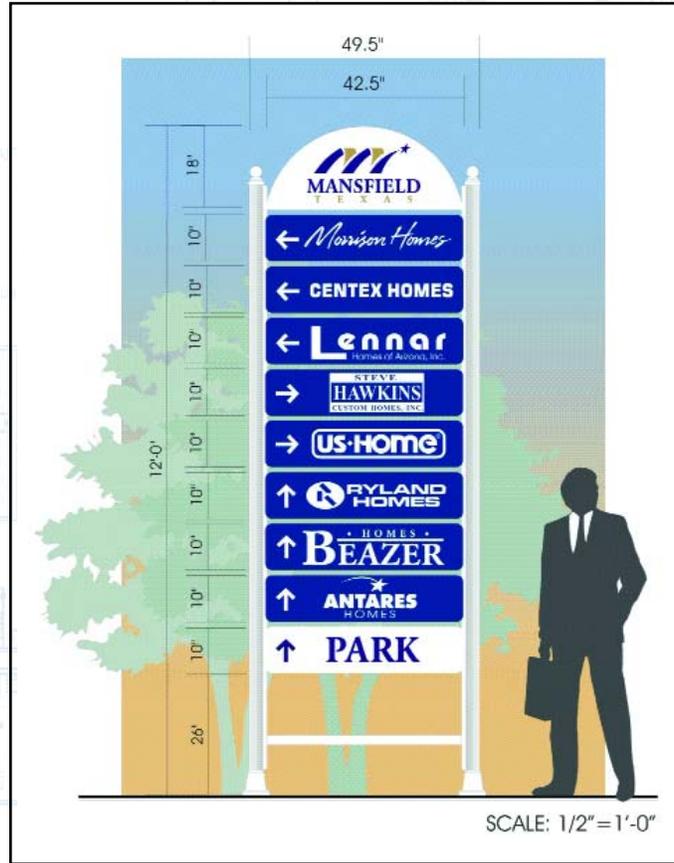
A reorganization of the city's building permits department resulted in a new name and new responsibilities. The newly named Building Services Department added new commercial and residential inspectors with cross training to offer efficient service to the hundreds of builders and developers coming to Mansfield. A renewed emphasis on code compliance assured residents the city would maintain consistent, safe regulations and improve the community's building standards.

"We have a highly experienced group of inspectors and staff on board," said Building Official Richard Wright. "They have a wide range of skills and talent. It's our job to make sure that construction in Mansfield, whether new or reconstruction, is of the highest quality. Families will be living in these homes for years to come. We want them to be the best."

Each step is guiding Mansfield toward even greater success.

"These policies, like many others approved over the last several years, have significantly improved the overall look

of the community, in terms of new development," Wong said. "It is a key element in our plan to create a successful, quality city."



Revisions to the city's sign ordinance have eliminated the clutter of homebuilder directional signs, which will now be replaced by citywide kiosk signs directing homebuyers to new subdivisions, and to city facilities.



Comprehensive planning is key to building a better community

CITY OF MANSFIELD ANNUAL REPORT 2003



PROJECT 3.15.04 Sheet #5



New residential housing has averaged a record 1,179 units annually over the last few years, increasing the city's tax base as well as revenues from building permits.



Cross-trained building inspectors provide the city with expertise to ensure quality development.



Mansfield is considered one of the region's top communities for high-end residential housing. The average home value in Mansfield is more than \$156,000.

Infrastructure improvements keep pace with citizens' needs

Consistent double-digit growth can try the patience of any city leader, as infrastructure improvements and new services stretch dollars and manpower. With the experiences of its neighbors as a lesson learned, Mansfield has strategically planned for infrastructure expansion by watching the growth trends, and staying ahead of the wave of new development.

Where new roads, water and sewer are concerned, "Growth Paying for Growth" becomes an even more important philosophy. Roadway impact fees collected from new development will pay 28 percent of the \$46 million in street improvements planned from 2002 to 2012.

This year, public works improvements included the second phase of the widening and reconstruction of Debbie Lane, a major artery to the city's growing retail corridor, improvements to several neighborhood streets in the older central section of the city, completion of roadways near the new Mansfield High School and preliminary design work on widening and reconstruction of West Broad Street, a busy thoroughfare on Mansfield's west side, where the potential for new development exists.

"With the accelerated growth we're seeing,



Construction at the city's water treatment plant in 2003 added a 1.5 million gallon storage facility and new pumping equipment to serve Mansfield's growing water needs.

strategic planning is vital, and no where is that more important than with our infrastructure," says Director of Public Works Steve Freeman. "Our thoroughfare plan is our guide to future roadways, and working closely with the Planning Department, we make sure that we're keeping pace with the new developments being built. It's the same for water, sewer and drainage needs. With our population expected to more than double during this decade, we have to be on our toes."

It also helps to have a 10-year Strategic Plan, an innovative planning tool developed in 1998



City engineers work closely with street contractors to ensure projects are delivered on time and on budget.



Street crews are commonplace in Mansfield as the city completes work on its thoroughfare plan.



Recently completed drainage studies have pinpointed areas for improved water and sewer infrastructure.

Just the Facts

- ➔ During fiscal year 2003, the City of Mansfield pumped a record 2.1 billion gallons of water, up from 1.9 billion gallons in fiscal year 2002.
- ➔ Of the 2.1 billion gallons of water pumped, the city billed customers for 2 billion, 95 percent of the water treatment plant's production.
- ➔ The water & sewer fund saw a \$1.2 million increase in revenue in fiscal year 2003.
- ➔ Projections have Mansfield residents using more than 2.5 billion gallons of water in 2004.

The Utility Operations Department is already planning for the city's future water needs. In 2003, a \$4 million improvement project was completed at the city's water treatment plant, adding a 1.5 million gallon storage facility for drinking water and a new pump to improve water pressure on the northwest side of the city. The department is already looking ahead to Phase IV improvements to the plant, expected in 2008.

by the city staff that plots the city's population projections over 10 years and the corresponding infrastructure, capital and staffing needs. The plan is updated and revised each year.

"The Strategic Plan allows us to look at the big picture," says Assistant City Manager Chris Burkett. "It's a road map to what Mansfield will look like in 10 years, and what our needs will be as the community grows."

"The money that is made from the water & sewer system goes back into the City of Mansfield to improve and expand the system," says Bud Ervin, director of utility operations. "We've had no fee increase in 11 years. And by having control of the system, our growth isn't restricted by a contract with any other water provider."

The final phase of construction on widening Debbie Lane, a major roadway to the city's growing retail developments, got underway in 2003, with completion set for mid-2004.



City leaders use 10-Year Strategic Plan as map to the future

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Sheet #7

Targeted community services, public safety improve quality of life

A city is much more than its streets, its sewer system or its traffic signals. Residents expect not only the basics in city services, but also the intangible elements of community.

"We believe people want to live and raise families in a place where quality of life is a priority," says Assistant City Manager Cathy Anderson.

In 2003, the city continued to expand an already broad array of community services that have drawn people together to enjoy life in Mansfield. From an expanding park



Residents have embraced the city's new library where usage and program attendance significantly increased since its opening in 2001.

system to a number of new library programs, these services enhance the lives of residents, and appeal to a growing number of families looking for a special place to call home.

"A library is a wonderful place to take the pulse of the community," says Steve Standefer, city librarian. "Residents of all ages come through the doors of the library. It's an important place in the community, and we continue to work to make this a place they can

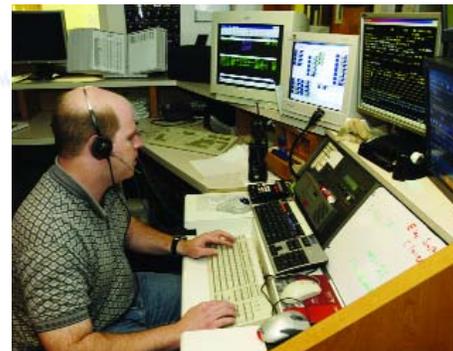
Mansfield Public Library			
	2001		2003
Total library card holders	8,114		16,282
Patron visits	79,283		139,873
Materials circulated	99,816		179,996
Computer users	8,432		9,880
Program attendance	2,183		9,880

Mansfield Activities Center			
	2001	2002	2003
MAC cards	1,882	2,875	2,581
Rentals	72	413	480
Program Participants	720	2,518	2,508
Total MAC visits	9,291	36,553	33,241

be proud of. We add new programs, new materials and new events each year. This is a facility that is always moving forward."

For the library, moving forward in 2003 meant developing new programs for teens and expanding story times for younger children, where attendance is up 352 percent. Planning also began for an expansion to the two-year-old facility, set to begin in 2007.

The same could be said for the city's Parks & Recreation Department, where the initial phases



Communication upgrades have improved the city's police and fire dispatch capabilities.

of a 10-year master plan are underway. The Mansfield Park Facilities Development Corporation, which collects a half-cent sales tax to fund new parks and facilities, developed a business plan to fund the purchase of new

Mansfield is one of the few communities where all its firefighters are cross-trained as paramedics to provide emergency medical services.



parkland, especially in neighborhoods. Work began on Phase I of a 10-mile linear park along Walnut Creek, a project long awaited by residents that will, in all likelihood, draw people from across the region.

"Each week residents gravitate to our parks for pickup basketball games, walking, playing on swings and for organized athletic events," says Shelly Lanners, director of parks and recreation. "During the summer, and on holidays, local school-age children fill our recreation center to take classes, go on field trips and play games. In the same building, our seniors enjoy lunch each day and a number of different activities. Every generation in our community, from toddlers to their grandparents, come together under one roof to enjoy life."

Beyond community services, Mansfield's success can also be traced to its proactive approach to public safety. Highly skilled police officers and firefighters operate in an environment where every effort is made to provide state-of-the-art training and equipment.

In 2003, public safety officers saw full implementation of communication upgrades, the

addition of new multifunction fire apparatus and additional police and fire personnel. Construction of public safety facilities also took center stage in 2003 with several projects:

- Preliminary design began on the city's third fire station, scheduled to open in 2005. City leaders approved a plan to construct the city's first Public Safety Building across from the new City Hall to house police and fire administration, police investigators, the city's legal department and municipal court.
- Preliminary design work began on an expansion of the city's animal control facilities scheduled to open in 2005.

"Public safety remains a priority for residents, and therefore a priority for city leaders," says Fire Chief Alex Rodriguez. "We explore all new technology and training methods to stay ahead, knowing the impact public safety has on quality of life. When our people take to the streets, Mansfield residents are in good hands."



Citizens of all ages attend the city's annual Hometown Festival, held each September in Rose Park.



The city has more than 500 acres of parkland that includes playgrounds, pavilions, athletic fields and a golf course.



Senior citizens enjoy special activities at the recreation center.



High quality of life, community spirit draws families to Mansfield

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Sheet #9

Business recruitment focuses on a diversified economy, new jobs

Retailers and commercial developers continue to discover Mansfield, providing the community with an increased tax base and additional jobs for its growing population. Economic development is a key aspect of the city's growth plan, and through its efforts has found business partnerships can play a large role in coming out on top.

"Mansfield has all the elements in place to grow a successful business," says Roger Feagley, director of Mansfield Economic Development Corporation. The Mansfield Economic Development Corporation, funded by a half-cent sales tax approved by voters in 1996, enhances the city's economic development efforts.

"We have the rooftops, the average per capita income level is high and we have an abundance of land available to develop retail, office campuses and light industrial. All the elements are in place for us to see a tremendous growth in commercial and industrial development," Feagley said.

In 2003, several major retail centers opened their doors to enthusiastic residents, ready to spend their money in Mansfield rather than in neighboring communities. New restaurants and service businesses such as doctors' offices, animal clinics, dry cleaners, travel agencies and financial institutions have followed.



Mansfield Mayor David Harry joined other residents in welcoming Target to the community at its 2003 grand opening. The Super Target is one of several new retailers flocking to the growing community.

"Mansfield residents, for the first time, are able to participate in their city's economy," says Mayor David Harry. "For years, we watched as our sales tax dollars left the city limits, allowing other communities to grow using money from Mansfield. Now, we can invest in our own community."

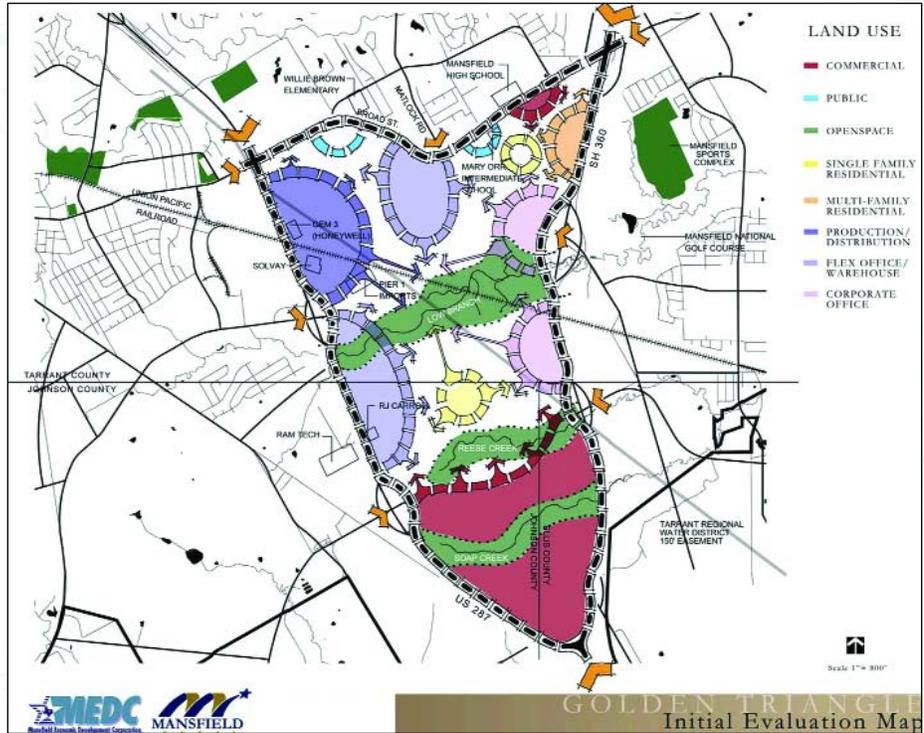
Investing in the city's economy includes the half-cent sales tax collected for the MEDC. Infrastructure improvements funded by the MEDC in areas zoned for light industrial and office have encouraged investment by private industry. For example, \$975,000 for roads and utilities to a 100-acre business park helped generate 12 new industrial and commercial businesses that will employ about 260 people and increase the tax base by \$14.2 million.

"For that \$975,000 investment, the city of Mansfield is getting much more in return,"

Feagley says. "We are prudent about these kinds of decisions, and look for opportunities to benefit the city and businesses."

City leaders and MEDC board members also worked during 2003 to secure the Triple Free Port exemption for businesses in Mansfield, adding the Mansfield Independent School District to the list of taxing entities that allowed the free port exemption.

The designation allows a tax exemption on goods brought into the state that leave within 175 days. Mansfield now becomes a significant player in the race to land large warehouse and distribution facilities.



Consultants hired by the city have evaluated land use options for the Golden Triangle area, a 2,000-acre section of the city's southeast side that is mostly raw land. Among the proposed uses: light industrial, multifamily and a regional mall.

"Economic development in Mansfield is a strong partnership," Feagley notes. "The school district joined the city in its vision and commitment to expanding the city's tax base and bringing jobs to our community. In the end, we will all benefit from the effort."



The growth of retail has been a boost to the Mansfield economy, allowing residents to spend their dollars locally rather than in neighboring communities.



Vintage cars celebrated the opening of the Highway 360 segment joining Highway 287. Highway 360 gives Mansfield a direct connect from its industrial developments to DFW Airport.



The city is home to several major companies including Interstate Trailers, a manufacturer of trailers and accessory equipment.



Economic development successes mean more retail, industry for Mansfield

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Employees face daily challenge of providing city services

Each day, more than 400 individuals come to the City of Mansfield with one goal in mind: providing the best service possible to the



City workers enjoy the opportunity to meet residents up close and personal, such as at the annual Public Safety Day celebration.

residents and businesses who call Mansfield home. Working as a team, these talented and skilled workers care about making the community the best it can be.

“Every job assignment, every position, is based on a need of a citizen, the importance of which cannot be overstated,” says City Manager Clayton Chandler. “It is how we respond to that need that ultimately defines our organization.”

From continuing education and training to

responding directly to citizens asking for assistance, the employee service

organization looks beyond the job to the role they play

each day in keeping the city operating efficiently and effectively. Although the number of employees has more than doubled in the last 10 years, many members of the team have been with the city for most of their careers.

“These are professionals who are considered among the best in their area of expertise,” Chandler said. “Their experience is significant and the esteem in which they are held by their peers is high. The citizens of Mansfield have the cream of the crop taking care of the city’s business.”



Staff from the planning, engineering and fire departments work together to review plans for an upcoming development.



Continued education and training is encouraged and made available to all employees in city departments.



Mansfield employees are highly skilled workers whose talent keeps the city running smoothly.



Customer service is a critical aspect of the employee organization’s goals and objectives.



The city now employs more than 400 people in various shifts to provide 24 hour a day, seven day a week service to residents.



**City Manager
Clayton Chandler**

*More than 30 years
in city government,
20 years in Mansfield*



**Assistant City Manager
Chris Burkett**

*More than 20 years
in city government,
20 years in Mansfield*



**Assistant City Manager
Cathy Anderson**

*More than 20 years
in city government,
10 years in Mansfield*



**Fire Chief
Alex Rodriguez**

*More than 20 years in
fire service, four years
in Mansfield*



**Police Chief
Steve Noonkester**

*More than 35 years
in law enforcement,
15 years in Mansfield*



**Finance Director
Peter Phillis**

*More than 12 years in
finance, six years
in Mansfield*



Skilled, talented team brings years of experience to city operations

A key to the city's success has been the high performance of its management team, which includes a diverse group of departmental leaders that bring thousands of hours of expertise in a variety of fields to City Hall each day.



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Sheet #13

BLUEPRINT For Success

A Tradition of success



1987

**First National Merit Award
Water Treatment Plant Design**
American Cities & Counties Magazine
(All U.S. cities)

1992

Entrepreneur of the Year
Ernst & Young and Inc. Magazine
(first and only city in U.S. to receive award)

1998

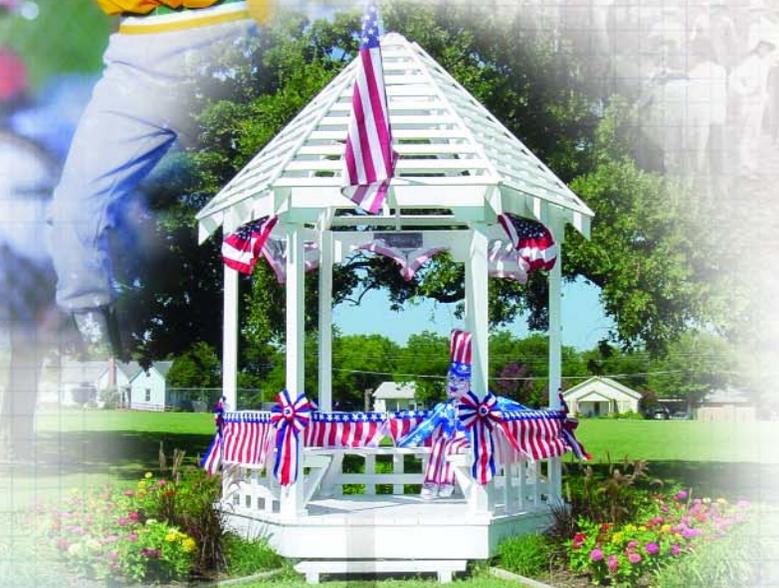
**Gold Medal Award
Best Parks System in Texas**
(cities 50,000 population or less)
Texas Recreation and Parks Society

2002

Best Economic Development Program in Texas
(cities population between 15,000 and 40,000)
Texas Economic Development Council

2002

Best Animal Shelter in Texas
(cities under 50,000 population)
Texas Animal Control Association



2003

Texas Community Forestry Award

Government Project Award-Mansfield Government Complex
Texas Forest Service

2003

Award of Excellence

External City Newsletter

(U.S. cities under 40,000 population)

City-County Communication & Marketing Association

2003

Silver Circle Award

2003 Annual Report

(U.S. cities under 40,000 population)

City-County Communications & Marketing Association

2003

Cathy Anderson

Linda Keithley Award

Excellence Among Women in Public Management

North Central Texas Council of Governments

2003

First Place National Award

Mansfield National Golf Course

Top Golf Course

Evergreen Alliance Golf

Limited - EAGL



Overview of the City of Mansfield Financial Condition

The City of Mansfield's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private sector business. This brief overview concentrates on the government-wide financial statements. A more comprehensive analysis and narrative about the fund financial statements and the notes to the financial statements are included in the city's Comprehensive Annual Financial Report.

Both of the government-wide financial statements distinguish functions of the city that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover their costs through user fees and charges (business-type activities).

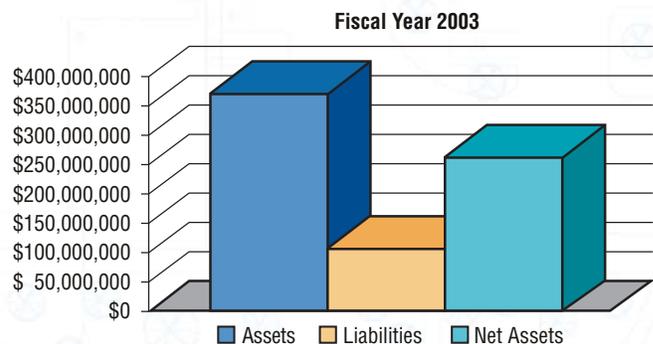
- *The governmental activities of the city include general government, public safety, public works and cultural and recreational activities.*
- *The business-type services of the city include water and sewer, the law enforcement center and drainage services.*

The government-wide financial statements include not only the city itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation (MEDC) for which the city is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Industrial Development Corporation, the Mansfield Property Finance Authority and the Mansfield Park Facilities Development Corporation (MPFDC), although legally separate, function for all practical purposes as departments of the City of Mansfield, and have been included as an integral part of the primary government.

City of Mansfield Financial Highlights

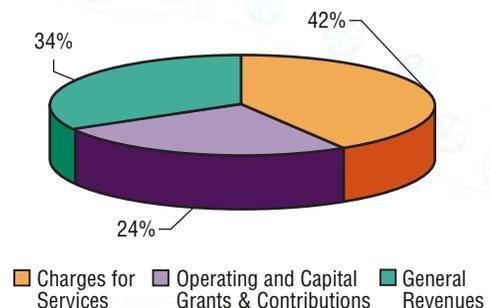
Statement of Net Assets

The statement of net assets presents information on all of the City of Mansfield's assets and liabilities, with the difference



between the two as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city is improving or

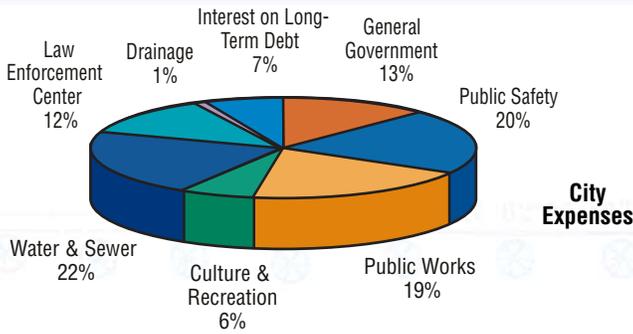
City Revenue by Source



deteriorating. For fiscal year 2003, the assets of the City of Mansfield exceeded its liabilities by \$262,269,198 (net assets). This increased by \$21,367,442 from the fiscal year 2002 net asset position.

Statement of Activities

The Statement of Activities reflects the total revenues generated and entire costs of operating the services of the city. The Statement of Activities for the fiscal year ending September 30, 2003 reports total revenues of \$66,243,978 and total operating expenses of \$44,876,536. City revenues



consist of program revenues and general revenues. Program revenues are charges for services, as well as operating and capital contributions and grants for a specific operating activity (i.e. water and sewer, public works). General revenues are property taxes, other taxes (i.e. sales tax and franchise tax), investment earnings, and the gain on the sale of capital assets. Operating expenses include the day-to-day expense of operating the city government of Mansfield.

Governmental and Business-type activities

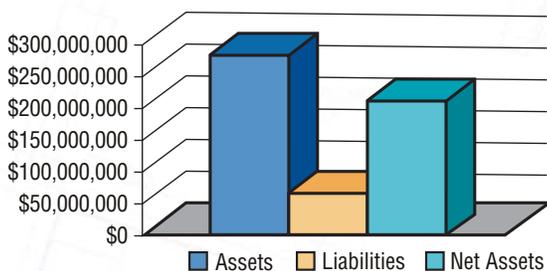
Governmental Activities

The general fund is the chief operating fund of the governmental activities of the city. Most of the operating revenue & expenses in the governmental activities occur within the general fund.

Statement of Net Assets

Individually within the City of Mansfield Financial Statements, governmental activities and business-type activities are reported separately and independently. The two activities in substance are separated because of the nature of their operating activities and the funding of their activities.

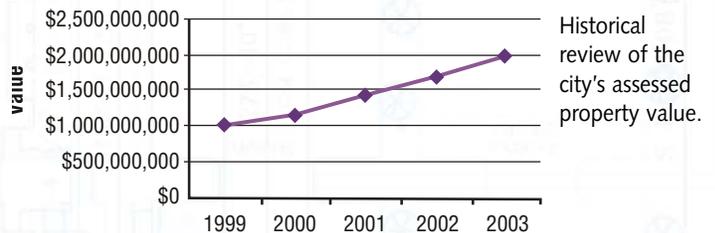
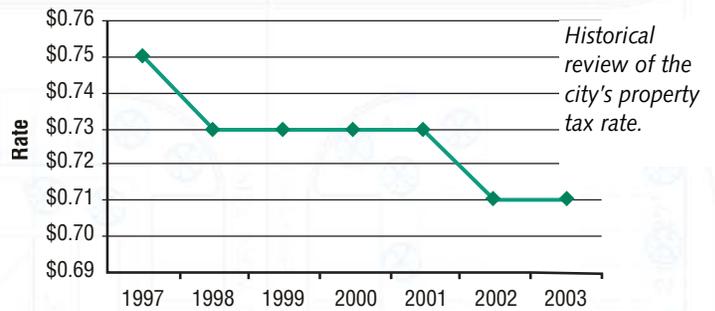
Statement of Net Assets-governmental activities



Statement of Activities

General Fund Operating Revenues

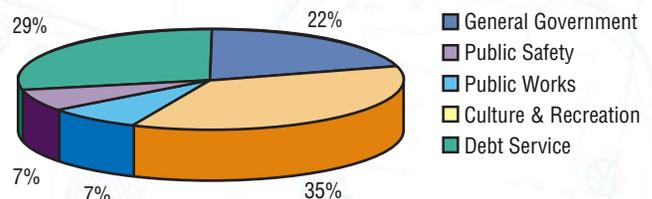
The city's general fund revenues increased when compared to the prior year by 11 percent or \$1.82 million. The main reason for this increase was the value of new construction and real property within Mansfield. The overall assessed value of the property in the city increased by \$311 million or



18 percent as compared to the prior year. Additionally, sales tax revenue increase by 10 percent or \$302,126 compared to the prior fiscal year. Per Capita sales tax has increased approximately \$30 over the past several years. This is the approximate equivalent of 25 percent of the annual average tax rate over the past several years. The increase in sales tax is attributed to the addition of new retail businesses within the city.

General Fund Operating Expenses

Historically over the past seven years personnel costs have averaged approximately 70 percent of the general funds

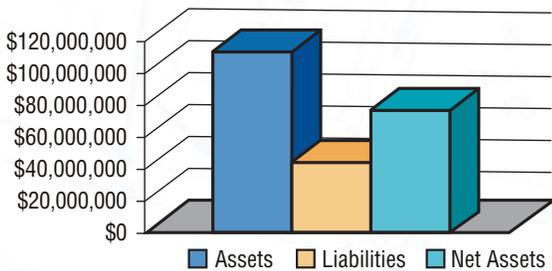


operating budget while the remaining 30 percent have been expensed for other operating costs (i.e. utilities). Per Capita, on average over the past seven years, for every 1,000 citizens, the city has employed approximately 00.6 full time employees.

Business-type activities

The city has three primary business-type activities: water & sewer fund, law enforcement center and a drainage fund. Overall revenues of the city's business-type activities were

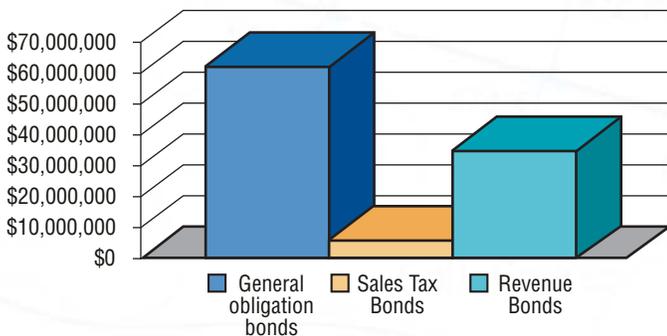
Statement of Net Assets-business-type activities



\$25.7 million for the fiscal year ending September 30, 2003. Expenses for the city's business-type activities were \$15.2 million for the year, resulting in net revenues of \$10.5 million.

Government-wide Debt Administration

At the end of the current fiscal year, the city had total bonded debt outstanding of \$102,120,000. Of this amount, \$62,490,000 comprises debt backed by the full faith and credit of the city and \$3,810,000 is revenue debt supported by a sales or transit tax. The remainder of the city's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).



The City of Mansfield's total debt increased by \$10.3 million or 11.16 percent during the current fiscal year. The key factor in this increase was the \$5.05 million general obligation bond issuance for the city's Capital Improvement Plan for streets, \$7.3 million for continued expansion and improvement of the water treatment facility and water and sewer mains. Also, the city issued \$3.5 million in certificates of obligation to finance the construction and building of a public safety administration building.

Subsequent to the end of the fiscal year the city received bond-rating upgrades in the general fund and water & sewer funds.

The City of Mansfield maintains bond ratings from three investment houses:

Underlying Ratings

Company	Insured Ratings	General Fund Bonds	Water & Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aaa"	"A1"	"A2"	"A3"	"A3"
Standard & Poor's	"AAA"	"A+"	"A-"	"A-"	"A-"
Fitch	"AAA"	"AA-"	"AA-"	"A"	"A-"

Requests for Information

As management of the City of Mansfield, Texas we offer readers of the city's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2003. This information is not intended to be a complete statement of the city's financial condition. We recommend and encourage readers to consider this information as excerpts from the City of Mansfield, Texas Comprehensive Annual Financial Report. A copy of the Comprehensive Annual Financial Report may be obtained at 1200 E. Broad Street, Mansfield, Texas 76063.



**City of Mansfield
Statement of Net Assets
September 30, 2003**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash, cash equivalents, and investments (includes \$6,068,443 of restricted cash, cash equivalents, and investments)	\$ 24,522,860	\$ 9,777,932	\$ 34,300,792	\$ 2,585,340
Receivables (net of allowance for uncollectibles)	1,557,701	1,383,868	2,941,569	140,679
Lease receivable	270,000	-	270,000	-
Inventories	-	144,839	144,839	-
Prepays	2,924	-	2,924	1,095
Deferred issuance costs	438,500	249,990	688,490	-
Restricted assets:				
Cash, cash equivalents, and investments	-	10,795,026	10,795,026	-
Capital assets (net of accumulated depreciation):				
Land	75,776,790	372,719	76,149,509	-
Buildings and systems	11,927,826	78,724,053	90,651,879	-
Improvements other than buildings	3,679,358	1,810,787	5,490,145	149,819
Machinery and equipment	4,235,846	496,548	4,732,394	14,634
Infrastructure	130,959,933	-	130,959,933	-
Construction in progress	7,077,122	7,055,502	14,132,624	-
Total assets	<u>260,448,860</u>	<u>110,811,264</u>	<u>371,260,124</u>	<u>2,891,567</u>
LIABILITIES				
Accounts payable and other current liabilities	2,727,632	1,279,309	4,006,941	44,635
Liabilities payable from restricted assets	-	2,392,584	2,392,584	-
Noncurrent liabilities:				
Due within one year	4,127,359	2,575,902	6,703,261	2,948
Due in more than one year	63,152,410	32,735,730	95,888,140	-
Total liabilities	<u>70,007,401</u>	<u>38,983,525</u>	<u>108,990,926</u>	<u>47,583</u>
NET ASSETS				
Invested in capital assets, net of related debt	183,586,031	67,012,643	250,598,674	164,453
Restricted for:				
Debt Service	446,213	3,273,179	3,719,392	-
Unrestricted	6,409,215	1,541,917	7,951,132	2,679,531
Total net assets	<u>\$ 190,441,459</u>	<u>\$ 71,827,739</u>	<u>\$ 262,269,198</u>	<u>\$ 2,843,984</u>

The notes to the financial statements are an integral part of this statement.

BLUEPRINT For Success

**City of Mansfield
Statement of Activities
For the Year Ended September 30, 2003**

Functions/Programs Primary government:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
Governmental activities:							
General government	\$ 5,721,458	\$ 3,921,725	\$ 20,856	\$ -	\$ (1,778,877)	\$ -	\$ (1,778,877)
Public safety	9,123,156	1,238,036	160,679	-	(7,724,441)	-	(7,724,441)
Public Works	8,724,731	1,760,625	5,616	12,513,724	5,555,234	-	5,555,234
Culture and recreation	2,885,871	282,540	102,771	-	(2,500,560)	-	(2,500,560)
Interest on long-term debt	3,239,443	-	-	-	(3,239,443)	-	(3,239,443)
Total governmental activities	29,694,659	7,202,926	289,922	12,513,724	(9,688,087)	-	(9,688,087)
Business-type activities:							
Water	7,532,012	11,990,933	-	3,388,965	-	7,847,886	7,847,886
Sewer	1,874,261	3,233,480	-	-	-	1,359,219	1,359,219
Law enforcement center	5,515,171	4,854,895	-	-	-	(660,276)	(660,276)
Drainage	260,433	317,890	-	-	-	57,457	57,457
Total business-type activities	15,181,877	20,397,198	-	3,388,965	-	8,604,286	8,604,286
Total primary government	\$ 44,876,536	\$ 27,600,124	\$ 289,922	\$ 15,902,689	\$ (9,688,087)	\$ 8,604,286	\$ (1,083,801)
Component units:							
MEDC	1,471,740	19,341	-	-	-	-	-
Total component units	\$ 1,471,740	\$ 19,341	\$ -	\$ -	\$ -	\$ -	\$ (1,452,399)
General revenues:							
Property taxes					14,148,935	514,035	14,662,970
Sales taxes					5,154,587	-	5,154,587
Franchise taxes					1,863,912	-	1,863,912
Mixed drink taxes					22,530	-	22,530
Hotel/Motel taxes					57,096	-	57,096
Unrestricted investment earnings					330,130	273,187	603,317
Gain on sale of capital assets					86,831	-	86,831
Transfers					(1,111,907)	1,111,907	-
Total general revenues and transfers					20,552,114	1,895,129	22,451,243
Change in net assets					10,864,027	10,503,415	21,367,442
Net assets - beginning					179,577,432	61,324,324	240,901,756
Net assets - ending					\$ 190,441,459	\$ 71,827,739	\$ 262,269,198

The notes to the financial statements are an integral part of this statement.

INSIDE BACK COVER

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